



PUBLIC INVESTMENT  
CORPORATION®

Est. 1911



2025



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\* This Integrated Annual Report consists of two books:  
The 2025 Integrated Annual Report and the 2025 Annual Financial Statements.

# CONFIRMATION OF ACCURACY AND FAIR PRESENTATION

## Annual Financial Statements for the year ending 31 March 2025

We hereby acknowledge that the Annual Financial Statements (AFS) of the Public Investment Corporation SOC Limited (the Company) have been submitted to the Auditor-General of South Africa (AGSA) for auditing in terms of section 55(1)(c) of the Public Finance Management Act (PFMA). We acknowledge our responsibility for the accuracy of the accounting records and the fair presentation of the financial statements and confirm, to the best of our knowledge, the following:

### Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

### Performance information

The performance information fairly reflects the operations and actual output against planned targets for performance indicators as per the Corporate Plan of the Company for the year ended 31 March 2025. The performance information has been reported on in accordance with the requirements of the guidelines on annual reports as issued by National Treasury. A system of internal controls has been designed to provide reasonable assurance as to the integrity and reliability of performance information.

### In respect of material issue

The Annual Financial Statements are complete, accurate and free from material omissions.



**Mr Patrick Dlamini**  
*Chief Executive Officer*



**Ms Batandwa Damoyi**  
*Chief Financial Officer*

# ACCOUNTING AUTHORITY'S STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Accounting Authority is responsible for the preparation of the Public Investment Corporation SOC Limited's (the Company) Annual Financial Statements and for the judgments made in preparing these Financial Statements. The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements. In my opinion, the Annual Financial Statements fairly reflect the operations of the Company for the financial year ended 31 March 2025. The external auditors are engaged to express an independent opinion on the Annual Financial Statements of the Company. The Company's Annual Financial Statements for the year ended 31 March 2025 have been audited by the external auditors and their report is presented on pages 13 to 21. The Annual Financial Statements of the Company, set out on pages 22 to 86, have been approved by the Board of Directors on 25 August 2025.



**Dr David Masondo**  
*Board Chairperson*

# REPORT OF THE AUDIT COMMITTEE

Report of the Audit Committee ("the Committee") in terms of Regulations 27(1)(10)(b) and (c) of the Public Finance Management Act of 1999 (as amended) and the requirements of King IV™ Code of Governance.

## Background

The Committee is responsible for overseeing the integrity of the Company's financial reporting, the effectiveness of internal controls, risk management systems and the independence and performance of both the internal auditors and external auditors. The Committee acts under a formal Terms of Reference that are approved by the Board.

## Responsibilities and activities

The Committee's role and responsibilities include its statutory duties according to the PFMA of 1999 (as amended), the requirements of the King IV™ Code of Governance, the Companies Act, 71 of 2008 (as amended) and the responsibilities assigned to it by the Board.

As a Committee, we report that we adopted the appropriate formal Terms of Reference as approved by the Board and are satisfied that we have discharged our responsibilities according to the Companies Act, King IV™ and the PFMA.

The Committee carried out its functions through attendance of Committee meetings and discussions with executive management, Internal Audit, external auditors and external advisors where appropriate. We meet at least four times per annum, with the authority to convene additional meetings as circumstances require.

During the year under review, the Committee met its statutory and delegated responsibilities by assessing:

- ▶ Financial Oversight: Reviewed accounting policies, financial statements, quarterly results, and disclosure practices for compliance with IFRS and PFMA.
- ▶ Internal Controls: Monitored and evaluated internal controls through regular reports from management, risk and compliance functions, and internal audit.

- ▶ Audit Engagement: Approved the external auditors' audit plan, fees, and terms of engagement; assessed their independence, capabilities, and reliance on internal audit.
- ▶ Risk and Assurance: Oversaw the combined assurance framework, ensuring appropriate coverage of material risks. Independent assurance was obtained to benchmark the framework against best practice.

## Internal Controls and Risk Management

We monitored the effectiveness of the Company's internal controls and compliance with the Enterprise-wide Risk Management Framework (ERMF). The emphasis on risk governance is based on three lines of defense and the Committee uses the regular reports received from the three lines of defense, i.e. Management, the Risk and Compliance and Internal Audit Department to evaluate the effectiveness of internal controls. The ERMF places weight on accountability, responsibility, independence, reporting, communication and transparency, internally and with all the Company's key external stakeholders.

The Committee concludes that the Company's internal controls are broadly adequate and effective for reliable financial reporting for and safeguarding assets.

However, areas requiring urgent improvement were identified:

- ▶ Risk Governance: Strengthen alignment between Risk and the Committees to close gaps in risk oversight.
- ▶ Human Capital Controls: Address recurring control lapses in HR processes. These are referenced in note 37 of the AFS in fruitless and wasteful expenditure and note 40 on irregular expenditure.
- ▶ Investment Processes: Enhance mandate monitoring and compliance to mitigate potential client and reputational risks. These are referenced in the directors' report and the Group Investment Committee is tasked with providing oversight of the implementation of recommended improvements.

Management has developed and is implementing remedial action plans with timelines and accountability. Progress will be monitored quarterly by the Committee.

To formulate its opinion, the Committee:

- › Monitored the identification and correction of weaknesses and breakdowns of systems and internal controls;
- › Monitored the adequacy and reliability of management information and the efficiency of management information systems;
- › Reviewed quarterly and annual financial results and reports for proper and complete disclosure of timely, reliable and consistent information;
- › Evaluated, on an ongoing basis, the appropriateness, adequacy and efficiency of accounting policies and procedures and compliance with the IFRS;
- › Discussed and resolved any significant or unusual accounting issues;
- › Reviewed and monitored all key financial performance indicators to ensure that they are appropriate and that decision-making capabilities are maintained at high levels; and
- › Reported to the Board on the effectiveness of the Company's internal financial reporting controls.
- › Considered the external audit report.

## External auditors

As a Committee, we recognise the importance of maintaining the independence of the Company's external auditors, both in fact and appearance. Each year, the Committee evaluates the qualifications, performance and independence of the Company's external auditors. In doing so, the Committee considers the quality and efficiency of the services provided by the auditors, the auditors' capabilities, technical expertise and knowledge of the Company's operations and industry.

The Committee agreed to the engagement letter, terms, audit plan and audit fees for the financial year ended 31 March 2025.

The Committee:

- › Approved the external auditors' annual plan and related scope of work;
- › Monitored the effectiveness of the external auditors in terms of their skills, independence, execution of the audit plan, reporting and overall performance; and
- › Considered whether the extent of reliance placed on internal audit by the external auditors was appropriate and whether there were any significant gaps between the internal and external audits.

## Expertise and Experience of Finance Function

Evaluated the finance function's expertise and noted the need to strengthen its resourcing. A capacity-building plan by CFO has been adopted, focusing on recruitment, training, and systems enhancements.

## Duties assigned by the Board

### Integrated and Sustainability Reporting

The Committee fulfils an oversight role regarding the Company's Integrated Report and the reporting process and considers the level of assurance coverage obtained from management and internal and external assurance providers in making its recommendation to the Board.

We considered the Company's information as disclosed in the Integrated Report and assessed its consistency with operational and other information known to the Committee members and for consistency with the Annual Financial Statements. We discussed the information with management and considered the conclusions of the external assurance provider.

The Committee is satisfied that the sustainability information is reliable and consistent with the financial results.

## Combined Assurance

The Committee is responsible for monitoring the combined assurance model detailing significant processes, line management monitoring, Internal Audit and external audit. This model is used to assess the appropriateness of assurance over risks controls provided to the Board.

Engagement regarding the extent to which the various assurance providers rely on each other's work take place continuously and we are of the view that adequate coordination occurred between the external auditors and Internal Audit.

The PIC has recently adopted and implemented a combined assurance framework. To enhance its effectiveness, an independent assurance provider has been appointed to assess the framework, provide assurance on its application and recommend improvements aligned with best practice.

## Going Concern

The Committee concurs that the adoption of the going concern assumption in the preparation of the Annual Financial Statements is appropriate and sound. This is after the Committee reviewed a documented assessment by management of the going concern premise of the Company.

## Laws and Regulations

The Committee monitored legal and compliance matters. Client complaints were logged and escalated to the FSCA; corrective steps are underway. The Committee emphasises strengthening client-facing processes to avoid recurrence.

## IT and Cybersecurity

Recognising the materiality of IT to an asset manager, the Committee has relied on Information Communication and Technology Governance Committee (ICTGC) on monitoring and reporting on IT governance, cybersecurity, and data protection. The enhanced reporting on these matters will be included in the internal audit plan for 2026 to ensure alignment.

The committee will work in conjunction with ICTGC in relation to the statements from the Financial Regulators that emphasise a risk-based approach to cloud computing, as this responsibility rests with the Directors and Senior Managers. The Information Communication Technology report is detailed on page 193 of the Integrated Annual Report.

## Internal Audit

Internal Audit forms part of the third line of defense as set out in the ERMF and engages with the first and second lines of defense to facilitate the escalation of key control breakdowns.

The Internal Audit Department has a functional reporting line to the Committee Chairperson, an operational reporting line to the CEO and full access to other Committee members.

The Committee, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from Internal Audit on a quarterly basis, assesses the effectiveness of Internal Audit Function and reviews and approves the internal audit plan. The Committee is responsible for ensuring that the Company's Internal Audit Function is independent and has the necessary resources, standing and authority within the Company to discharge its duties. We approved the Internal Audit Function's annual audit plan and as a Committee, monitored and challenged, where appropriate, action taken by management with regard to adverse internal audit findings.

The Committee has overseen a process by which Internal Audit performed audits according to a risk-based audit plan, which, amongst others, considers the three-year rolling plan, where the effectiveness of the governance, risk management and internal controls were evaluated. These evaluations were the main input considered by the Board in reporting on the effectiveness of internal controls. The Committee is satisfied with the independence and effectiveness of the Internal Audit function.

## Conclusion

Based on reviews, discussions with management, internal audit, and the external auditors, the Committee concludes that:

- ▶ The Annual Financial Statements are prepared in accordance with IFRS and the PFMA and fairly present the Company's financial position;
- ▶ The external auditors were independent and effective; and
- ▶ Internal audit demonstrated independence and effectiveness in discharging its duties.

The Committee therefore recommends the Annual Financial Statements for the year ended 31 March 2025 to the Board for approval.



**Ms Ntombifuthi Mtoba**  
*Chairperson of the Audit Committee*

# DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors are responsible for the preparation, integrity and objectivity of the Annual Financial Statements that fairly present the state of affairs of the Public Investment Corporation SOC Limited (the Company).

In preparing the Annual Financial Statements, the following has been adhered to:

- ▶ The Public Finance Management Act, No. 1 of 1999 (PFMA);
- ▶ International Financial Reporting Standards (IFRS); and
- ▶ Companies Act of South Africa, No. 71 of 2008.

To enable the directors to meet their financial reporting responsibilities:

- ▶ Management designed and implemented standards and systems of internal control to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements and to safeguard, verify and maintain the accountability of the Company's assets;
- ▶ Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, are applied on a consistent and going concern basis;
- ▶ The Audit Committee and the internal auditors, review the financial and internal control systems, accounting policies, reporting and disclosure; and
- ▶ Internal audit performed a review on the adequacy and effectiveness of the internal controls and systems implemented by management in the financial reporting processes. The assessment included governance, risk management and control environment in the three process descriptions (other financial accounts, financial assets and liabilities). Segregation of duties, management reviews, delegations of authority and appropriate approval committees processes were also assessed. The review did not include the assessment of the financial statements assertions (accuracy, occurrence, completeness, cut-off, rights and obligations, disclosure, etc.) per the individual accounts in the trial balance. This was performed by the external auditors.

Based on the information received from management and internal and external auditors, nothing has come to the attention of the directors to indicate a material breakdown in the systems of internal control during the year under review.

The directors have a reasonable expectation that the Company has adequate resources to operate in the foreseeable future and have adopted the going-concern basis in preparing the Annual Financial Statements.

The Annual Financial Statements that appear on pages 22 to 86 were approved by the Board of Directors on 25 August 2025 and are signed on its behalf by:



**Mr Patrick Dlamini**  
*Chief Executive Officer*



**Dr David Masondo**  
*Board Chairperson*



**Ms Ntombifuthi Mtoba**  
*Chairperson of the Audit Committee*

# COMPANY SECRETARY'S CERTIFICATION

In terms of Section 88(2) of the Companies Act of 2008, as amended, I certify that, to the best of my knowledge and belief, the PIC has lodged with the Registrar of Companies for the period ended 31 March 2025, all such returns and notices as are required of a state-owned company in terms of the Companies Act of 2008, as amended, and that all such returns and notices are true, correct and up to date.



**Ms Bongani Maserumule**  
*Company Secretary*

# REPORT FROM THE BOARD OF DIRECTORS

## Introduction

The Board of Directors is pleased to present the Annual Financial Statements of the PIC, a Schedule 3B state-owned entity as defined in the PFMA. Incorporated in South Africa, the PIC is one of the largest asset manager on the continent and plays a pivotal role in mobilising capital for developmental and commercial investment.

This report is presented in accordance with the provisions of the prescribed legislation and addresses the performance of the PIC, as well as relevant statutory information requirements. The Board of Directors is the Accounting Authority as prescribed in the PFMA.

## Nature of business

The PIC provides asset management services primarily to public sector entities, managing a diversified portfolio across listed equities, capital markets, property, private equity, and impact investments. It invests both domestically and across Africa.

As a responsible corporate citizen, PIC pays income tax at corporate rates, and, subject to performance and at the discretion of the Board in line with its Dividend Policy, pays dividends to its Shareholder.

The Annual Financial Statements for the year ended 31 March 2025 were authorised for issue in accordance with a resolution passed by the Board of Directors on 25 August 2025.

There have been no material changes to the nature of the Company's business from the prior financial year.

## Financial Results

Full details of the financial position, profit or loss and other comprehensive income and cash flows of the company are set out in these Annual Financial Statements from pages 22 to 86.

For the year ended 31 March 2025, the PIC delivered resilient results:

- ▶ Revenue increased by 4% to R1.308 billion, supported by 13.3% AuM growth to R3.049 trillion;
- ▶ Net profit rose by 89% to R512 million, driven by investment income and portfolio outperformance;
- ▶ Operating expenses increased by 9%, primarily due to HR, consulting, and IT costs. The Board has mandated stricter cost containment measures for the next financial year;
- ▶ Total assets stood at R4.919 billion, equity at R4.399 billion, and cash and cash equivalents at R560 million; and
- ▶ A dividend of R145 million was proposed.

## Governance and PFMA Compliance

The Board is responsible for the development of the Company's strategic direction, which is captured in the Shareholder's Compact and Corporate Plan, reviewed on an annual basis to cater for changes both in the internal and external environment. Following agreement with the Shareholder Representative, these documents form the basis for detailed action plans and continuous performance evaluation.

Our business units and departments are therefore guided by the Corporate Plan to prepare annual business plans, budgets and capital programmes to meet their strategic objectives.

Day-to-day management responsibility is vested in line management through a clearly defined organisational structure and formal delegated authority.

The Board, as the Accounting Authority under the PFMA, is committed to high standards of corporate governance guided by King IV™. During the year, control failures in HR, procurement, and IT resulted in instances of fruitless, wasteful, and irregular expenditure as stipulated in note 37 and note 40 of the AFS. The Board has directed management to implement corrective measures, including:

- ▶ Enhanced procurement oversight with pre-approval checks;
- ▶ Strengthened HR compliance processes;
- ▶ Utilisation of IT systems in automating investment processes to avoid fruitless and wasteful expenditure; and
- ▶ Accountability measures are being applied, and progress will be tracked through the Audit and Risk Committees and included in the audit plan.

## Performance Management

Performance indicators remain aligned with the Corporate Plan and Shareholder Compact, with emphasis on sustainable returns, developmental impact, and organisational capability.

The PIC sets Corporate targets annually as part of its performance management process and in terms of PFMA requirements. These targets are defined in measurable terms of what the PIC aims to achieve in the short and long-term and are integral to the performance management system.

## Performance Indicators

The PIC performance indicators for the period emphasise execution and support of key development outcomes while ensuring that the Company maintains a focus on its financial sustainability and addresses organisational capabilities and its reputation in the market. The indicators include both key and supporting KPIs, mapping a path to achieve our strategic ambitions.

## Share Capital

There have been no changes to the authorised or issued share capital during the year under review.

## Dividends

On 23 August 2024, the PIC Board of Directors, proposed a dividend of R145 million. The dividend proposed was authorised by the Shareholder at the Annual General Meeting on 02 December 2024.

## Directorate

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

Dr David Masondo (Chairperson) (Non-Executive Director)  
Ms Ntombifuthi Mtoba (Deputy Chairperson) (Non-Executive Director) Mr Abel Sithole (CEO) (Executive Director)  
Ms Batandwa Damoyi (CFO) (Executive Director) (Appointed as a Director on 4 September 2024) Mr Kabelo Rikhotso (CIO) (Executive Director)  
Ms Barbara Watson (Non-Executive Director) Ms Beverley Boucher (Non-Executive Director) Prof Bonke Dumisa (Non-Executive Director) Dr Lufuno Mulaudzi (Non-Executive Director)

Dr Mugwena Maluleke (Non-Executive Director) Ms Tryphosa Ramano (Non-Executive Director) Mr Walter Hlase (Non-Executive Director)

Mr Frans Baleni (Non-Executive Director) (Resigned 30 November 2024)

\* Mr Abel Sithole contract ended 31 July 2025.

\*\*Mr Patrick Dlamini was appointed as the CEO on 01 July 2025. Ms Bongani Maserumule is the company secretary.

The registered office of the Company is

Menlyn Maine Central Square,  
Cnr Aramist Avenue and Corobay Avenue,  
Waterkloof Glen Extension 2,  
Pretoria  
0181

## Related Party Transactions

Details of related party transactions are disclosed in note 32 of the Annual Financial Statements.

## Internal Financial Controls

During the year under review, the Board of Directors, assessed the results of the formal documented review of the Company's system of internal controls and risk management, including the design, implementation and effectiveness of the internal financial controls.

Nothing has come to the attention of the Board of Directors that has caused it to believe that the Company's system of internal financial controls do not form a sound basis for the preparation of reliable financial statements, however, the Board has noted in the auditor's report and audit committee report that there is a requirement to enhance the policies and procedures to avoid the findings that have been identified.

According to Treasury Regulations (paragraph 28), and the PFMA (section 55), the Annual Financial Statements must include a report by the Accounting Authority, that disclose remuneration of all members of the Accounting Authority, who are the Company's Non-executive and Executive directors and senior management and as per the Companies Act, No 71 of 2008, (paragraph 30(5)). The Annual Financial Statements must show the amount of any remuneration or benefits paid or receivable by all members of the Accounting Authority. The details of the disclosure are included in the disclosure of remuneration (refer to notes 22 and 33 of the AFS).

## Corporate Governance

The PIC's directors endorse the King IV™ Report on Corporate Governance and have implemented its principles during the review period.

The Company's business model was designed and developed to focus on financial sustainability as per the PIC's three-year Corporate Plan (2024/25-2026/27). There is monthly monitoring of financial targets, as well as cost containment measures implemented throughout the year. The Corporate Plan sets up short to medium-term key strategic objectives to operationalise and implement the long-term strategy of the PIC.

## Special Resolutions

In the current year, one special resolution was passed regarding Board fees.

## Events After Reporting Period

Daybreak Foods Loan: A loan of R150 million was advanced post-year-end to support business rescue and job preservation. The loan has been impaired in full at inception. While outside normal mandates, the Board approved it in line with developmental imperatives. Lessons learned will inform stricter governance for similar interventions.

A potential client mandate breach, subject to litigation, was identified post-year-end. The FSCA has been notified, and corrective measures, including tighter compliance monitoring and mandate tracking, are being implemented.

The client has initiated legal proceedings in respect of one of the matters, while discussions are ongoing regarding the remaining two. As the circumstances giving rise to these matters occurred after the reporting period, they are considered adjusting events to the disclosure description. At the date of approval of these financial statements, the outcome of the legal claim and the ongoing discussions remains uncertain. The Company is engaging with legal counsel and the client to resolve the matters. Due to the early stage of proceedings and negotiations, it is not possible to reliably estimate the financial impact, if any, at this time. The further disclosure is in notes 36 and 39 of the AFS.

The Minister of Finance, as Shareholder, amended the MOI on 30 April 2025, to allow the Minister to extend the term of office of any director until such time that the appointment of a new director or directors is finalised to ensure continuity on the Board.

## Risk, Litigation, and Labour Matters

The Board notes:

- ▶ Two CCMA reinstatement awards are under review in the Labour Court; and
- ▶ A material irregularity relating to one investment was identified by management and referred by the Audit Committee to internal audit. The report findings of irregularity were then adopted by the board, and potential fraud was reported to law enforcement. The matter was also escalated to external auditors, which resulted in material irregularity finding. Management has adopted action plans, lessons learned and the Board will oversee their execution.

## Sustainability and ESG

The Board affirms the PIC's role as a responsible investor. ESG integration is being deepened across investment processes, with measurable targets to align financial returns with developmental outcomes. Sustainability reporting has been reviewed by the Audit Committee for accuracy and reliability.

## Going Concern

After due consideration, the Board is satisfied that the Company remains a going concern with adequate resources to continue operations in the foreseeable future.

## Judicial Proceedings

Two former PIC Executives lodged an unfair labour practice dispute with the CCMA against the PIC. The CCMA ordered the reinstatement of the two former PIC Executives. In both cases, the PIC has applied for a review of the award with the Labour Court.

## Laws and Regulations

We have complied with all applicable laws and regulations except for complaints received from the client, which have been reported above under the events after reporting period section. The complaints have been registered in the PIC Client Complaints register and are being attended to. The FSCA has been notified of the complaints.

## Auditors

The AGSA is the registered auditor of the Company. Harith Fund Managers (Pty) Ltd, Harith General Partners (Pty) Ltd, Bophelo Insurance Group (BIG) and the SA SME Fund Ltd are the Company's associates. The auditors of Harith Fund Managers (Pty) Ltd and Harith General Partners (Pty) Ltd are BDO South Africa Inc. Bophelo Insurance Group's (BIG) subsidiaries are Nzalo Insurance Service Limited (NIS) and Bophelo Life Insurance Limited (BU). BIG, including its subsidiaries NIS and BU, are currently in the process of liquidation. The Supreme Court of Appeal (SCA) recently dismissed a liquidation appeal, therefore, there is currently no planned audit for the aforementioned subsidiaries. The auditor of SA SME Fund Ltd is Deloitte.

The AGSA was given unrestricted access to all financial records and related data, including minutes of all meetings of the Company. The Board of Directors believe that all representations made to the external auditor during the audit are valid and appropriate.

## Holding Company

The Company is 100% owned by the National Government of the Republic of South Africa. The Shareholder representative is the Minister of Finance. The Company's oversight department is National Treasury.

The Board believes the PIC is financially sustainable, strategically positioned for growth, and committed to strengthening governance and accountability. With corrective measures underway, the Board is confident that the identified risks will be effectively mitigated.

The Annual Financial Statements, which have been prepared on the going concern basis, were approved by the Board of Directors on 25 August 2025, and were signed on its behalf by:

## Approval of Annual Financial Statements



**Dr David Masondo**  
*Board Chairperson*

# INDEPENDENT AUDITOR'S REPORT

## Report of the Auditor-General to Parliament on Public Investment Corporation SOC Limited

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

1. I have audited the financial statements of the Public Investment Corporation SOC Limited (PIC) set out on pages 22 to 86, which comprise the statement of financial position as at 31 March 2025, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as notes to the financial statements, including material accounting policy information.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the PIC as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act of South Africa).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA code), (including International Independence Standards), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter

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

#### Events after the reporting period

7. I draw attention to note 36 to the financial statements. The public entity's accounting authority approved funding of a R150 million loan facility to Daybreak Foods (Pty) Limited, utilising the Public Investment Corporation Operations Fund. The details of the transaction are further described in the disclosure note. The matter was treated as a non-adjusting subsequent event.

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

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the PFMA and the Companies Act of South Africa 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.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 20, forms part of my auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

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

OBJECTIVE	PAGE NUMBERS*	PURPOSE
Financial efficiency	80-87	To improve PIC's financial sustainability and going concern through efficient operations and cost containment.
Customer/stakeholders	80-87	To meet and exceed client benchmark portfolio returns and compliance with client risk parameters. To drive and facilitate transformation through investment activities, both in listed and unlisted investments.

\*2025 Integrated Annual Report

14. I evaluated the reported performance information for the selected objectives 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 this criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery of its mandate and objectives.
15. I performed procedures to test whether:
  - ▶ The indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
  - ▶ All the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included.
  - ▶ The indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable, so that I can confirm the methods and processes to be used for measuring achievements.
  - ▶ The targets can be linked directly to the achievement of the indicators and are specific, time-bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated.
  - ▶ The indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
  - ▶ The reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
  - ▶ There is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance opinion or conclusion.
17. The material findings on the reported performance information for the selected objectives are as follows:

## Customers/Stakeholders

### 3b-Meet Client Benchmark Portfolio Returns (Unlisted Investments, excluding Properties) over a period of 36 months

18. The indicator was not clearly defined during the planning process. The corporate plan does not include the definition and explanation of how the GEPF hurdle return is calculated. It does not indicate the unlisted investment portfolio that will be used for the GEPF hurdle return, as GEPF has more than one unlisted investment portfolio. Consequently, the indicator is not useful for measuring and reporting on progress against planned objectives.

## Various indicators

19. The targets below do not relate directly to their indicators. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievements do not provide useful information on the achievement of the indicators and the irrelevant targets hinder appropriate planning for the achievement of the indicators.

INDICATOR	TARGET
<p><b>3b - Meet Client Benchmark Portfolio Returns (Unlisted Investments, excluding Properties) over a period of 36 months.</b></p> <p><b>Measure:</b> (excluding Properties) (Measured by GEPF Hurdle Rate (x)).</p>	MOIC=1
<p><b>3e - Catalyst for transformation and diversity to facilitate transformation through investment activities, both in listed and unlisted investments.</b></p> <p><b>Measure:</b> Multi-Management (Private Markets) (Measured by X% (percentage) of the approved funds during the Financial Year allocated towards BEE - transformed External Managers) (To qualify as a BEE Asset Manager, the service provider must at least have 51% Black ownership and 30% Management control by HDIs).</p>	30% - 40% women participation within Management and Board level.
<p><b>3e - Catalyst for transformation and diversity to facilitate transformation through investment activities, both in listed and unlisted investments.</b></p> <p><b>Measure:</b> Isibaya (Unlisted Investments) (Measured by approved Isibaya transactions).</p>	30% - 40% women participation within Management and Board Level.
<p><b>3e - Catalyst for transformation and diversity to facilitate transformation through investment activities, both in listed and unlisted investments.</b></p> <p><b>Measure:</b> Isibaya (Unlisted Investments) (Measured by approved Isibaya transactions).</p>	Minimum women ownership 30%.

20. Targets were not clearly set for indicators. Consequently, the following targets are not useful for measuring and monitoring progress against the public entity's planned objectives.

INDICATOR	TARGET	DETAILS
<p><b>3d - Catalyst for transformation and diversity to facilitate transformation through investment activities, both in listed and unlisted investments.</b></p> <p><b>Measure:</b> Multi-Management (Public Markets): A minimum of X% (percentage) of the total AuM allocated to domestic firms should be managed by transformed managers with BEE Level 1 - 3 and with at least 51% Black Ownership; and at least 30% Black Management Control (X%). This excludes non-SA allocation.</p>	<p>X = &gt; 40% - 50% AuM of allocations to domestic firms should be managed by external BEE managers with at least 51% Black ownership, and 30% Management Control.</p>	<p>Targets do not express desired level of performance or a specific level of performance that the entity is aiming to achieve within a given time period, i.e. it includes ranges, i.e. 30% to 40% women participation within management and board level, and do not express a specific BEE level and the minimum percentage of women participation to be considered in order to be rewarded as having met an element of the target.</p>
<p><b>3e - Catalyst for transformation and diversity to facilitate transformation through investment activities, both in listed and unlisted investments.</b></p> <p><b>Measure:</b> Multi-Management (Private Markets) (Measured by X% (percentage) of the approved funds during the Financial Year allocated towards BEE - transformed External Managers) (To qualify as a BEE Asset Manager, the service provider must at least have 51% Black ownership and 30% Management control by HDIs).</p>	<p>30% - 40% women participation within Management and Board level.</p>	<p>Targets do not express desired level of performance or a specific level of performance that the entity is aiming to achieve within a given time period, i.e. it include ranges, i.e. 30% to 40% women participation within management and board level and do not express a specific BEE level and the minimum percentage of women participation to be considered in order to be rewarded as having met an element of the target.</p>
<p><b>3e - Catalyst for transformation and diversity to facilitate transformation through investment activities, both in listed and unlisted investments.</b></p> <p><b>Measure:</b> Isibaya (Unlisted Investments) (Measured by approved Isibaya transactions).</p>	<p>30% - 40% women participation within Management and Board Level.</p>	<p>Targets do not express desired level of performance or a specific level of performance that the entity is aiming to achieve within a given time period i.e. includes ranges, i.e. 30% to 40% women participation within management and board level and do not express a specific BEE level and the minimum percentage of women participation to be considered in order to be rewarded as having met an element of the target.</p>
<p><b>3e - Catalyst for transformation and diversity to facilitate transformation through investment activities, both in listed and unlisted investments.</b></p> <p><b>Measure:</b> Isibaya (Unlisted Investments) (Measured by approved Isibaya transactions).</p>	<p>Minimum women ownership 30%.</p>	<p>Targets do not express a specific BEE level and the minimum percentage of women participation to be considered in order to be rewarded as having met an element of the target.</p>

## Other matters

21. I draw attention to the matters below.

## Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.
23. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 81 to 87 of the Integrated Annual Report.

## Customers/Stakeholders

Targets achieved: 58%		
KEY INDICATOR NOT ACHIEVED	PLANNED TARGET	REPORTED ACHIEVEMENT
Meet Client Benchmark Portfolio Returns and compliance with Client Risk Parameters (over period of 36 months).	Individual Top 5 Funds $\alpha$ = 0 (meet Benchmark).	$\alpha$ = - 0.42%
Meet Client Benchmark Portfolio Returns (Unlisted Investments excluding Properties) (over a period of 36 months).	IRR = Weighted Hurdle rate.	3.92% (IRR) < 9.45% (Weighted Hurdle rate).
Meet Client Benchmark Portfolio Returns (Measured as per IPD returns calculation = customised for the PIC unlisted properties portfolio structure) (over period of 36 months).	X = MSCI RE	TR = 3.92% BM = 9.73%, Relative = -5.81%.
Catalyst for transformation and diversity to facilitate transformation through investment activities, both in Listed and Unlisted Investments.  <b>Measure:</b> Isibaya (Unlisted Investments) (Measured by approved Isibaya transactions).	30% - 40% women participation within Management and Board Level.	Average women % participation at Management and Board level within transactions approved is 24.55%.
Catalyst for transformation and diversity to facilitate transformation through investment activities, both in Listed and Unlisted Investments.  <b>Measure:</b> Isibaya (Unlisted Investments) (Measured by approved Isibaya transactions).	Minimum women ownership 30%.	Average women % ownership within transactions approved is 16.99%.

## Material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the Customers/Stakeholders objective. Management did not correct all of the misstatements and I reported material findings in this regard.

## REPORT ON COMPLIANCE WITH LEGISLATION

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
26. 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.

27. 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.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **Expenditure management**

29. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 40 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by acting allowances paid that were not in accordance with the Delegation of Authority.
30. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 37 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure was due to expenditure incurred on system licenses, which were not fully utilised.

### **Procurement and contract management**

31. I was unable to obtain sufficient appropriate audit evidence that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the PPPFA and Preferential Procurement Regulation 2017 and/or 2022.

### **Assets under management**

32. Not all investment activities performed complied with investment policies, as required by section 10(1) of the Public Investment Corporation Amendment Act 14 of 2019 (PIC Amendment Act). The following instances of non-compliance were identified:
  - ▶ Some investments were not monitored as required by the investment policies of the corporation.
  - ▶ Disbursements processed on some investments were not in compliance with the investment policies.
  - ▶ In some instances, management's execution of the deal screening and due diligence processes were not aligned with the approved investment policies.
33. An investment decision taken by the PIC was not aligned with Section 10(4) of the PIC Amendment Act, which requires the corporation to act in accordance with depositors' instructions, as evidenced by a transaction executed without securing the client's prior approval, in breach of the client mandate.

## **OTHER INFORMATION IN THE ANNUAL REPORT**

34. The accounting authority is responsible for the other information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
35. 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.
36. 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 objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. 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

38. 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.
39. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
40. Management did not adequately review the corporate plan and the annual performance report to ensure that the targets for all strategic objectives express a specific level of performance that the auditee is aiming to achieve and that the set targets relate to their indicators.
41. Due to a lack of oversight, management did not in all instances take reasonable steps to ensure the irregular expenditure and fruitless and wasteful expenditure is prevented by complying with the operational policies and other legislative requirements applicable to the PIC.
42. Management did not ensure compliance with the Preferential Procurement Policy Framework Act (PPPFA) due to misalignment between supply chain policies and legislative requirements.
43. Management did not implement adequate measures to ensure compliance with investment policies and client mandates as required by section 10(1) and section 10 (4) of the PIC Amendment Act due to a lack of oversight.

## MATERIAL IRREGULARITIES

44. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

### Material irregularities in progress

45. The accounting authority identified an irregularity that was brought to my attention during the audit. I assessed the irregularity and concluded that the matter meets the definition of a material irregularity. I notified the accounting authority of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting authority was not yet due. This material irregularity will be included in next year's auditor's report.
46. I also identified another material irregularity during the audit and notified the accounting authority of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting authority was not yet due. This material irregularity will be included in next year's auditor's report.

## OTHER REPORTS

47. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
48. At the request of the PIC, a limited assurance engagement was conducted by the Auditor General of South Africa (AGSA) to review compliance with section 19(3) of the Financial Advisory and Intermediary Services Act 37 of 2002. The report covered the period 1 April 2024 to 31 March 2025 and was issued to the accounting authority on 27 August 2025.

*Auditor General*

Pretoria  
27 August 2025



AUDITOR - GENERAL  
SOUTH AFRICA

# 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 objectives 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.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999	Section 50(3)(b); 51(1)(a)(iii); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 52(b); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(b)
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1; 31.1.2(c); 31.2.5; 31.2.7(a); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.2
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Investment Corporation Act, 2004 (Act No.23 of 2004) (PIC Act) and the Public Investment Corporation Amendment Act, 2019 (Act No. 14 of 2019) (PIC Amendment Act)	Section 10(1), 10(2), 10(3), 10(4) and 10(5)

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

Figures in Rand thousand	Note(s)	2025	2024
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	4	31,684	33,856
Right-of-use assets	19	51,544	70,247
Intangible assets	5	40,367	44,180
Equity accounted investments	6	412,871	366,235
Deferred tax	9	71,700	150,558
<b>Total non-current assets</b>		<b>608,166</b>	<b>665,076</b>
<b>Current Assets</b>			
Trade and other receivables	8	141,245	361,902
Listed investments at fair value through profit or loss	11	3,248,765	2,841,779
Financial assets at amortised cost	12	361,567	171,425
Cash and cash equivalents	13	559,542	577,072
<b>Total current assets</b>		<b>4,311,119</b>	<b>3,952,178</b>
<b>Total Assets</b>		<b>4,919,285</b>	<b>4,617,254</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Issued capital	14	1	1
Retained income		3,430,325	3,062,686
Other non-distributable reserves	15 & 16	968,667	972,330
<b>Total equity</b>		<b>4,398,993</b>	<b>4,035,017</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Employee benefits	17	98,898	235,122
Right-of-Use and Lease liabilities	19	66,563	100,808
<b>Total non-current liabilities</b>		<b>165,461</b>	<b>335,930</b>
<b>Current Liabilities</b>			
Employee benefits	17	227,136	97,076
Trade and other payables	18	41,881	50,547
Current tax liabilities	10	50,959	67,861
Right-of-Use and Lease liabilities	19	34,855	30,823
<b>Total current liabilities</b>		<b>354,831</b>	<b>246,307</b>
<b>Total liabilities</b>		<b>520,292</b>	<b>582,237</b>
<b>Total equity and liabilities</b>		<b>4,919,285</b>	<b>4,617,254</b>

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

Figures in Rand thousand	Note(s)	2025	2024
Revenue	20	1,307,928	1,261,755
Other operating income	21	6,127	7,796
Impairment gain (loss) on financial assets at amortised cost	22	455	151
Other operating expenses	22	(1,239,058)	(1,132,319)
Unrealised gain (loss) on financial assets at fair value through profit/loss	22	278,476	(35,870)
<b>Profit from operating activities</b>	22	<b>353,928</b>	<b>101,513</b>
Investment income	23	291,643	265,803
Interest paid	24	(34,145)	(15,892)
Income from equity accounted investments	6	49,615	557
<b>Profit before taxation</b>		<b>661,041</b>	<b>351,981</b>
Taxation	25	(149,086)	(81,002)
<b>Profit for the year</b>		<b>511,955</b>	<b>270,979</b>
<b>Other comprehensive income net of tax</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Share of comprehensive income of equity accounted investments	6	(2,979)	9,350
<b>Other comprehensive income for the year net of taxation</b>		<b>(2,979)</b>	<b>9,350</b>
<b>Total other comprehensive income that will not be reclassified to profit or loss</b>		<b>(2,979)</b>	<b>9,350</b>
<b>Total other comprehensive income net of tax</b>		<b>(2,979)</b>	<b>9,350</b>
<b>Total comprehensive income</b>		<b>508,976</b>	<b>280,329</b>

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

Figures in Rand thousand	Issued capital	Foreign currency translation reserve	Non-distributable reserves	Retained income	Total
<b>Balance at 1 April 2023</b>	<b>1</b>	<b>27,388</b>	<b>935,592</b>	<b>2,932,707</b>	<b>3,895,688</b>
<b>Changes in equity</b>					
Profit for the year	-	-	-	270,979	270,979
Other comprehensive income	-	9,350	-	-	9,350
Total comprehensive income for the year	-	9,350	-	270,979	280,329
Dividend recognised as distributions to shareholder	-	-	-	(141,000)	(141,000)
Balance at 31 March 2024	<b>1</b>	<b>36,738</b>	<b>935,592</b>	<b>3,062,686</b>	<b>4,035,017</b>
<b>Balance at 1 April 2024</b>	<b>1</b>	<b>36,738</b>	<b>935,592</b>	<b>3,062,686</b>	<b>4,035,017</b>
<b>Changes in equity</b>					
Profit for the year	-	-	-	511,955	511,955
Other comprehensive income	-	(2,979)	-	-	(2,979)
Total comprehensive income for the year	-	(2,979)	-	511,955	508,976
Dividend recognised as distributions to shareholder	-	-	-	(145,000)	(145,000)
Transfers between reserves	-	(684)	-	684	-
<b>Balance at 31 March 2025</b>	<b>1</b>	<b>33,075</b>	<b>935,592</b>	<b>3,430,325</b>	<b>4,398,993</b>
Notes	14	15	16		

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

Figures in Rand thousand	Note(s)	2025	2024
<b>Net cash flows from operations</b>	26	<b>287,262</b>	<b>218,757</b>
Dividend paid	27	(145,000)	(240,000)
Interest paid		(24,546)	(10,178)
Interest received		186,844	220,647
Income taxes paid	29	(87,130)	(74,781)
<b>Net cash flows from operating activities</b>		<b>217,430</b>	<b>114,445</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		(12,995)	(8,159)
Purchase of intangible assets		(4,977)	-
Financial assets at amortised cost - additions		(795,000)	(590,000)
Financial assets at amortised cost - disposals		610,000	446,999
Purchase of investments at fair value		(262,937)	(876,930)
Sale of investments at fair value		193,819	326,365
Dividends received	23	67,354	55,762
<b>Cash flows used in investing activities</b>		<b>(204,736)</b>	<b>(645,963)</b>
<b>Cash flows used in financing activities</b>			
Payment of lease liabilities	19	(30,224)	(25,713)
<b>Cash flows used in financing activities</b>		<b>(30,224)</b>	<b>(25,713)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(17,530)</b>	<b>(557,231)</b>
Cash and cash equivalents at beginning of the year		577,072	1,134,303
<b>Cash and cash equivalents at end of the year</b>	13	<b>559,542</b>	<b>577,072</b>

# ACCOUNTING POLICIES

## 1. Presentation of Annual Financial Statements

The principal accounting policies applied in the preparation of these Annual Financial Statements are set out below.

### 1.1 Basis of Preparation

The Annual Financial Statements have been prepared on the going concern basis in accordance with International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations issued, South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Public Finance Management Act (PFMA) effective at the time of preparing these Annual Financial Statements and the requirements of the Companies Act.

The Annual Financial Statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the Company's functional currency.

These accounting policies are consistent with the previous period. Refer to note 2 & 3 for new IFRS standard and amendment.

### 1.2 Significant Judgments and Sources of Estimation Uncertainty

The Company makes judgments, estimates and assumptions concerning the future when preparing the Annual Financial Statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### Revenue recognition

In making its judgment, management considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, the committed capital and management fees clawback.

The PIC has assessed the reduction of the fund size of the Isibaya Fund III, the Unlisted Investment Fund, with committed capital of R25 billion and based on the assessment performed, PIC should be able to deploy the R25bn within five years of the committed period. As such, the management fees clawback risk has been assessed as low at year-end. The PIC has not collected on any performance fees to consider any other clawback.

### Long-Term employee incentives

The Long-Term Employee Incentives (LTI) are recognised and accrued in the year the service was rendered, but only paid after the vesting period. The trigger for the allocation of the LTI is if the Company has made at least 10% of net income over management fees and achieved a performance rating of 3.

The scheme is to attract, retain and reward high-performing management. The Company's management is eligible to participate in the LTI scheme only if the Company achieves an overall performance rating of 3 and if a manager achieves a minimum individual performance rating of 3.5.

The Long-Term Incentive pool is measured at 36% of a certain percentage (based on the Company score as per the remuneration policy) of the profit before tax. The assumption includes a percentage of probability of payment based on payment history and considering the time value of money (if material). Refer to note 17.

### Contingent liabilities

In terms of IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37), Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. Various judgments and assumptions are therefore

required in order to determine the possible obligation and if contingent liabilities are required to be disclosed. With regards to the assessment of matters of a significant nature, including potential litigation and claims, management relies on the advice of the Company's legal department. Refer to note 39 for details of contingencies disclosed.

### Intangible Assets

In terms of IAS 36 Impairment of assets, the Company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. Various judgments and assumptions are therefore required to determine the recoverable amounts of the asset.

### Expected Credit Loss (ECL)

The ECL for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

The Company recognises 12-months Expected Credit Loss (ECL) for stage 1 financial instruments. If the credit risk of the financial instrument deteriorates such that it poses a significant increase in credit risk since initial recognition, the Company recognises lifetime ECL and migrates the financial instrument to stage 2. When the instrument defaults, it moves to stage 3 as a credit-impaired financial instrument and lifetime ECL is recognised.

The Company's investment mandates state that in order to diversify and to minimise excessive credit exposure to a single counterparty, the Company will invest only in institutions that have a credit rating of at least A or A3 from one of the recognised domestic and or international credit rating agencies. If the issuer credit rating falls below the credit rating of A or A3, the Company will sell the instrument if there is a market.

At each reporting date the Company assesses whether there has been a significant increase in credit risk exposure since initial recognition by comparing the Probability of Default (PD), over the remaining expected life, at the reporting date with that on the date of initial recognition.

## 1.3 Property, plant and equipment

Property, plant and equipment are defined as tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is only recognised when:

- ▶ It is probable that future economic benefits associated with the asset will flow to the entity; and
- ▶ The cost of the asset can be measured reliably.

Items of property, plant and equipment are initially recognised at cost.

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment are depreciated on a straight-line basis at rates calculated to reduce the cost price of these assets to estimated residual values over their expected useful lives. Subsequent costs are included in the assets' carrying amount only when it is probable that future economic benefits associated with the line item will flow to the Company and the cost of the item can be reliably measured.

Property, plant and equipment useful lives and residual values are reviewed on an annual basis with the effects of any changes in estimates accounted for on a prospective basis. In determining residual values, the Company uses historical sales or acquisitions and management's best estimate based on market prices of similar items. Useful lives of property, plant and equipment are based on management estimates and take into account historical experience with similar assets, the expected usage of the asset and physical wear and tear.

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

ASSET CLASS	USEFUL LIFE	DEPRECIATION METHOD
Leasehold improvements	2 – 10 years or lease term	Straight line
Motor vehicles	5 – 8 years	Straight line
Fixtures and fittings	5 – 10 years	Straight line
Office equipment	3 – 8 years	Straight line
Computer equipment	3 – 5 years	Straight line

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered.

The carrying values of property, plant and equipment are written down to their estimated recoverable amounts, where the estimated recoverable amount is lower than the carrying value. The recoverable amount for property, plant and equipment is determined as the higher of the asset's fair value less costs to sell and the value in use.

All gains or losses arising on the disposal or scrapping of property, plant and equipment are recognised in profit or loss in the period of disposal or scrapping. Repairs and maintenance are charged to profit and loss when the expenditure is incurred.

### 1.4 Intangible assets

Intangible assets are defined as identifiable, non-monetary assets without physical substance. No intangible asset is recognised when arising from research. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset is recognised when:

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

Intangible assets are initially measured at cost.

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

Subsequent expenditure relating to intangible assets is capitalised when it is probable that future economic benefits from the use of the assets will be increased and will be realised. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

Surpluses and deficits on the disposals of intangible assets are recognised in profit or loss. The surplus or deficit is the difference between the disposal proceeds and the carrying value of the asset at the date of sale.

The Company's intangible assets with finite useful lives make the judgments surrounding the estimated useful lives and residual values critical to the Company's financial position and performance. Useful lives are reviewed on an annual basis with the effects of any changes in estimate accounted for on a prospective basis. The useful life is determined with reference to the licence term of the computer software. For

unique software products controlled by the Company, the useful life is based on historical experience with similar assets as well as anticipation of future events such as technological changes, that may impact the useful life. Useful lives of other intangible assets are based on management's estimates and take into account historical experience as well as future events which may impact the useful lives.

Amortisation is charged to profit or loss on a straight-line basis and is calculated to reduce the original costs to the expected residual values over the estimated useful lives.

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

ASSET CLASS	USEFUL LIFE	AMORTISATION METHOD
Computer software	3 – 5 years	Straight line
Other intangible assets	Indefinite	Indefinite

The Company reviews its intangible assets for impairment at each reporting date and tests the carrying amount for impairment whenever events or changes in circumstances indicate that the carrying amount (or components of the carrying amount) may not be recoverable. These circumstances include, but are not limited to, new technological developments, obsolescence, changes in the manner in which the software is used or is expected to be used, changes in discount rates, significant changes in macroeconomic circumstances or changes in estimates of related future cash benefits. The impairment tests are performed by comparing an asset's recoverable amount to its carrying amount.

The recoverable amount is determined as the higher of an asset's fair value less cost of disposal and its value in use. The value in use is calculated by estimating future cash flows that will result for each asset and discounting those cash benefits at an appropriate discount rate.

The review and testing of assets for impairment inherently require significant management judgment, as it requires management to derive the estimates of the identified assets' future cash flows in order to derive the asset's recoverable amount.

### 1.5 Investments in associates

An associate is an entity over which the Company has the ability to exercise significant influence, but not control or joint control, through participation in the financial and operating

policy decisions of the entity. This is generally demonstrated by the Company holding in excess of 20%, but no more than 50%, of the voting rights. The existence of significant influence by the Company is usually evidenced in one or more of the following:

- ▶ Representation on the Board of Directors or equivalent governing body of the investee;
- ▶ Participation in the policy-making process, including participation in decisions about dividends or other distributions;
- ▶ Material transactions between the entity and the investee;
- ▶ Interchange of managerial personnel; or
- ▶ Provision of essential technical information.

On initial recognition, the investment in associates is recognised at cost and the carrying amount is equity accounted. The Company's share of post-acquisition profit or loss and post-acquisition movements in other comprehensive income are recognised in the Statement of Profit or Loss and Other Comprehensive Income (OCI). The Company applies the equity method of accounting from the date significant influence commences until the date significant influence ceases (or the associate is classified as held for sale). When the Company's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil, inclusive of any long-term debt outstanding. The recognition of further losses is discontinued, except to the extent that the Company has incurred legal or constructive obligations, or guaranteed obligations, in respect of the associate. If the associates report profits, the Company resumes recognising its share of those profits only after its share of the profit equals the share of losses not recognised.

When the Company transacts with an associate, unrealised profits and losses are eliminated to the extent that there is no evidence of impairment.

In applying the equity method, the Company uses the financial statements of the associate as of the same date as the financial statements of the Company unless it is impracticable to do so. If it is impracticable, the most recent available financial statements of the associate or joint venture will be used, with adjustments made for the effects of any significant transactions or events occurring between the end of the two accounting periods. However, the difference between the reporting date of the associate and that of the investor cannot be longer than three months.

At each reporting date, the Company determines whether there is objective evidence that the investment in associates are impaired. Objective evidence of impairment for an associate investment includes information about significant

changes resulting in adverse effects that have taken place in the technological, market, economic or legal environment in which the associate operates, and indications that the cost of the associate investment may not be recoverable. A significant or prolonged decline in the fair value of an associate investment below its cost is also considered objective evidence of impairment. The carrying amount of such investments are then reduced to recognise any impairment by applying the impairment methodology.

The accounting is discontinued from the date that the Company ceases to have significant influence over the associate. The Company measures at fair value any investment it has retained in the entity when significant influence is lost and recognises the resulting gain or loss in profit or loss. The gain or loss is measured as the difference between the fair value of this retained investment and the carrying amount of the original investment at the date significant influence or joint control is lost.

## 1.6 Financial Instruments

### Recognition and initial measurement

Financial assets or financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, at initial recognition, the Company shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

### Classification

#### Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- ▶ The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ▶ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

A debt financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

- ▶ The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ▶ The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI).

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

### **Business model assessment**

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- ▶ Objectives for the portfolio and the operation of those policies in practice;
- ▶ How the performance of the portfolio is evaluated and reported;
- ▶ The risks that affect the performance of the business model and its strategy for how those risks are managed; and
- ▶ The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

### **Assessment of whether contractual cash flows are SPPI:**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- ▶ Contingent events that would change the amount and timing of cash flows;
- ▶ Prepayment and extension terms; and
- ▶ Features that modify consideration of the time value of money.

Investment in equity instruments have contractual cash flows that do not meet the SPPI criterion. Accordingly, all such equity instruments are measured at FVTPL unless the FVOCI option is selected.

### **Financial liabilities**

An entity shall classify all financial liabilities as subsequently measured at amortised cost, except for:

- ▶ Financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value;
- ▶ Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- ▶ Financial guarantee contracts;
- ▶ Commitments to provide a loan at a below-market interest rate; and
- ▶ Contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

### **Reclassification:**

Financial assets are not reclassified subsequent to their initial recognition, except when the Company changes its business model for managing financial assets. Financial liabilities are not reclassified.

## Derecognition:

### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

## Impairment

The Company recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- ▶ Financial assets that are debt instruments; and
- ▶ Trade receivables.

No impairment loss is recognised on equity investments.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured at 12-month ECL:

- ▶ Debt instruments that are determined to have low credit risk at the reporting date; and
- ▶ Other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Company considers a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company does not apply the low credit risk exemption to any other financial instruments.

Twelve-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. Financial instruments for which 12-month ECL is recognised are referred to as "stage 1" financial instruments. Financial instruments allocated to "stage 1" have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL is the ECL that results from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL is recognised but that are not credit-impaired are referred to as "stage 2" financial instruments. Financial instruments allocated to "stage 2" are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL is recognised and that are credit-impaired are referred to as "stage 3" financial instruments.

## Measurement of ECL

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- › Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and
- › Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

When discounting future cash flows, the following discount rates are used:

- › The original effective interest rate; or
- › An approximation thereof.

## Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost, are credit impaired (referred to as 'stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- › Significant financial difficulty of the borrower or issuer;
- › A breach of contract, such as a default or past-due event; and
- › The disappearance of an active market because of financial difficulties.

## Presentation of allowance for ECL

Loss allowances for ECL are presented in the Statement of Financial Position as follows:

- › Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

## Write-off

Debt instruments are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower or issuer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial instruments' in the Statement of Profit or Loss and Other Comprehensive Income.

## Trade and other payables

### Classification

Trade and other payables (note 18), excluding VAT payables and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

### Recognition and measurement

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

Trade and other payables are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 24).

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to note 34 for details of risk exposure and management thereof.

## Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, bank balances and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Carrying values of cash and cash equivalents, are considered a reasonable approximation of their fair values. Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition. Term deposits measured at amortised cost are presented as cash equivalents if they have a maturity of three months or less from financial position date. Term deposits measured at amortised cost with three months or less to maturity as at the financial position date are held for the purpose of meeting short-term cash commitments rather than for investment or other purpose and are presented as cash equivalents.

## 1.7 Tax

### Current tax assets and liabilities

Current taxation is the expected tax payable on the taxable income for the year, using taxation rates enacted or substantively enacted at the reporting date, and any adjustment to taxation payable in respect of previous years (prior-period tax paid).

### Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective taxation bases. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, and is measured at the taxation rates (enacted or substantively enacted at the reporting date) that are expected to be applied to the temporary differences when they reverse.

Deferred tax is recognised in profit or loss for the period, except to the extent that it relates to a transaction that is recognised directly in equity or in other comprehensive income, or a business combination that is accounted for as an acquisition. The effect on deferred tax of any changes in

taxation rates is recognised in profit or loss for the period, except to the extent that it relates to items previously charged or credited directly to equity or OCI.

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

- ▶ The initial recognition of goodwill; or
- ▶ The initial recognition of an asset or liability in a transaction which:
  - is not a business combination;
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
  - at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Differences relating to investments in subsidiaries, associates and jointly controlled entities to the extent that the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

A transaction that is not a business combination may lead to the initial recognition of an asset and a liability and, at the time of the transaction, affect neither accounting profit nor taxable profit. For example, at the commencement date of a lease, a lessee typically recognises a lease liability and the corresponding amount as part of the cost of a right-of-use asset. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of the asset and liability in such a transaction. The exemption provided by paragraphs 15 and 24 of IAS 12 does not apply to such temporary differences and an entity recognises any resulting deferred tax liability and asset.

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

- ▶ Is not a business combination;
- ▶ At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
- ▶ At the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related taxation benefits will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxation entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

## Tax expenses

Current and deferred taxes are recognised as income or an expense and are included in profit or loss for the period, except to the extent that the tax arises from:

- ▶ A transaction or event which is recognised, in the same or a different period, directly to equity or other comprehensive income, or
- ▶ A business combination.

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

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

## 1.8 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This is applied on contracts entered into (or changed) on or after 1 April 2019.

### Company acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for the lease of head office premises the Company has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments

made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

- ▶ Fixed payments, including in-substance fixed payments; and
- ▶ Variable lease payments that depend on a rate or index.

After the commencement date, a lessee shall measure the lease liability by:

- ▶ Increasing the carrying amount to reflect interest on the lease liability;
- ▶ Reducing the carrying amount to reflect the lease payments made; and
- ▶ Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

The Company presents lease assets under right-of-use assets (ROU) and the related liabilities under lease liabilities on the face of the Statement of Financial Position (SOPF).

### Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Company as lessee

#### Right-of-use assets

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is calculated using the straight-line method over the lease term, as follows:

ITEM	USEFUL LIFE	DEPRECIATION METHOD
Buildings	Lease term	Straight line
Office Equipment	Lease term	Straight line
IT Equipment	Lease term	Straight line

## 1.9 Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuous use that is largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The Company's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss.

## 1.10 Share Capital and Equity

Ordinary shares are classified as equity. Share capital issued by the Company is recorded as the value of the proceeds received less the external costs directly attributable to the issue of the shares.

Dividends to equity holders are recognised as a liability (if unpaid) in the period in which they are declared and are accounted for in the Statement of Changes in Equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity.

## 1.11 Non-distributable Reserves and Other Reserves

### Foreign currency reserve

The Company has associates that have foreign operations that are based outside of South Africa, and the foreign operation has a functional currency that is different from the Company's presentation currency (that is, the Rand). A foreign operation is a subsidiary, associate, joint venture, or branch whose activities are based in a country or currency other than that of the reporting entity. The functional currency is the currency of the primary economic environment in which the entity operates.

Prior to equity accounting, the assets and liabilities of Non-Rand operations are translated at the closing rate and items of income, expense and Other Comprehensive Income (OCI) are translated into Rand at the rate on the date of the transactions. Exchange differences arising from the translation of foreign operations are recognised in OCI and accumulated in the foreign currency translation reserve. The amount recognised in such reserve is transferred to profit or loss when the company loses significant influence over the foreign operation or upon partial disposal of the operation.

### Non-distributable reserves

The Company makes a transfer of profits to the Non-Distributable Reserves (NDR) on an annual basis. These reserves are not available for distribution.

The directors may use the NDR funds to fund future capital expenditure of the Company, therefore ensuring the financial sustainability of the Company.

## 1.12 Operating Expenses

Operating expenses reflect costs incurred during the reporting period and relate to operating activities of an entity. Expenses are recognised on the basis of accrual, regardless of the time of paying those expenses.

## 1.13 Employee Benefits

### Short-term employee benefits

Short-term employee benefits consist of salaries, accumulated leave payments, bonus and any non-monetary benefits such as medical aid contributions.

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under the short-term benefits if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

### Long-term Incentives

On an annual basis, the Long-Term Incentive (LTI) provision will be remeasured taking into account the probability of payout at the end of the vesting period. The best estimate of the amount that will be paid will be determined by using the historical analysis of the payout made and also taking into consideration any special events that could have resulted in a significant event that could impact the carrying amount. The changes in the carrying value shall be recognised in profit or loss.

### Termination benefits

Termination benefits are recognised as an expense when the Company is committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

### Defined contribution plans

Under defined contribution plans:

- ▶ The Company's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by both the employer and employee to a post-employment benefit plan, together with investment returns arising from the contributions; and
- ▶ In consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall on the employee.

## 1.14 Provisions and Contingencies

Provisions represent liabilities of uncertain timing or amount.

Provisions are recognised when:

- ▶ The Company has a present obligation as a result of a past event;
- ▶ It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- ▶ A reliable estimate can be made of the obligation.

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

Where the effect of discounting is material, the provision is discounted. The discount rate reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Gains from the expected disposal of assets are not taken into account in measuring provisions. Provisions are reviewed at each reporting date and adjusted to reflect the current reasonable estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed.

Provisions are not recognised for future operating losses.

A contingent liability is:

- ▶ A possible obligation that arises from past events and which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- ▶ A present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

An entity shall disclose for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability and, where practicable:

- › An estimate of its financial effect;
- › An indication of the uncertainties relating to the amount or timing of any outflow; and
- › The possibility of any reimbursement.

## 1.15 Irregular Expenditure, Fruitless and Wasteful Expenditure

### Irregular expenditure

When confirmed, irregular expenditure must be recorded in the notes to the financial statements. The amount to be recorded in the notes must be equal to the value of the irregular expenditure incurred unless it is impracticable to determine the value thereof.

Where such impracticality exists, the reasons therefore must be provided in the notes. Irregular expenditure must be removed from the notes when it is either:

- › Condoned by the National Treasury or the relevant authority;
- › It is transferred to receivables for recovery; or
- › It is not condoned and is irrecoverable.

A receivable related to irregular expenditure is measured at the amount that is expected to be recovered and must be derecognised when the receivable is settled or subsequently written off as irrecoverable.

### Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is incurred when the resulting expenditure is made in vain and would have been avoided had reasonable care been exercised.

The financial statements of the public entity must include the following related to fruitless and wasteful expenditure for that financial year:

- › Any material losses through criminal conduct and any fruitless and wasteful expenditure that occurred during the financial year;
- › Any criminal or disciplinary steps taken as a consequence of fruitless and wasteful; and
- › Any losses recovered or written off.

## 1.16 Revenue from Contracts with Customers

Revenue relates to asset management fees, which comprises of fees earned on equities, properties, fixed income, and unlisted debt and equities asset classes.

### IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when the revenue should be recognised.

Revenue comprises asset management fees activities, which consist of management fees and property development fees. In terms of IFRS 15, the Company is required to recognise revenue when or as the entity satisfies a performance obligation by transferring a promised service to a customer. The Company, therefore, assessed the impact of IFRS 15 based on the IFRS 15 five step process as per below:

- › The mandate is the contract signed between the client and the Company and is the legally enforceable contract identifying the rights of each party.
- › The performance obligation in the mandate is the promise by the Company to manage the clients funds to generate alpha:
  - Revenue is earned in the form of management fees, as management services are rendered, i.e. ongoing management of the investment portfolio, as agreed in terms of the mandates with client;
  - Management fees are calculated based on the market value of assets under management and billed in arrears or advance depending on the mandate with payment terms of 30 days. Any uncertainty related to the variable consideration will be resolved as at the end of each reporting period. No estimation is required for variable consideration when allocating the transaction price to the performance obligation; and
  - Revenue earned from management fees is recognised over time based on the annual management fees percentage per contracts with clients and on direct measurement of the value to the client of the services transferred, i.e. output method. The Company has elected to apply the practical expedient, and therefore, it does not adjust the promised amount of consideration for the effect of significant financing components since the payment will be within one year.
- › The mandate specifies the transaction price as the expected management fees and performance fee (if any) to be charged.
- › The total management fees should be allocated to the single performance obligation - that of managing the

portfolio of investments on behalf of Clients. Due to the nature of the revenue earned (management fees and /or performance fees), no estimation is required for variable consideration when allocating the transaction price to the performance obligation.

- ▶ The Company recognises revenue only when it has satisfied the promised obligation of providing the asset management service and the obligation has been monetised. Revenue of management fees is recognised over time.

The Company's revenue is measured based on the consideration received in the contract with the client, excluding Value-Added Taxation (VAT).

### 1.17 Investment Income

Interest is recognised as part of investment income using the effective interest rate method.

Dividends are recognised as part of investment income when the company's right to receive payment has been established.

### 1.18 Commitments

A commitment is a state or quality of being dedicated to a cause or activity. The Company's commitments disclosure comprises four classes of commitments, i.e. leases; future capital expenditures that are authorised by the Company's Board of Directors, both contracted and uncontracted; future operating expenses that are authorised by the Company's Board of Directors (contracted expenses); and future investments that are authorised by the Company's Board of Directors.

### 1.19 Related Party

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

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

## 1.20 Subsequent Events

### Events after the reporting period

It is an event, which could be favourable or unfavourable, that occurs between the end of the reporting period and the date that the financial statements are authorised for issue. The Company adjusts its financial statements for events after the reporting period that provide further evidence of conditions that existed at the end of the reporting period, including events that indicate that the going concern assumption in relation to the whole or part of the enterprise is not appropriate. If the Company receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update amounts and disclosures that relate to those conditions in the light of the new information.

The Company does not adjust its financial statements for events or conditions that are indicative of conditions that arose after the reporting period. If the events are material, they will be disclosed in the Annual Financial Statements. If the Company declares dividends after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period but shall disclose those dividends (and related amount per share).

### 1.21 Comparatives

The Company discloses comparative information for the previous period for all amounts reported in the financial statements, both on the face of the financial statements and in the notes, unless another standard requires otherwise.

### 1.22 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Income and expense items are offset only to the extent that their related instruments have been offset in the Statement of Financial Position.

The Company does not offset any assets and liabilities, and income and expenses, unless it is required or permitted by an International Financial Reporting Standard (IFRS).

### 1.23 Rounding

Figures disclosed in the tables of the Annual Financial Statements and in the notes are in Rand thousands.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

## 2. Adoption of New Standard and Amendments

The new standard and amendments had no impact on the PIC. Refer to note 3.

## 3. New Standards and Interpretations

### 3.1 Standards and interpretations that are effective in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation	Standard effective date	Expected impact
IFRS 7 Financial Instruments: Disclosures	<p><b>Supplier Finance Arrangements:</b> The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.</p> <p>Effective for annual periods beginning on or after 1 January 2024.</p>	There is no impact on the PIC for the year ended 31 March 2025, as PIC does not have any supplier finance arrangements.
IFRS 16 Leases	<p><b>Lease Liability in a Sale and Leaseback:</b> The narrow-scope amendment requires a seller-lessee in a sale and leaseback transaction to determine the 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of a gain or loss relating to the right of use retained by the seller-lessee. The new requirement does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.</p> <p>Effective for annual periods beginning on or after 1 January 2024.</p>	There is no impact on the PIC financial statements for the period ended 31 March 2025, as the PIC does not have sale and leaseback transactions.
IAS 1 Presentation of Financial Statements	<p><b>Classification of Liabilities as Current or Non-current:</b> Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.</p> <p>Effective for annual periods beginning on or after 1 January 2024.</p>	There is no impact on the PIC financial statements for the year ended 31 March 2025, as the PIC does not have long-term debt instruments.

### 3.1 Standards and interpretations that are effective in the current year (continued)

Standard/ Interpretation	Standard effective date	Expected impact
IAS 1 Presentation of Financial Statements	<p><b>Non-current liabilities with Covenants:</b></p> <p>The amendment clarifies that only covenants with which an entity is required to comply on or the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months.</p> <p>Effective for annual periods beginning on or after 1 January 2024.</p>	There is no impact on the PIC financial statements for the year ended 31 March 2025, as PIC does not have debt instruments.
IAS 7 Statement of Cash Flows	<p><b>Supplier Finance Arrangements:</b></p> <p>The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.</p> <p>Effective for annual periods beginning on or after 1 January 2024.</p>	There is no impact on the PIC financial statements for the year ended 31 March 2025, as PIC does not have supplier finance arrangements.

### 3.2 Standards and interpretations not yet effective in the current year

Standard/ Interpretation	Standard effective date	Expected impact
IFRS 1 First-time Adoption of International Financial Reporting Standards	<p><b>Annual Improvements to IFRS Accounting Standards – Volume 11 – Hedge Accounting by a First-time Adopter:</b></p> <p>Narrow scope amendment to improve consistency with and understanding of the requirements in IFRS 9 Financial Instruments in relation to hedge accounting requirements for a first-time adopter.</p> <p>Effective for annual periods beginning on or after 1 January 2026.</p>	There is no impact on the PIC financial statements for the year ended 31 March 2025, as PIC does not have hedging contracts.
IFRS 7 Financial Instruments: Disclosures	<p><b>Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7:</b></p> <p>The amendments to IFRS 7 introduce additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example, features tied to ESG-linked targets.</p> <p>Effective for annual periods beginning on or after 1 January 2026.</p>	There is no impact on the PIC financial statements for the period ended 31 March 2025, as PIC does not have investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

Standard/ Interpretation	Standard effective date	Expected impact
<p>IFRS 7 Financial Instruments: Disclosures</p>	<p><b>Annual Improvements to IFRS Accounting Standards – Volume 11 – Gain or loss on derecognition:</b> Narrow scope amendment to delete an obsolete reference that remained in IFRS 7 following the publication of IFRS 13 Fair Value Measurement and to make the wording of the requirements of IFRS 7 relating to disclosure of a gain or loss on derecognition consistent with the wording and concepts in IFRS 13.</p> <p>Effective for annual periods beginning on or after 1 January 2026.</p>	<p>There is no impact on the PIC financial statements for the period ended 31 March 2025, as PIC disclosure is in line with IFRS 13.</p>
<p>IFRS 7 Financial Instruments: Disclosures</p>	<p><b>Contracts Referencing Nature-dependent Electricity- Amendments to IFRS 9 and IFRS 7:</b> Narrow scope amendment adding new disclosure requirements to enable investors to understand the effect of contracts referencing nature-dependent electricity on an entity's financial performance and cash flows.</p> <p>Effective for annual periods beginning on or after 1 January 2026.</p>	<p>There is no impact on the PIC financial statements for the period ended 31 March 2025, as PIC does not have Contracts Referencing Nature-dependent Electricity.</p>
<p>IFRS 9 Financial Instruments</p>	<p><b>Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7:</b> Narrow scope amendments to address diversity in accounting practice by making the classification and measurement requirements of IFRS 9 more understandable and consistent, by:</p> <ul style="list-style-type: none"> <li>▶ Clarifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and</li> <li>▶ Clarifying the date on which a financial asset or financial liability is derecognised when a liability is settled through electronic payment systems. These amendments also introduce an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.</li> </ul> <p>Effective for annual periods beginning on or after 1 January 2026.</p>	<p>There is no impact on the PIC financial statements for the period ended 31 March 2025, as PIC does not have investment with contingent features and PIC does not meet the requirement for financial liability derecognition accounting policy option.</p>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 3.2 Standards and interpretations not yet effective in the current year (continued)

Standard/ Interpretation	Standard effective date	Expected impact
IFRS 9 Financial Instruments	<p><b>Annual Improvements to IFRS Accounting Standards – Volume 11: Two narrow scope amendments were made to IFRS 9:</b></p> <ul style="list-style-type: none"> <li>▶ Derecognition of lease liabilities. The amendment clarifies that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss arising from the difference between the carrying amount of the lease liability extinguished or transferred and any consideration paid in profit or loss.</li> <li>▶ Transaction price. Removal of an inconsistency between the requirements of IFRS 9 and the requirements in IFRS 15 Revenue from Contracts from Customers in relation to the initial measurement of trade receivables at their transaction price. The amendment clarifies that trade receivables must be measured at the amount determined by applying IFRS 15.</li> </ul> <p>Effective for annual periods beginning on or after 1 January 2026.</p>	<p>There is no impact on the PIC financial statements for the period ended 31 March 2025, as PIC receivables are initial measured using IFRS 15 and no derecognition of lease liability in the current year.</p>
IFRS 10 Consolidated Financial Statements	<p><b>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28):</b></p> <p>Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.</p> <p>The effective date of this amendment has been deferred indefinitely until further notice.</p>	<p>There is no impact on the PIC financial statements for the period ended 31 March 2025, as there are no assets sales and contribution between the PIC and its associates.</p>
IFRS 10 Consolidated Financial Statements	<p><b>Annual Improvements to IFRS Accounting Standards – Volume 11 – Determination of a ‘de facto agent’:</b></p> <p>Narrow scope amendment to clarify whether a party acts as a de facto agent in assessing control of an investee.</p> <p>Effective for annual periods beginning on or after 1 January 2026.</p>	<p>There is no impact on the PIC financial statements for the period ended 31 March 2025, as PIC only has significant influence over the investee.</p>

Standard/ Interpretation	Standard effective date	Expected impact
<p><b>IFRS 18 Presentation and Disclosure in Financial Statements</b></p>	<ul style="list-style-type: none"> <li>▶ IFRS 18 is the culmination of the IASB's Primary Financial Statements project.</li>   <li>▶ IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies: <ul style="list-style-type: none"> <li>• Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories for income and expenses - operating, investing and financing - to improve the structure of the income statement, and a requirement for all companies to provide new defined subtotals, including operating profit.</li> <li>• Enhanced transparency of management-defined performance measures with a requirement for companies to disclose explanations of those company-specific measures that are related to the income statement.</li> <li>• More useful grouping of information in the financial statements through enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses.</li> </ul> </li> </ul> <p>This Standard replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged.</p> <p>Effective for annual periods beginning on or after 1 January 2027.</p>	<ul style="list-style-type: none"> <li>▶ Income statement categories - This will impact the PIC financial statements as the financing components will be presented under the financing category, which is currently presented with investing activities.</li> <li>▶ Performance measure - This will impact the PIC financial statements as explanation is required relating to the income statement performance measures.</li> <li>▶ Grouping of information - No impact on the PIC financial statements as the PIC uses informative labels and disclose material information.</li> </ul>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 3.2 Standards and interpretations not yet effective in the current year (continued)

Standard/ Interpretation	Standard effective date	Expected impact
IFRS 19 Subsidiaries without Public Accountability: Disclosures	<ul style="list-style-type: none"> <li>IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements.</li> <li>Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders.</li> </ul> <p>Effective for annual periods beginning on or after 1 January 2027.</p>	There is no impact on the PIC financial statements for the period ended 31 March 2025, as PIC only have associates.
IAS 7 Statement of Cash Flows	<p><b>Annual Improvements to IFRS Accounting Standards – Volume 11 – Cost method:</b></p> <p>Narrow scope amendment to replace the term 'cost method' with 'at cost' following the earlier removal of the definition of 'cost method' from IFRS Accounting Standards.</p> <p>Effective for annual periods beginning on or after 1 January 2026.</p>	There is no impact on the PIC financial statements for the period ended 31 March 2025, as it is a change of the term name from "cost method" to at "cost".
IAS 21 The Effects of Changes in Foreign Exchange Rates	<p><b>Lack of Exchangeability:</b></p> <p>The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.</p> <p>Effective for annual periods beginning on or after 1 January 2025.</p>	There is no impact on the PIC financial statements for the period ended 31 March 2025, as PIC does not deal with currencies that are not exchangeable.
IAS 28 Investments in Associates and Joint Ventures	<p><b>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28):</b></p> <p>Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.</p> <p>The effective date of this amendment has been deferred indefinitely until further notice.</p>	There is no impact on the PIC financial statements for the period ended 31 March 2025, as there are no asset sales and no contribution between the PIC and its associates.

## 4. Property, Plant and Equipment

Balances at year end and movements for the year.

### Reconciliation for the year ended 31 March 2025

Figures in Rand thousand	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Total
<b>Balance at 1 April 2024</b>						
At cost	54,081	409	16,906	20,820	22,926	115,142
Accumulated depreciation	(37,721)	(188)	(13,432)	(16,099)	(13,846)	(81,286)
<b>Carrying amount</b>	<b>16,360</b>	<b>221</b>	<b>3,474</b>	<b>4,721</b>	<b>9,080</b>	<b>33,856</b>

### Movements for the year ended 31 March 2025

Additions	647	-	2	85	12,335	13,069
Write-off*	-	-	-	-	(358)	(358)
Depreciation	(5,784)	(51)	(1,039)	(2,171)	(5,838)	(14,883)
<b>Property, plant and equipment at the end of the year</b>	<b>11,223</b>	<b>170</b>	<b>2,437</b>	<b>2,635</b>	<b>15,219</b>	<b>31,684</b>

\*Write-off relates to stolen laptops.

### Closing balance at 31 March 2025

At cost	54,728	409	16,857	19,126	30,264	121,384
Accumulated depreciation	(43,505)	(239)	(14,420)	(16,491)	(15,045)	(89,700)
<b>Carrying amount</b>	<b>11,223</b>	<b>170</b>	<b>2,437</b>	<b>2,635</b>	<b>15,219</b>	<b>31,684</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 4. Property, Plant and Equipment (continued)

#### Reconciliation for the year ended 31 March 2024

Figures in Rand thousand	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Total
<b>Balance at 1 April 2023</b>						
At cost	53,874	409	16,929	17,908	19,809	108,929
Accumulated depreciation	(31,996)	(137)	(12,407)	(14,198)	(11,104)	(69,842)
<b>Carrying amount</b>	<b>21,878</b>	<b>272</b>	<b>4,522</b>	<b>3,710</b>	<b>8,705</b>	<b>39,087</b>

#### Movements for the year ended 31 March 2024

Additions	208	-	-	3,037	4,914	8,159
Write-off*	-	-	(5)	-	(128)	(133)
Depreciation	(5,726)	(51)	(1,043)	(2,026)	(4,411)	(13,257)
<b>Property, plant and equipment at the end of the year</b>	<b>16,360</b>	<b>221</b>	<b>3,474</b>	<b>4,721</b>	<b>9,080</b>	<b>33,856</b>

\*Write-off relates to stolen laptops and broken furniture.

#### Closing balance at 31 March 2024

At cost	54,081	409	16,906	20,820	22,926	115,142
Accumulated depreciation	(37,721)	(188)	(13,432)	(16,099)	(13,846)	(81,286)
<b>Carrying amount</b>	<b>16,360</b>	<b>221</b>	<b>3,474</b>	<b>4,721</b>	<b>9,080</b>	<b>33,856</b>

## 5. Intangible Assets

### Reconciliation of changes in intangible assets

#### Reconciliation for the year ended 31 March 2025

Figures in Rand thousand	Computer software	Other intangible asset	Total
<b>Balance at 1 April 2024</b>			
At cost	44,644	479	45,123
Accumulated amortisation	(943)	-	(943)
<b>Carrying amount</b>	<b>43,701</b>	<b>479</b>	<b>44,180</b>

#### Movements for the year ended 31 March 2025

Figures in Rand thousand	Computer software	Other intangible asset	Total
Additions	8,534	-	8,534
Impairment	(6,420)	-	(6,420)
Amortisation	(5,927)	-	(5,927)
<b>Intangible assets at the end of the year</b>	<b>39,888</b>	<b>479</b>	<b>40,367</b>

#### Computer software

- › This relates to externally generated intangible assets.
- › Included in the computer software cost is an Unlisted Investment System with a cost of R28 million. In the current year, an impairment assessment was performed due to the Unlisted Investment System not performing in line with the initial business requirement. The assessment resulted in a recoverable amount based on value in use of R20 million and an impairment of R6 million.
- › The value in use was determined based on the time it will take to complete the project and for the system to be used at full capacity.

#### Other intangible assets

- › This relates to externally generated intangible assets.
- › Included in other intangible assets is an enterprise content management application. This application has an indefinite useful life. The company will continue to use this application for as long as it continues its operations. This application is not amortised but is tested for impairment annually.

## Notes to the Financial Statements

For the year ended 31 March 2025

### 5. Intangible Assets (continued)

Figures in Rand thousand	Computer software	Other intangible asset	Total
<b>Closing balance at 31 March 2025</b>			
At cost	51,970	479	52,449
Accumulated amortisation	(12,082)	-	(12,082)
<b>Carrying amount</b>	<b>39,888</b>	<b>479</b>	<b>40,367</b>

### Reconciliation for the year ended 31 March 2024

<b>Balance at 1 April 2023</b>			
At cost	49,469	479	49,948
Accumulated amortisation	(4,552)	-	(4,552)
<b>Carrying amount</b>	<b>44,917</b>	<b>479</b>	<b>45,396</b>

### Movements for the year ended 31 March 2024

Amortisation	(1,216)	-	(1,216)
<b>Intangible assets at the end of the year</b>	<b>43,701</b>	<b>479</b>	<b>44,180</b>

### Closing balance at 31 March 2024

At cost	44,644	479	45,123
Accumulated amortisation	(943)	-	(943)
<b>Carrying amount</b>	<b>43,701</b>	<b>479</b>	<b>44,180</b>

## 6. Investments in Associates

Investments in associates are investments in which the Company has significant influence, but not control over the financial and operating policies. Investment in associates are accounted for using the equity method in terms of IAS 28. The Company has four associates, namely Harith Fund Managers (Pty) Ltd, Harith General Partners (Pty) Ltd, Bophelo Insurance Group (BIG) (Pty) Ltd and South African SME Fund Ltd (SA SME).

### Associates

Harith Fund Managers (Pty) Limited's nature of business is the management of the funds of the Pan African Infrastructure Development Fund (PAIDF 1). Harith Fund Managers (Pty) Limited is also responsible, on behalf of the PAIDF 1, for the provision of specified administrative services relating to the operations of the PAIDF 1. Harith Fund Managers (Pty) Limited assists the Company in carrying out its mandate as it relates to infrastructure, both in South Africa and the rest of the continent. The life cycle of PAIDF 1 fund came to an end. The financial year end of Harith Fund Managers (Pty) Limited is 31 March.

Harith General Partners (Pty) Limited is a company established in South Africa in 2006, specialising in investments in infrastructure projects in energy, transport, rail, port and airports, information and communication technology, water and sanitation, energy and many others mainly on the African continent. Harith General Partners (Pty) Limited provides fund management and advisory services to the PAIDF 2. PAIDF 2 is still operational. The financial year end of Harith General Partners (Pty) Limited is 31 March.

BIG is a majority black-owned insurance group. BIG holds two subsidiaries in the life and short-term insurance sector, namely Bophelo Life Insurance Limited (Bophelo Life) and Nzalo Insurance Service Limited (NIS). Bophelo Life is a wholly owned subsidiary of BIG and is an authorised financial services provider as prescribed by the FAIS Act, and a registered life insurer in terms of the Long-term Insurance Act, No 52 of 1998. NIS is a short-term insurer licensed by the FSCA to underwrite all classes of business as defined in the Short-term Insurance Act of 1998. Bophelo Life and NIS are currently going through liquidation. The financial year end of BIG is 28 February.

The SA SME Fund was established as part of the CEO Initiative in conjunction with National Treasury and corporate South Africa. The Company's objective is to equity invest in high-potential entrepreneurial enterprises in the Small and Medium Enterprises (SME) Sector and to build a high-quality mentorship cohort to provide business and other forms of support to SME's and entrepreneurs funded by the Company. The Company has a right to elect a director in SA SME Fund. The financial year end of the SA SME Fund is 28 February.

## Notes to the Financial Statements

For the year ended 31 March 2025

### 6. Investments in Associates (continued)

#### Equity accounting of the associates

The Associates equity accounting is based on the draft Trial Balance (TB) of the associates. When the PIC receive the associates final signed Annual Financial Statements (AFS) of the Associates it will consider if the differences between the draft TB and the final signed AFS are material and it will then process the necessary adjustment if material.

Included in the current year Associates equity accounting are adjustments that relate to prior year differences between the draft 2024 TB and the final signed Associates 2024 AFS.

Figures in Rand thousand	2025	2024	2025	2024
Name of company	% ownership interest		Carrying amount	
Harith Fund Managers (Pty) Limited	46%	46%	(1,599)	(1,937)
Harith General Partners (Pty) Limited	30%	30%	322,254	272,819
Bophelo Insurance Group	30%	30%	-	-
South African SME Fund Limited	7.21%	7.21%	92,216	95,353
			<b>412,871</b>	<b>366,235</b>

The PIC has significant influence in SA SME due to the following:

- ▶ The PIC is entitled to one seat on the Board of SA SME.
- ▶ The SME Fund has a maximum of 12 board members.
- ▶ The PIC (as the asset manager) is involved in decisions about dividends or other distributions.

#### Associates

The following are the associates of the Company:

			2025	2024
	Country of incorporation	Method	% Ownership interest	
Harith Fund Managers (Pty) Limited	South Africa	Equity accounting	46%	46%
Harith General Partners (Pty) Limited	South Africa	Equity accounting	30%	30%
Bophelo Insurance Group	South Africa	Equity accounting	30%	30%
South African SME Fund Limited	South Africa	Equity accounting	7.21%	7.21%

## Summarised financial information of material associates

Figures in Rand thousand

2025

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit/(loss)	Other comprehensive income	Total comprehensive income	Profit/(loss) attributable to the company	Other comprehensive income attributable to the Company
Harith Fund Managers (Pty) Limited	40,081	599	-	599	338	-
Harith General Partners (Pty) Limited	159,046	173,640	(9,931)	163,709	52,414	(2,979)
South African SME Fund Limited	186,782	(33,298)	-	(33,298)	(3,137)	-
	<b>385,909</b>	<b>140,941</b>	<b>(9,931)</b>	<b>131,010</b>	<b>49,615</b>	<b>(2,979)</b>

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Harith Fund Managers (Pty) Limited	-	8,239	-	7	8,232
Harith General Partners (Pty) Limited	1,091,488	81,981	62,067	113,631	997,771
South African SME Fund Limited	1,240,739	985,148	583,472	25,642	1,616,773
	<b>2,332,227</b>	<b>1,075,368</b>	<b>645,539</b>	<b>139,280</b>	<b>2,622,776</b>

Reconciliation of net assets to equity accounted investments in associates	Total net assets
Harith Fund Managers (Pty) Limited	8,232
Harith General Partners (Pty) Limited	997,771
South African SME Fund Limited	1,616,773
	<b>2,622,776</b>

Reconciliation of movement in investments in associates	Investment at beginning of financial year	Share of profit	Share of other comprehensive income	Investment at end of financial year
Harith Fund Managers (Pty) Limited	(1,937)	338	-	(1,599)
Harith General Partners (Pty) Limited	272,819	52,414	(2,979)	322,254
South African SME Fund Limited	95,353	(3,137)	-	92,216
	<b>366,235</b>	<b>49,615</b>	<b>(2,979)</b>	<b>412,871</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 6. Investments in Associates (continued)

#### Summarised financial information of material associates

Figures in Rand thousand 2024

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit/(loss)	Other comprehensive income	Total comprehensive income	Profit/(loss) attributable to the Company	Other comprehensive income attributable to the Company
Harith Fund Managers (Pty) Limited	94,391	1,983	-	1,983	912	-
Harith General Partners (Pty) Limited	200,607	(9,701)	31,165	21,464	(2,765)	9,350
South African SME Fund Limited	82,638	26,551	-	26,551	2,410	-
	<b>377,636</b>	<b>18,833</b>	<b>31,165</b>	<b>49,998</b>	<b>557</b>	<b>9,350</b>

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Harith Fund Managers (Pty) Limited	-	7,445	-	181	7,264
Harith General Partners (Pty) Limited	536,542	394,132	29,700	66,753	834,221
South African SME Fund Limited	1,132,097	554,400	365,283	10,911	1,310,303
	<b>1,668,639</b>	<b>955,977</b>	<b>394,983</b>	<b>77,845</b>	<b>2,151,788</b>

Reconciliation of net assets to equity accounted investments in associates	Total net assets
Harith Fund Managers (Pty) Limited	7,264
Harith General Partners (Pty) Limited	834,221
South African SME Fund Limited	1,310,303
	<b>2,151,788</b>

Reconciliation of movement in investments in associates	Investment at beginning of financial year	Share of profit	Dividends received from associates	Investment at end of the financial year
Harith Fund Managers (Pty) Limited	(2,849)	912	-	(1,937)
Harith General Partners (Pty) Limited	266,234	(2,765)	9,350	272,819
South African SME Fund Limited	92,943	2,410	-	95,353
	<b>356,328</b>	<b>557</b>	<b>9,350</b>	<b>366,235</b>

## 7. Financial Assets and Liabilities at Amortised Cost

The accounting policies for financial instruments have been applied to the line items below:

### Financial Assets and Liabilities Carried at Amortised Cost

The carrying amount of Financial Assets and Liabilities at amortised cost are approximately fair value

Figures in Rand thousand	2025	2024
Financial assets at amortised cost	361,567	171,425
Trade receivables	115,129	334,530
Bank balances	559,542	577,072
Trade and other payables	(38,414)	(23,453)
Lease liabilities	(101,418)	(131,631)
	<b>896,406</b>	<b>927,943</b>

## 8. Trade and Other Receivables

Trade and other receivables comprise

Figures in Rand thousand	2025	2024
Trade receivables	107,753	325,353
Sundry debtors	6,407	7,048
Prepayments	24,943	26,054
Employee-related control account	1,173	1,318
Bank account accrued interest	969	2,129
<b>Total trade and other receivables</b>	<b>141,245</b>	<b>361,902</b>
<b>Items included in Trade and other receivables not classified as financial instruments</b>		
Prepayment	24,943	26,054
Employee-related control account	1,173	1,318
<b>Total non-financial instruments included in trade and other receivables</b>	<b>26,116</b>	<b>27,372</b>
Total trade and other receivables, excluding non-financial assets included in trade and other receivables	115,129	334,530
<b>Total trade and other receivables</b>	<b>141,245</b>	<b>361,902</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 8. Trade and Other Receivables (continued)

#### Trade receivable reconciliation

The movement in the gross carrying amounts of the trade receivables are also presented in order to assist in the explanation of movements in the loss allowance.

Figures in Rand thousand	2025	2024
<b>Gross carrying amount</b>	100,501	325,353
Loss allowance	-	-
<b>Armotised cost</b>	<b>100,501</b>	<b>325,353</b>

#### Exposure to credit risk

Trade receivables inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if customers fail to make payments as they fall due. To mitigate the risk of financial loss from defaults, the Company deals only with reputable clients with consistent payment histories. The exposure to credit risk and the creditworthiness of customers is continuously monitored.

IFRS 9 requires an assessment to be performed of the credit risk of a financial asset at the valuation date, compared to the credit risk as at inception to determine whether a significant increase in credit risk has occurred.

The significant increase in credit risk assessment is done at a client level.

A client is considered to have experienced significant increase in credit risk and will transition to stage 2 when:

- ▶ Amounts past due (arrears), exceed 30 days (rebuttable presumption);
- ▶ The client is on PIC's watch list and is categorised as a high risk; or
- ▶ A deterioration in probability of default occurred.

A financial asset is considered in default when the amount is in arrears for more than 60 days.

There have been no significant changes in credit risk management policies and processes since the prior reporting period. The average credit period on trade receivables is 30 days (2024: 30 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables that have been written off are not subject to enforcement activities.

The Company measures the loss allowance for trade receivables by applying the general approach as described by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as 12-month expected loss allowance. The approach has been developed by considering the following:

- › Past default experience of the debtors;
- › Information for estimating occurrence of default events within 12 months from the reporting date;
- › Information for estimating occurrence of default events within the life of the instrument and their probable outcomes;
- › If any, instrument credit risk and identifying its significant increase;
- › Percentage of financial instruments with related parties;
- › Percentage of financial instruments based on mandates with related parties and method of collection;
- › Type of organisation where the financial instruments are held, i.e. state-owned or Pension Fund;
- › Whether Pension Fund is fully funded or not; and
- › All signed mandates with clients and method of collection as a Fund Manager.

Trade and other receivables are categorised as stage 1.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

## Reconciliation of loss allowances

The following tables show the movement in the loss allowances for trade receivables which are measured at amortised cost.

Figures in Rand thousand	2025	2024
<b>Opening balance</b>	-	-
Movement for the year	-	-
<b>Closing balance</b>	-	-

## Measurement of trade receivable ECL:

- › 99.45% of trade receivables are PIC clients, that are also related parties;
- › Revenue from the related parties is based on mandate agreements with clients;
- › 100% of these related parties are state-owned, with significantly low risk of cash flow problems;
- › The PIC has control over the collection of management fees;
- › Based on historical data, there has not been an impairment on any revenue due from clients.

Based on the above and low risk of default, management have not recognised the ECL provision on trade receivables.

## Notes to the Financial Statements

For the year ended 31 March 2025

### 9. Deferred Tax

Figures in Rand thousand	2025	2024
<b>Deferred tax</b>		
Leave pay	8,369	7,491
Prepayments	(4,915)	(4,284)
Unrealised profit/loss on fair value financial instrument	(26,614)	48,575
Short-term incentive provision	29,577	32,077
Long-term incentive provision	50,083	50,125
Intangible assets	1,733	-
Right of use	(13,917)	(18,966)
Lease liability	27,383	35,540
<b>Total deferred tax asset</b>	<b>71,700</b>	<b>150,558</b>

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax asset	71,700	150,558
<b>Reconciliation of deferred tax asset / (liability)</b>		
At beginning of year	150,558	149,441
Leave pay	878	722
Prepayments	(630)	(1,934)
Unrealised (profit)/loss on fair value financial instrument	(75,189)	9,685
Short-term incentive provision	(2,500)	(4,530)
Long-term incentive provision	(43)	(929)
Intangible assets	1,734	-
Right of use	5,050	4,531
Lease liability	(8,158)	(6,428)
	<b>71,700</b>	<b>150,558</b>

### 10. Current Tax Payable (receivable)

<b>Opening balance</b>	67,861	(16,258)
Raised during the year	70,228	82,119
Tax paid during the year	(87,130)	(74,781)
Tax refunded from prior year	-	76,781
	<b>50,959</b>	<b>67,861</b>

## 11. Listed Investments at Fair Value Through Profit or Loss

All financial assets at fair value through profit or loss are designated at initial recognition, and subsequently measured at fair value.

### Listed investments at fair value through profit or loss comprise the following balances

Figures in Rand thousand	2025	2024
Listed Shares	1,488,293	1,206,936
Bonds	1,760,472	1,634,843
	<b>3,248,765</b>	<b>2,841,779</b>

### Financial Assets at fair value through profit or loss

The fair values of the financial assets were determined as follows:

- ▶ The fair values of listed or quoted investments are based on the quoted market price at reporting date.

For investment in debt securities classified at fair value through profit or loss, the maximum exposure to credit risk at the reporting date is the carrying amount.

The maximum exposure to credit risk at the reporting date is the fair value of each class of financial instrument mentioned above and the fair value of the trade and other receivables, is disclosed in note 8. The Company has not pledged any of the financial assets at fair value as security.

Financial instruments measured at fair value are classified into a hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy of all the financial instruments is level 1. Level 1 inputs are quoted prices in active markets for identical assets, which are observable for the assets, either directly or indirectly.

### Credit quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Figures in Rand thousand	2025	2024
<b>Financial Assets at fair value through profit or loss</b>		
A+	1,699	1,492
AA-	9,961	9,412
AAA	1,605,480	1,491,270
BBB	-	132,669
BBB+	139,589	-
Other	1,492,036	1,206,936
	<b>3,248,765</b>	<b>2,841,779</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 12. Financial Assets at Amortised Cost

Figures in Rand thousand	2025	2024
Fixed deposit	361,567	165,385
Promissory notes	-	6,040
	<b>361,567</b>	<b>171,425</b>

#### Exposure to credit risk

Fixed deposits and promissory notes inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

#### Credit loss allowances

The following tables show the movement in the loss allowance for fixed deposits and promissory notes.

The movement in the gross carrying amounts of the fixed deposits and promissory notes is presented to assist in the explanation of the movement.

Figures in Rand thousand							2025
Instrument	Basis of loss allowance	External credit rating (where applicable)	Rating agency	Weighted average loss rate	Gross carrying amount	Loss allowance	Amortised cost
Fixed deposit	12-month ECL	AA+	Fitch	0%	361,567	-	361,567
					<b>361,567</b>	<b>-</b>	<b>361,567</b>

Figures in Rand thousand							2024
Instrument	Basis of loss allowance	External credit rating (where applicable)	Rating agency	Weighted average loss rate	Gross carrying amount	Loss allowance	Amortised cost
Fixed deposit	12-month ECL	AAA	Fitch	0%	45,169	-	45,169
Fixed deposit	12-month ECL	AA	Fitch	0%	109,796	-	109,796
Fixed deposit	12-month ECL	AA+	Fitch	0%	10,420	-	10,420
Promissory notes	Lifetime	CCC-	N/A	7%	6,494	(454)	6,040
					<b>171,879</b>	<b>(454)</b>	<b>171,425</b>

## Reconciliation of loss allowances

The following tables show the movement in the loss allowances for investments in financial assets, which are measured at amortised cost. The movement in the gross carrying amounts of the investments are also presented in order to assist in the explanation of movements in the loss allowance.

### Promissory notes: Loss allowance measured at life-time:

Figures in Rand thousand	2025	2024
<b>Opening balance</b>	454	605
Movement for the year	(454)	(151)
<b>Closing balance</b>	-	454

The decrease in ECL allowance in the prior year was due to Land Bank payments of defaulted capital.

The decrease in ECL allowance in the current year was due to the restructuring of Promissory notes to Bond notes.

### Land Bank

On 16 September 2024, the Land Bank promissory note was restructured to a bond financial instrument. Bonds are disclosed under note 11. The default has now been cured.

The promissory note was converted into a bond valued at R 6.4 million. The carrying amount of the promissory note at the restructuring date was equivalent to the bond's value. Consequently, there was no gain or loss on the restructuring transaction.

### Amount arising from ECL

Inputs, assumptions and techniques for estimating impairment.

Significant increase in credit risk.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- ▶ The remaining lifetime probability of default (PD) as at the reporting date, with
- ▶ The remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where appropriate for changes in prepayment expectations).

The Company uses three criteria for determining whether there has been a significant increase in credit risk:

- ▶ A quantitative test based on movement in PD;
- ▶ Qualitative indicators; and
- ▶ A backstop of 30 days past due.

### Credit risk grades

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of counterparty.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk grade deteriorates. Each exposure is allocated to a credit risk grade on initial recognition based on available information about the counterparties. Exposures are subject to ongoing

## Notes to the Financial Statements

For the year ended 31 March 2025

### 12. Financial Assets at Amortised Cost (continued)

monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

- ▶ Data from credit reference agencies, press articles, changes in external credit ratings; and
- ▶ Actual and expected significant changes in the political, regulatory and technological environment of the counterparties.

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by asset class as well as by credit risk grading. For the asset class financial assets, information purchased from external credit reference agencies is used.

The Company employs a methodology to analyse the data collected and generates estimates of the remaining lifetime PD of exposures and how these are expected to change over time. As a general indicator, the credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's quantitative data:

- ▶ Credit risk grades are determined to have deteriorated by more than two notches;
- ▶ The remaining lifetime PD is determined to have increased by more than 1% of the corresponding amount estimated on initial recognition.

Credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Company's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date on which full payment has not been received.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured at 12-month ECL.

### Definition of default

The Company considers a financial asset to be in default when:

- ▶ The borrower or counterparty is unlikely to pay its credit obligations to the Company in full.
- ▶ The borrower or counterparty is more than 60 days past due on any material credit obligation to the Company.
- ▶ It is becoming probable that the borrower or counterparty will restructure the asset as a result of bankruptcy due to its inability to pay its obligations.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

The Company incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated if there are any significant effects as a result of changes in key drivers, i.e. GDP growth and interest rate.

### Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- ▶ Probability of default (PD);
- ▶ Loss given default (LGD); and
- ▶ Exposure at default (EAD).

ECL for exposures in stage 1 are calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

Credit rating methodology is used to estimate the PD.

LGD is the magnitude of the likely loss if there is a default. The LGD was set at 45% for senior unsecured debt. EAD represents the expected exposure in the event of a default.

The Company derives the EAD from the current exposure to the counterparty. The EAD of a financial asset is its gross carrying amount at the time of default.

Exposure to liquidity risk

The key measure used by the Company for managing liquidity risk is the ratio of net liquid assets to short-term funding. For this purpose, 'net liquid assets' includes cash and cash equivalents and investment-grade debt securities for which there is an active and liquid market divided by commitments maturing within the next month.

### 13. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Figures in Rand thousand	2025	2024
<b>Cash</b>		
Cash on hand	3	6
Balances with banks	119,903	230,704
	<b>119,906</b>	<b>230,710</b>
<b>Cash equivalents</b>		
Short term deposits	418,118	324,844
Cash Balance with banks pledged as security	21,518	21,518
	<b>439,636</b>	<b>346,362</b>
<b>Total cash and cash equivalents</b>	<b>559,542</b>	<b>577,072</b>

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Figures in Rand thousand	2025	2024
<b>Credit rating</b>		
AAA	-	63,056
AA+	559,539	348,610
AA	-	165,400
	<b>559,539</b>	<b>577,066</b>

#### Cash and cash equivalents pledged as security

The PIC is involved in a Labour dispute with two former Executives. The Labour Relations Act (Section 145(7)) requires that the PIC provide security(guarantee) to the satisfaction of the Labour Court, in accordance with subsection (8). Subsection (8) states that security furnished should be equivalent to 24 months' remuneration or equivalent to the amount of compensation awarded. The security provided by PIC is equivalent to 24 months' remuneration and is kept in a separate account, which is not part of the PIC operations.

	<b>21,518</b>	21,518
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## Notes to the Financial Statements

For the year ended 31 March 2025

### 13. Cash and Cash Equivalents (continued)

#### Short-term deposits

For fair presentation in reflecting the Company's short-term cash commitments, management has diverged regarding the application of IAS 7, paragraph 7, to present financial assets at amortised cost as cash equivalents on the basis of the three months remaining period to maturity at the financial position date rather than from its acquisition date.

Management has determined that the presentation of a statement of cash flows would not provide relevant or reliable information to users of the financial statements and would be misleading in the context of the Company's specific circumstances.

The Company operates a Fund that has a purpose of both investment and short-term cash commitments. Fixed deposits that are 3 months and below to maturity are disclosed as cash equivalents, as they are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. The departure is only based on the initial classification when the fixed deposit would be longer than 3 months to maturity. The PICOF mandate requires that fixed deposits be benchmarked against the STeFI Index, which reflects the average performance of short-term fixed-income instruments with an average duration of 180 days.

This departure is made to achieve a fair presentation of the Company's financial position and performance, as required by IAS 1. The disclosure provides users with sufficient information to understand the Company's liquidity and financial adaptability.

Had management not diverged regarding the application of IAS 7, paragraph 7, to present financial assets at amortised cost as cash equivalents on the basis of the three months remaining period to maturity at the financial position date rather than from its acquisition date, cash and cash equivalent would have been less by R418,118 (2025) and R324,844 (2024). Financial assets at amortised costs (Note 12) would have been more by R418,118 (2025) and R324,844 (2024).

### 14. Issued Capital

#### Authorised and issued share capital

Figures in Rand thousand	2025	2024
<b>Authorised</b>		
100 ordinary shares of R10 each	1	1
<b>Issued</b>		
100 ordinary shares of R10 each	1	1

### 15. Foreign Currency Translation Reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries from associates.

Figures in Rand thousand	2025	2024
<b>Opening balance</b>	36,738	27,388
Foreign currency translation	(2,979)	9,350
Transfer to retained earnings	(684)	-
<b>Closing balance</b>	<b>33,075</b>	<b>36,738</b>

## 16. Non-distributable Reserves

Figures in Rand thousand	2025	2024
Reserves	935,592	935,592

## 17. Employee Benefits

### Reconciliation of Employee Benefits - 2025

Figures in Rand thousand	Opening balance	Raised	Utilised during the year	Reversed/ adjustment during the year	Accrued interest	Total
Leave pay	27,744	47,451	(40,276)	(3,922)	-	30,997
Long-term incentives	185,649	47,689	(54,477)	(2,957)	9,588	185,492
Short-term incentives	118,805	104,429	(108,325)	(5,364)	-	109,545
	<b>332,198</b>	<b>199,569</b>	<b>(203,078)</b>	<b>(12,243)</b>	<b>9,588</b>	<b>326,034</b>

### Reconciliation of Employee Benefits - 2024

Figures in Rand thousand	Opening balance	Raised	Utilised during the year	Reversed/ adjustment during the year	Accrued interest	Total
Leave pay	25,070	43,700	(35,879)	(5,147)	-	27,744
Long-term incentives	189,092	58,553	(83,013)	15,304	5,713	185,649
Short-term incentives	135,581	118,991	(135,767)	-	-	118,805
	<b>349,743</b>	<b>221,244</b>	<b>(254,659)</b>	<b>10,157</b>	<b>5,713</b>	<b>332,198</b>

Figures in Rand thousand	2025	2024
Employee Benefits	98,898	235,122
<b>Non-current portion</b>	<b>98,898</b>	<b>235,122</b>
Employee Benefits	227,136	97,076
<b>Current portion</b>	<b>227,136</b>	<b>97,076</b>
	<b>326,034</b>	<b>332,198</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 17. Employee Benefits (continued)

#### Accrued Leave

The Company accrues in full the employees' rights to annual leave entitlement in respect of past service. This is expensed over the period the services are rendered. The leave provision is recognised as a liability and expected to be settled within 12 months after the end of the period in which the employees render the related services.

#### Short-term employee benefits

The Short-Term Incentives (STI) scheme of R110 million (2024: R119 million) has been recognised as a provision.

The STI pool is measured at 64% of a certain percentage (based on the Company score as per the remuneration policy) of the profit before tax.

The incentive pool must be approved by the Board after year end before pay out. At year end there is uncertainty regarding the bonus pool since this is at the discretion of the Board.

The STI is recognised and accrued in the year the service was rendered, but only paid after the financial statements are approved by the Board. The trigger for the payment of the STI is if the Company has made at least 10% of the net income over management fees and achieves a performance rating of three.

#### Long-term employee benefits

The Long-Term Incentives (LTI) scheme is R185 million (2024: R186 million).

The LTI pool is measured at 36% of a certain percentage (based on the Company score as per the remuneration policy) of the profit before tax. The assumption includes a percentage of probability of payment and considering time value of money (if material).

The LTI pool must be approved by the Board after year end before pay out. At year end there is uncertainty regarding the bonus pool since this is at the discretion of the Board.

The LTI is recognised and accrued in the year the service was rendered, but only paid after the vesting period. The trigger for the allocation of the LTI is if the Company has made at least 10% of the net income over management fees and achieves a performance rating of three.

The scheme is to attract, retain and reward high-performing management. The Company's management is eligible to participate in the LTI scheme only if the Company achieves an overall performance rating of three and if a manager achieves a minimum individual performance rating of 3.5.

## 18. Trade and Other Payables

Figures in Rand thousand	2025	2024
<b>Trade and other payables comprise:</b>		
Trade payables	20,360	10,746
Accrued liabilities	18,054	12,707
Other payables	-	2,473
Value-added tax	3,467	24,621
<b>Total trade and other payables</b>	<b>41,881</b>	<b>50,547</b>
<b>Items included in trade and other payables not classified as financial liabilities</b>		
Value-added tax	3,467	24,621
Other payables	-	2,473
<b>Total non-financial liabilities included in trade and other payables</b>	<b>3,467</b>	<b>27,094</b>
Total trade and other payables, excluding nonfinancial liabilities, included in trade and other payables	38,414	23,453
<b>Total trade and other payables</b>	<b>41,881</b>	<b>50,547</b>

## 19. Right-of-Use and Lease Liabilities

Details pertaining to leasing arrangements, where the company is the lessee are presented below:

### Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

Figures in Rand thousand	2025	2024
Office Buildings – Cost	269,766	269,766
Office Buildings – Accumulated depreciation	(221,857)	(204,435)
IT Equipment – Cost	4,501	4,501
IT Equipment – Accumulated depreciation	(2,025)	(1,125)
Office Equipment – Cost	1,907	1,907
Office Equipment – Accumulated Depreciation	(748)	(367)
<b>Total right of use assets carrying amount</b>	<b>51,544</b>	<b>70,247</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 19. Right-of-Use and Lease liabilities (continued)

The Office Buildings, IT equipment and Office Equipment leases are subject to the following terms:

#### Menlyn Maine

- › Office building leased by the PIC situated on the corner Aramist Avenue and Corobay Avenue, Waterkloof Glen Extension 2, Pretoria, Gauteng.
- › Lease term is nine years and ten months.
- › Remaining term at 31 March 2025 is two years and nine months.
- › No option to extend, no option to purchase, the lease payments are not linked to an index and no termination option.

#### Printers

- › Printers leased by the PIC for operations.
- › Lease term three years and two years extension period.
- › Remaining term at 31 March 2025 is two years and nine months extension period.
- › No option to purchase, the lease payments are not linked to an index and no termination option.

#### Security scanners

- › Security Scanners leased by the PIC for operations.
- › Lease term 5 years with no option for an extension period.
- › Remaining term at 31 March 2025 is 3 years and one month.
- › No option to purchase, the lease payments are not linked to an index and no termination option.

### Additions to right-of-use assets

Figures in Rand thousand	2025	2024
Office equipment	-	1,907

### Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation, which has been expensed in the total depreciation charge in profit or loss (note 22), as well as depreciation which has been capitalised to the cost of other assets.

Figures in Rand thousand	2025	2024
Buildings	17,422	17,422
Office equipment	381	367
IT equipment	900	900
<b>Closing balance</b>	<b>18,703</b>	<b>18,689</b>

## Other disclosures

Figures in Rand thousand	2025	2024
Interest expense on lease liabilities	8,226	10,178
Lease interest paid	8,215	10,178
Lease liability capital paid	30,224	25,713
<b>Total cash outflow from leases</b>	<b>38,439</b>	<b>35,891</b>

## Lease liabilities

The maturity analysis of lease liabilities is as follows:

Figures in Rand thousand	2025	2024
Within one year	40,807	39,049
Two to five years	70,813	111,011
	111,620	150,060
Less finance charges component	(10,202)	(18,429)
	<b>101,418</b>	<b>131,631</b>
Non-current liabilities	66,563	100,808
Current liabilities	34,855	30,823
	<b>101,418</b>	<b>131,631</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 20. Revenue

Figures in Rand thousand	2025	2024
<b>Revenue from contracts with customers</b>		
Management fees	1,307,928	1,261,755

#### Disaggregation of revenue from contracts with clients

The Company disaggregates revenue from clients as follows:

##### Revenue by clients

Associated Institution Pension Fund	4,967	4,497
Compensation Commissioner Fund	22,403	18,877
Compensation Commissioner Pension Fund	37,092	32,686
Government Employees Pension Fund	1,053,187	998,207
Old Mutual Ltd	575	538
National Skills Fund	3,420	3,404
PIC other clients	6,655	6,265
Political Office Bearers Pension Fund	398	342
RDP Fund	7,999	7,370
Temporary Employees Pension Fund	123	117
Unemployment Insurance Fund	164,899	189,452
The Department of Science and Innovation	6,212	-
	<b>1,307,928</b>	<b>1,261,755</b>

The following table indicates the management fees recognised per underlying investment asset class:

Equities	479,274	418,634
Fixed income	232,691	215,143
Properties	145,551	174,678
Unlisted debts and equities (excluding properties)	450,412	453,300
	<b>1,307,928</b>	<b>1,261,755</b>

### 21. Other Operating Income

Figures in Rand thousand	2025	2024
<b>Other income comprises:</b>		
Board fees	4,575	6,143
Other income	1,552	1,653
	<b>6,127</b>	<b>7,796</b>

## 22. Operating Profit (Loss)

Profit from operating activities includes the following separately disclosable items

Figures in Rand thousand	2025	2024
<b>Other operating expenses</b>		
Property plant and equipment	14,883	13,257
• depreciation		
<b>Intangible assets</b>		
• amortisation	5,927	1,216
Impairment loss	6,420	-
<b>Right-of-use assets</b>		
• depreciation	18,703	18,689
<b>Financial assets</b>		
• impairment movement	(455)	(151)
<b>Auditor's remuneration - external</b>		
Audit fees	17,487	14,269
<b>Other material items requiring separate disclosure</b>		
<b>Remuneration other than to employees</b>		
Consulting and professional services	32,606	40,535
<b>Leases</b>		
Short-term leases	312	324
Unrealised (gain) or loss on fair value investments	(278,476)	35,870
(Profit) or loss on foreign payment	(5,086)	1,310
<b>Employee costs</b>		
Salaries, wages, bonuses and other benefits	667,150	625,175
Retirement benefit plans: Defined contribution expense	38,625	35,070
Long-term employee incentive scheme	44,732	73,856
<b>Total employee costs</b>	<b>750,506</b>	<b>734,101</b>
<b>Expenses by nature</b>		
Employee costs	750,506	734,101
Lease expenses	312	324
Depreciation and amortisation	45,933	33,162
Other expenses	442,308	364,732
	<b>1,239,059</b>	<b>1,132,319</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 22. Operating Profit (Loss) (continued)

#### Executive Committee 2025 (Exco) Remuneration

Figures in Rand thousand	Emoluments	Short-term incentive allocation	Long-term incentive allocation	Other	Total
Mosidi M	5,331	1,066	533	12	6,942
Hako V*	2,307	-	-	10,790	13,097
Solomon R	6,513	1,491	745	12	8,761
Van Heerden A	7,573	1,515	757	12	9,857
	<b>21,724</b>	<b>4,072</b>	<b>2,035</b>	<b>10,826</b>	<b>38,657</b>

\*Mr Hako resigned on 19 August 2024. Other amount is based on a settlement agreement.

#### Executive Committee 2024 (Exco) Remuneration

Figures in Rand thousand	Emoluments	Short-term incentive allocation	Long-term incentive allocation	Other	Total
Letlape E*	4,046	809	405	1	5,261
Mosidi M	5,074	1,015	508	12	6,609
Hako V	6,012	1,202	601	12	7,827
Solomon R**	934	1,491	745	2	3,172
Van Heerden A	7,208	1,442	721	12	9,383
	<b>23,274</b>	<b>5,959</b>	<b>2,980</b>	<b>39</b>	<b>32,252</b>

\*Ms Letlape's acting COO period ended on 8 February 2024.

\*\*Ms Solomon was appointed acting COO on 9 February 2024.

### 23. Investment Income

Figures in Rand thousand	2025	2024
<b>Investment income comprises:</b>		
Interest income - Bank balances, fixed deposits and bonds	225,988	210,041
Dividend income - Local Listed investments	65,655	55,762
<b>Total investment income</b>	<b>291,643</b>	<b>265,803</b>

## 24. Interest Paid

Figures in Rand thousand	2025	2024
Interest expense on lease liabilities	8,226	10,178
Other interest	25,919	5,714
<b>Total interest paid</b>	<b>34,145</b>	<b>15,892</b>

Included in the total interest paid is R16 million interest paid to South African Revenue Services (SARS) under the VAT Voluntary Disclosure Relief Programme (VDP).

## 25. Taxation

Figures in Rand thousand	2025	2024
<b>Income tax recognised in profit or loss:</b>		
<b>Current tax</b>		
Current year	70,228	82,119
<b>Deferred tax</b>		
Originating and reversing temporary differences	78,858	(1,117)
<b>Total taxation</b>	<b>149,086</b>	<b>81,002</b>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense		
Accounting profit before tax	661,041	351,981
Tax at the applicable tax rate of 27% (2024: 27%)	178,481	95,035
Tax effect of Non-deductible expenses	1,728	1,173
Tax-exempt income	(31,123)	(15,206)
<b>Tax charge</b>	<b>149,086</b>	<b>81,002</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 26. Cash Flows from Operating Activities

Figures in Rand thousand	Note(s)	2025	2024
<b>Profit for the year</b>		<b>511,955</b>	<b>270,979</b>
<b>Adjustments for:</b>			
Income tax expense	25	149,086	81,002
Investment income	23	(291,643)	(265,803)
Interest paid	24	34,145	10,178
Depreciation and amortisation expense	22	39,513	33,162
Impairment loss (reversal) on financial assets at amortised cost	22	(25,390)	(151)
Intangible assets impairment	22	6,420	-
Unrealised loss (gain) on financial assets at fair value through profit/loss	22	(278,476)	35,870
Income from equity accounted investments	6	(49,615)	(557)
Write off of property, plant, equipment and intangible assets	22	358	134
Movement in provision		(15,752)	(17,545)
<b>Change in working capital:</b>			
Trade and other receivables		218,958	(24,881)
Trade and other payables		(12,297)	19,588
Tax refund		-	76,781
<b>Net cash flows from operations</b>		<b>287,262</b>	<b>218,757</b>

### 27. Dividends Payable

Figures in Rand thousand	2025	2024
Balance at the beginning of the year	-	99,000
Dividend declared	145,000	141,000
Dividends paid	(145,000)	(240,000)
Balance at the end of the year	-	-

### 28. Dividends Proposed, Declared and Paid

On 23 August 2024, the PIC Board of Directors, proposed a dividend of R145 million. The dividend proposed was authorised by the Shareholder at the Annual General Meeting on 02 December 2024 and paid on 31 January 2025.

## 29. Income Tax Paid

Figures in Rand thousand	2025	2024
Balance at beginning of the year	(67,861)	16,258
Current tax for the year recognised in profit or loss	(70,228)	(82,119)
(Tax refund)/Additional payment	-	(76,781)
Balance at end of the year	50,959	67,861
Income tax paid	<b>(87,130)</b>	<b>(74,781)</b>

## 30. Changes in Liabilities Arising from Financing Activities

### Reconciliation of liabilities arising from financing activities - 2025

Figures in Rand thousand	Opening balance	New leases	Interest accrued	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	131,631	-	8,226	8,226	(38,439)	101,418
<b>Total liabilities from financing activities</b>	<b>131,631</b>	<b>-</b>	<b>8,226</b>	<b>8,226</b>	<b>(38,439)</b>	<b>101,418</b>

### Reconciliation of liabilities arising from financing activities - 2024

Figures in Rand thousand	Opening balance	New leases	Interest accrued	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	155,438	1,905	10,178	12,083	(35,890)	131,631
<b>Total liabilities from financing activities</b>	<b>155,438</b>	<b>1,905</b>	<b>10,178</b>	<b>12,083</b>	<b>(35,890)</b>	<b>131,631</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 31. Commitments

Figures in Rand thousand	2025	2024
<b>Capital expenditure, information technology cost and investments</b>		
<b>Contracted capex</b>	<b>1,062</b>	<b>2,792</b>
Within one year	1,062	2,792
In second to fifth year inclusive	-	-
<b>Uncontracted capex</b>	<b>108,601</b>	<b>370,685</b>
Within one year	34,191	142,299
In second to fifth year inclusive	74,410	228,386
<b>Contracted Operation</b>	<b>489,513</b>	<b>256,321</b>
Within one year	240,804	176,178
In second to fifth year inclusive	248,709	80,143
<b>Total</b>	<b>599,176</b>	<b>629,798</b>

Commitments include all items of capital expenditure, information technology costs and investments for which specific Board approval has been obtained up to the reporting date.

<b>Commitments</b>		
• Within one year	276,057	321,268
• In second to fifth year inclusive	323,119	308,530
<b>Total</b>	<b>599,176</b>	<b>629,798</b>

## 32. Related Parties

### Relationships

Ultimate shareholder	National Government of the Republic of South Africa
Shareholder	National Government of the Republic of South Africa

Figures in Rand thousand	2025	2024
<b>Related-party balances</b>		
<b>Amounts included in trade receivable (trade payable) regarding related parties</b>		
Associated Institutions Pension Fund	504	448
Compensation Commissioner Pension Fund	4,160	1,930
Compensation Commissioner Fund	2,340	6,229
Government Employees Pension Fund	85,527	269,863
National Skills Fund	319	321
Other PIC Clients	646	626
Political Office Bearers Pension Fund	41	35
RDP Fund	771	678
Temporary Employees Pension Fund	12	12
Unemployment Insurance Fund	2,161	47,373
Services delivered	96,481	327,514
<b>Related party transactions</b>		
<b>Services delivered</b>		
State-controlled entities and national departments	1,307,928	1,261,755
<b>Purchased services</b>		
Financial Sector Conduct Authority	(3,092)	(2,920)
South African Broadcasting Corporation	-	(19)
Compensation Commissioner	(308)	(356)
South African Revenue Service	(87,131)	(74,781)
<b>Compensation to directors and other key management</b>		
Short-term employee benefits - salaries and incentive scheme	46,039	54,692
Benefits - pension, defined contribution plan. 6 key management under this plan	4,963	5,082
Long-term employee benefits - incentive scheme	4,939	5,900
	<b>55,941</b>	<b>65,674</b>

The PIC is part of the national sphere of government and its related parties include national departments, public entities, as per National Treasury consolidation instruction relating to inter-entity and other institutions reporting to the Executive Authority (National Treasury).

## Notes to the Financial Statements

For the year ended 31 March 2025

### 33. Directors' Emoluments

#### Executive Directors 2025

Figures in Rand thousand	Emoluments	Short-term incentive allocation	Long-term incentive allocation	Other	Total
A Sithole	10,506	2,627	1,313	12	14,458
K Rikhotso	8,488	2,122	1,061	12	11,683
B Damoyi	5,289	1,058	529	12	6,888
	<b>24,283</b>	<b>5,807</b>	<b>2,903</b>	<b>36</b>	<b>33,029</b>

#### Executive Directors 2024

Figures in Rand thousand	Emoluments	Short-term incentive allocation	Long-term incentive allocation	Other	Total
A Sithole	10,184	2,546	1,273	12	14,015
B Mavuka*	6,300	1,260	630	12	8,202
K Rikhotso	8,139	2,035	1,017	10	11,203
	<b>24,623</b>	<b>5,841</b>	<b>2,920</b>	<b>36</b>	<b>33,420</b>

\*Mr Brian Mavuka's acting period ended on 31 March 2024

### Non-Executive Directors 2025

Figures in Rand thousand	Meeting attendance	Retainer fees	Total
<b>Directors' emoluments</b>			
<b>For Service as directors</b>			
T Ramano	937	361	1,298
B Bouwer	1,365	352	1,717
M Maluleke	720	352	1,072
B Dumisa	813	221	1,034
B Watson	717	361	1,078
N Mtoba	863	504	1,367
F Baleni*	663	295	958
W Hlaise	904	221	1,125
L Mulaudzi	712	221	933
	<b>7,694</b>	<b>2,888</b>	<b>10,582</b>

\*Mr Brian Mavuka's acting period ended on 31 March 2024

### Non-Executive Directors 2024

Figures in Rand thousand	Meeting attendance	Retainer fees	Total
<b>Directors' emoluments</b>			
<b>For Service as directors</b>			
T Ramano	1,356	401	1,757
B Bouwer	1,472	393	1,865
M Maluleke	958	393	1,351
B Dumisa	1,216	224	1,440
B Watson	717	402	1,119
N Mtoba	689	579	1,268
F Baleni	865	393	1,258
W Hlaise	839	224	1,063
L Mulaudzi	687	224	911
	<b>8,799</b>	<b>3,233</b>	<b>12,032</b>

# Notes to the Financial Statements

For the year ended 31 March 2025

## 34. Financial Instruments and Risk Management

### Financial risk management

The Company has exposure to the following risks from financial instruments:

- › Market risk;
- › Interest rate risk;
- › Credit risk; and
- › Liquidity risk.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Risk Committee considers reports from the market and credit risk business units. The other committee that provides risk management oversight is the Audit Committee. The Audit Committee considers reports from Internal Audit consisting of both regular and ad hoc reviews of risk management controls and procedures.

### Market risk

Market risk is the risk that the Company's earnings and capital will be adversely affected by movements in the level or volatility of market rates or prices, such as interest rates and foreign exchange rates. The overarching objective of market risk management in the Company is to protect the Company's net earnings against adverse market movements through containing the innate interest rate and foreign currency risks within acceptable parameters.

The PIC's Operating Fund (PICOF) has exposure to interest-rate-sensitive instruments. Market risk is managed through adherence to mandate requirements such as a tracking error limit relative to a chosen benchmark and liquidity needs (see liquidity definition below under the liquidity section).

### Interest rate risk

Interest rate risk refers to the susceptibility of the Company's financial position to adverse fluctuations in market interest rates. Variations in market interest rates have an impact on the cash flows and income stream of the Company through their net effect on interest-rate-sensitive assets. At the same time, movements in interest rates impact on the Company's capital through their net effect on the market value of assets. Interest rate risk in the Company arises naturally as a result of investments made in the PICOF account, which are investments in traded instruments and are impacted by interest rate fluctuations.

The table below shows the 2025 sensitivity analysis of the PICOF and MET portfolio.

	<b>2025</b>
Figures in Rand thousand	<b>Profit/loss R'000</b>
<b>NOMINAL BONDS PICOF FUNDS SPREAD IN BASIS POINTS</b>	
-150	80,080
-100	52,039
-50	25,374
50	(24,164)
100	(47,191)
150	(69,149)
<b>INFLATION LINKED BONDS PICOF FUNDS SPREAD IN BASIS POINTS</b>	
-150	130,770
-100	83,811
-50	40,327
50	(37,457)
100	(72,301)
150	(104,762)
<b>MONEY MARKET PICOF FUNDS SPREAD IN BASIS POINTS</b>	
-150	2,547
-100	1,694
-50	846
50	(842)
100	(1,681)
150	(2,516)
<b>CAPITAL MARKET MET FUNDS SPREAD IN BASIS POINTS</b>	
-150	10,299
-100	6,688
-50	3,259
50	(3,100)
100	(6,050)
150	(8,860)
<b>MONEY MARKET MET FUNDS SPREAD IN BASIS POINTS</b>	
-150	230
-100	153
-50	77
50	(76)
100	(152)
150	(228)

## Notes to the Financial Statements

For the year ended 31 March 2025

### 34. Financial Instruments and Risk Management (continued)

The table below shows the 2024 sensitivity analysis of the PICOF and MET portfolio.

	2024
	Profit/loss R'000
Figures in Rand thousand	
<b>CAPITAL MARKET PICOF FUNDS SPREAD IN BASIS POINTS</b>	
-200	368,159
-150	255,204
-100	152,427
-50	58,737
50	(105,131)
100	(176,913)
150	(242,846)
200	(303,522)
<b>MONEY MARKET PICOF FUNDS SPREAD IN BASIS POINTS</b>	
-200	7,980
-150	5,971
-100	3,972
-50	1,981
50	(1,972)
100	(3,936)
150	(5,890)
200	(7,836)
<b>CAPITAL MARKET MET FUNDS SPREAD IN BASIS POINTS</b>	
-200	11,396
-150	8,337
-100	5,423
-50	2,647
50	(2,527)
100	(4,940)
150	(7,247)
200	(9,453)
<b>MONEY MARKET MET FUNDS SPREAD IN BASIS POINTS</b>	
-200	352
-150	264
-100	176
-50	88
50	(87)
100	(175)
150	(261)
200	(347)

## Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, thus causing the holder of the claim to suffer a loss in cash flow or market value and arises principally from the Company's financial assets, i.e. bonds, cash and cash equivalents, trade and other receivables, listed shares, fixed deposits and promissory notes.

Credit risk is managed according to the mandate parameters and the Company's internal credit risk policy. Credit mitigation techniques are transaction-dependent but may include, where appropriate, the right to be furnished with collateral or an equity injection by counterparties.

No collateral was held on PICO for the period under review. R21 million of cash and cash equivalent is pledged as security (Refer to note 13). The Company also utilises various models to guide limit setting as well as credit ratings from external rating agencies. Limits are approved by the relevant committees in accordance with the Board-approved delegation of authority. Risk reports on these exposures are regularly submitted to the Investment Committee, Audit Committee, Risk Committee and Board.

Management of credit risk includes developing and maintaining the Company's processes for measurement of ECL for:

- ▶ Initial approval, regular validation and back-testing of the model used;
- ▶ Determining and monitoring significant increase in credit risk; and
- ▶ Incorporation of forward-looking information.

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

Figures in Rand thousand	2025	2024
<b>Assets</b>		
Bonds	1,760,472	1,634,843
Cash and cash equivalents	559,542	577,072
Trade and other receivables	115,129	334,530
Listed shares	1,488,293	1,206,936
Fixed deposits	361,567	165,385
Promissory Notes	-	6,494
	<b>4,285,003</b>	<b>3,925,260</b>

## Notes to the Financial Statements

For the year ended 31 March 2025

### 34. Financial Instruments and Risk Management (continued)

#### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which are inherent to the Company's operations and investments.

This risk specifically arises from the inability to honour commitments to borrowers, lenders and investors and operational expenditure.

Liquidity is held primarily in the form of money market instruments such as listed bonds, fixed deposits, listed shares and promissory notes' as well as liquid debt issued by government, municipalities and approved issuers.

In addition to holding a minimum level of liquidity in the form of cash and near cash equivalents, the Company uses cash flow forecasts and cumulative maturity gap analysis to assess and monitor its liquidity requirements and risk level. The funding liquidity is managed by proper planning of cash flow needs.

The funding liquidity is managed by proper planning of cash flow needs.

	<b>2025</b>				
Figures in Rand thousand	Less than 3 months	More than 3 months to 9 months	More than 9 months to 12 months	More than 1 year	Total
<b>Assets</b>					
Fixed deposits	418,118	298,556	63,012	-	779,686
Cash and cash equivalents	141,424	-	-	-	141,424
Trade and other receivables	115,129	-	-	-	115,129
Bonds	-	-	-	1,760,472	1,760,472
<b>Liabilities</b>					
Trade and other payables	(38,414)	-	-	-	(38,414)
Lease liabilities	(10,424)	(20,062)	(10,321)	(70,814)	(111,621)
	<b>625,833</b>	<b>278,494</b>	<b>52,691</b>	<b>1,689,658</b>	<b>2,646,676</b>

2024

Figures in Rand thousand	Less than 3 months	More than 3 months to 9 months	More than 9 months to 12 months	More than 1 year	Total
<b>Assets</b>					
Promissory note	-	-	6,494	-	6,494
Fixed deposits	324,844	135,952	29,433	-	490,229
Cash and cash equivalents	252,228	-	-	-	252,228
Trade and other receivables	334,530	-	-	-	334,530
Bonds	-	-	-	1,634,843	1,634,843
<b>Liabilities</b>					
Trade and other payables	(23,453)	-	-	-	(23,453)
Lease liabilities	(10,133)	(18,980)	(9,936)	(111,011)	(150,060)
	<b>878,016</b>	<b>116,972</b>	<b>25,991</b>	<b>1,523,832</b>	<b>2,544,811</b>

### 35. Going-concern

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

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient resources to fund its liabilities. The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

### 36. Events after the Reporting Period

After the reporting date of 31 March 2025, the Company granted a loan of R150 million to Daybreak Foods (Pty) Limited. The purpose of the loan was to assist with the liquidity requirements of the business rescue process and the preservation of sustainable jobs, which is not in the normal course of our business, but it's allowed. Due to the Daybreak financial position, management has concluded that the loan is impaired at initial recognition and expects to record a full impairment loss (day 1 impairment). As the loan was granted after the reporting period, it is a non-adjusting event and has not been recognised in the financial statements as of 31 March 2025. The impact of this impairment will be reflected in the financial statements for the financial year ending 31 March 2026.

Subsequent to the reporting date, the Company became aware of a potential breach of mandate in relation to certain transactions concluded on behalf of a client. The client has initiated legal proceedings in respect of one of the matters, while discussions are ongoing regarding the remaining two. As the circumstances giving rise to these matters occurred after the reporting period, they are considered adjusting events to the disclosure description. At the date of approval of these financial statements, the outcome of the legal claim and the ongoing discussions remains uncertain. The Company is engaging with legal counsel and the client to resolve the matters. Due to the early stage of proceedings and negotiations, it is not possible to reliably estimate the financial impact, if any, at this time. The FSCA has been informed of the potential mandate breach.

## Notes to the Financial Statements

For the year ended 31 March 2025

### 37. Fruitless and Wasteful Expenditure

Figures in Rand thousand	2025	2024
<b>Reconciliation of Fruitless and Wasteful expenditure</b>		
Fruitless and Wasteful expenditure*	3,701	349
<b>Closing balance</b>	<b>3,701</b>	<b>349</b>

#### 2025

\* Leave payout on termination of four employees was inaccurately calculated. This led to a leave payout overpayment for two employees, amounting to R12,387 and R18,515, respectively. The PIC is in the process of recovering these overpayments.

\* A counteroffer payment to one employee was inaccurately calculated. This led to a counteroffer overpayment to the employee by R200,000. The PIC is recovering the overpayment in monthly installment from 1 April 2025.

\* R3,470,329 Unlisted Investment System licence costs, which represent 19.5% of the total licence costs of R17,796,560 for the year ended 31 March 2025. The 19.5% represent inactive licence usage by users.

\*Of the R349,000 fruitless and wasteful expenditure disclosed in 2024, R145,060 has been recovered in the current year.

#### 2024

\*During the 2022/2023 CPI increment process, increases for three employees were calculated using an incorrect base salary. This led to an overstatement of the employees' CTC, and subsequently an overpayment in salaries. The CTC amounts for each of the three employees are overstated by R102 452, R103 414 and R119 175, respectively.

\*A once-off payment for one employee whose salary was above the Tolerance Band prior to the implementation of the annual salary increase and who received a counteroffer post 31 March 2023, was incorrectly calculated using the counteroffer as a base instead of the pre-counteroffer CTC. The employee was given a once-off payment of R40 880 instead of R34 287, resulting in a net difference of R6 592.

\*Four terminated employees were overpaid their leave due to inaccurately leave calculations, this resulted in fruitless and wasteful expenditure and overpayment of R16,996.

The fruitless and wasteful expenditure resulted from over payments to some employees. The PIC is recovering the excess amounts from the employees. The PIC is strengthening the control environment and management's shortcomings were addressed.

## 38. Capital Management

The Company is licensed as a Financial Services Provider under the FSCA. The FSCA license requirements are monitored and adhered to. There is no regulatory capital management ratio imposed on the Company.

The Company's objectives when managing capital are to:

- › Safeguard their ability to continue as a going concern, so that they can continue to pay their obligations as they fall due and provide a return for the shareholder.
- › The company uses internally generated income to finance new projects, as a result, any dividend amount must come out of the residual profits after excluding all projected capital requirements.
- › The capital reserves are not available to be declared as a dividend to the Shareholder and are used to fund future capital expenditure.

The Company has satisfied its capital adequacy requirements for the period under review, namely that the Company has at all times maintained:

- › Liquid assets equal to or greater than 8/52 weeks of annual expenditure;
- › Assets that exceeds liabilities; and
- › Current assets that were at least sufficient to meet current liabilities.

## 39. Contingent Liability

The company has contingent liabilities at 31 March 2025 in respect of:

### Litigation

Two former PIC Executives lodged an unfair labour practice dispute with the CCMA against the PIC. CCMA ordered reinstatement of two former Executives. In both cases, the PIC has applied for a review of the award with the Labour Court. Refer to note 13.

Subsequent to year end, the company became aware that it is one of the respondents to a legal claim with one of its clients regarding the utilisation of interest accruing in the Escrow Attorney's account relating to a transaction with an investee company. The Company has been advised by legal counsel that it is reasonably possible that the Company may be found liable, but the outcome of the litigation is uncertain. Due to the early stage of proceedings and negotiations, it is not possible to reliably estimate the financial impact, if any, at this time. The Company will continue to monitor the situation and update the disclosure as appropriate. As the circumstances giving rise to this matter occurred after the reporting period, it is considered an adjusting event to the disclosure description.

## Notes to the Financial Statements

For the year ended 31 March 2025

### 40. Irregular Expenditure

Figures in Rand thousand	2025	2024
Irregular expenditure*	2,366	1,151
<b>Closing balance</b>	<b>2,366</b>	<b>1,151</b>

\* R23,000 relates to a transaction that was approved by an employee in the absence of a formally signed Delegation, resulted to a breach of Public Finance Management Act (PFMA).

\* R148,142 relates to a transaction that was approved based on inadequate number of quotations resulted to a breach of PFMA.

\* R1,752,095 relates to employees acting allowances payment that was not based on the Delegation of Authority (DOA) resulted to a breach of PFMA.

\* R49,290 relates to a transaction incurred without following the DOA resulted to a breach of PFMA.

\* R392,528 relates to a transaction incurred without following the Corporate SCM Policy and the DOA resulted to a breach of PFMA.

#### 2024

\*R77,064 overpayment of one (1) employee for Short-Term Incentive (STI) scheme with a qualifying score of 3.00, contrary to the provisions of the approved Remuneration policy, which required a qualification score of 3.01 was based on the non-approved remuneration policy. The overpayment was not duly approved by the authorised officer.

\*R1,077,711 overpayment of employees acting allowances that was based on unapproved payscales. The irregular expenditure incurred was identified and addressed by the Board through its governance structures during the financial year. The new pay scales were regularised, the control environment was improved and management's shortcomings were addressed.

### 41. Employee Benefits

#### Pension fund

The pension fund had 437 active members at 31 March 2025. During the current year, 88 employees joined, 15 employees withdrew, 1 employee passed away and 1 member transferred out of the PIC member group into the ROL Paid-Up (Default-preservation) member group and 7 members transferred out of the PIC member group to the ROL Paid-Up (Elected-preservation) member group.

The contributions for the year amounted to R37.5 million. The pension fund is a defined contribution plan. The results is that the risk of any decline in fair value lies with the employee and not the employer.

There are 9 employees on the Government Employee Pension Fund (GEPF). The contributions for the year amounted to R1.5 million. No employee withdrew from the fund during the current year.

# GENERAL INFORMATION

## Country of incorporation and domicile

South Africa

## Nature of business and principal activities

Asset Management

## Directors

Dr David Masondo

*(Chairperson) (Non-Executive Director)*

Ms Ntombifuthi Mtoba

*(Deputy Chairperson) (Non-Executive Director)*

Mr Patrick Dlamini

*(Chief Executive Officer) (Executive Director)*

Mr Kabelo Rikhotso

*(Chief Investment Officer) (Executive Director)*

Ms Batandwa Damoyi

*(Chief Financial Officer) (Executive Director)*

Ms Barbara Watson

*(Non-Executive Director)*

Ms Beverley Boucher

*(Non-Executive Director)*

Prof Bonke Dumisa

*(Non-Executive Director)*

Dr. Lufuno Mulaudzi

*(Non-Executive Director)*

Dr Mugwena Maluleke

*(Non-Executive Director)*

Ms Tryphosa Ramano

*(Non-Executive Director)*

Mr Walter Hlase

*(Non-Executive Director)*

## Registered office and business address

Menlyn Maine Central Square

Corner Aramist Avenue and Corobay Avenue

Waterkloof Glen Extension 2

Pretoria

0181

## Postal address

Private Bag X187

Pretoria

South Africa

0001

## Holding and ultimate holding company

Public Investment Corporation SOC Limited, incorporated in the Republic of South Africa

## Auditors

Auditor-General of South Africa

## Company Secretary

Ms Bongani Maserumule

## Company registration number

2005/009094/30

## Company Annual Financial Statements

The Company's Annual Financial Statements were prepared under the supervision of the Company's CFO, Ms Batandwa Damoyi.

## Address of Company Secretary

Menlyn Maine Central Square

Corner Aramist Avenue and Corobay Avenue

Waterkloof Glen Extension 2

Pretoria

0181

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Directors: Dr David Masondo (Chairperson), Ms Futhi Mtoba (Deputy Chairperson) | Ms Beverley Bouwer, Prof Bonke Dumisa, Mr Walter Hlaise, Dr Mugwena Maluleke, Dr Lufuno Mulaudzi, Ms Tryphosa Ramano, Ms Barbara Watson | Mr Patrick Dlamini (Chief Executive Officer), Mr Kabelo Rikhotso (Chief Investment Officer) | Company Secretary: Ms Bongani Maserumule.

For more information, visit [www.pic.gov.za](http://www.pic.gov.za).

# ACRONYMS

<b>AfCFTA</b>	African Continental Free Trade Area	<b>HRRC</b>	Human Resources and Remuneration Committee
<b>AGOA</b>	African Growth and Opportunity Act	<b>ICTGC</b>	Information Communication and Technology Governance Committee IoDSA
<b>AFS</b>	Annual Financial Statements	<b>IoDSA</b>	Institute of Directors South Africa
<b>AGSA</b>	Auditor-General of South Africa	<b>IAR</b>	Integrated Annual Report
<b>AI</b>	Artificial Intelligence	<b>ISSB</b>	International Sustainability Standards Board
<b>AuM</b>	Assets under management	<b>IFRS S2</b>	International Financial Reporting Standards (IFRS) S2 Climate-related disclosures standard
<b>AIPF</b>	Associated Institutions Pension Fund	<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment	<b>ISP</b>	Internet service provider
<b>CBAM</b>	Carbon Border Adjustment Mechanism	<b>IC</b>	Investment Committee
<b>CEO</b>	Chief Executive Officer	<b>King IV™</b>	King IV™ Report on Corporate Governance for South Africa, 2016
<b>CRISA</b>	Code for Responsible Investing SA 2	<b>Mamor</b>	Mamor Capital Ventures
<b>CC</b>	Compensation Commissioner Fund	<b>NHI</b>	National Health Insurance
<b>CP</b>	Compensation Commissioner Pension Fund	<b>PADIF</b>	Pan African Infrastructure Development Fund
<b>CPI</b>	Consumer Price Index	<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>CSI</b>	Corporate Social Investment	<b>PES</b>	PIC Early-Stage
<b>DAV</b>	Digital Africa Ventures Fund Managers	<b>PRI</b>	Principles for Responsible Investment
<b>DAC</b>	Directors' Affairs Committee	<b>PMFA</b>	Public Finance Management Act, 1 of 1999, as amended
<b>DoA</b>	Delegation of Authority	<b>PIC Act</b>	Public Investment Corporation Act, 23 of 2004, as amended
<b>ECD</b>	Early Childhood Development	<b>PIC</b>	Public Investment Corporation SOC Limited
<b>ERMF</b>	Enterprise Risk Management Framework	<b>SETCO</b>	Social, Ethics and Transformation Committee
<b>EXCO</b>	Executive management	<b>SAGB</b>	South African Government Bonds
<b>FNO</b>	Fibre network operators	<b>SARB</b>	South African Reserve Bank
<b>FAIS Act</b>	Financial Advisory and Intermediary Services Act	<b>SDG</b>	United Nations Sustainable Development Goals
<b>FICA</b>	Financial Intelligence Centre Act	<b>UIF</b>	Unemployment Insurance Fund
<b>FSCA</b>	Financial Services Conduct Authority	<b>UNGC</b>	United Nations Global Compact
<b>FSP</b>	Financial services provider		
<b>GEPF</b>	Government Employees Pension Fund		
<b>GNU</b>	Government of National Unity		











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