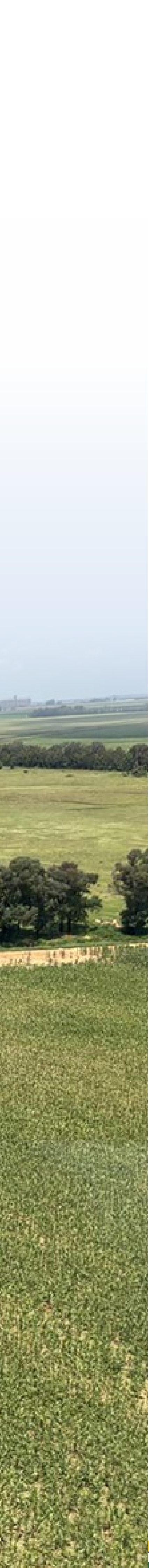
OFFICE OF THE VALUER-GENERAL

ANNUAL REPORT 2024/25

10 Years of the VG

2015 - 2025



CONTENTS

PART A: GENERAL INFORMATION

PART B: PERFORMANCE INFORMATION

PART C: GOVERNANCE

PART D: HUMAN RESOURCE MANAGEMENT

PART E: PFMA COMPLIANCE REPORT

PART F: FINANCIAL INFORMATION

PART A: GENERAL INFORMATION

1. Office of the Valuer-General: General Information

NATURE OF BUSINESS:	Property valuations for Land Reform and Government Departments
PRINCIPAL ACTIVITIES:	To value all properties to be acquired for land reform purposes in accordance with a prescribed set of criteria based on section 12(1)(a) of the PVA and its Regulations; and To value all properties to be acquired or disposed by the State in accordance with a prescribed set of criteria based on section 12(1)(b) of the PVA and its Regulations.
PHYSICAL ADDRESS:	Praetor Forum Building 3rd Floor, 267 Lillian Ngoyi Street Pretoria 0002
POSTAL ADDRESS:	Private Bag X874 Pretoria 0001
COUNTRY OF INCORPORATION:	South Africa
TEL:	012 036 0000
EMAIL:	vg@ovg.org.za
WEBSITE:	www.ovg.org.za
EXTERNAL AUDITOR:	Auditor-General of South Africa
BANKERS:	Standard Bank

RP393/2025
ISBN: 978-1-83491-381-0
Title of Publications: Office of the Valuer-General Annual Report 2024/2025

2. List of Abbreviations/Acronyms

AA	Accounting Authority
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
CEO	Chief Executive Officer
CRLR	Commission on Restitution of Land Rights
DALRRD	Department of Agriculture, Land Reform and Rural Development
DLRRD	Department of Land Reform and Rural Development
ERP	Enterprise Resource Planning
GRAP	Generally Accepted Accounting Practices
HRM	Human Resource Management
IAF	Internal Audit Function
LRTR	Land Redistribution and Tenure Reform
MAP	Ministerial Advisory Panel
MoA	Memorandum of Agreement
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
OCRD	Office of the Chief Registrar of Deeds
OVG	Office of the Valuer-General
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended)
PMO	Project Management Office
PVA	Property Valuations Act, 2014 (Act No. 17 of 2014)
SCM	Supply Chain Management
VG	Valuer-General
VTS	Valuations Tracking System

3. Foreword by the Minister

In its endeavours to implement the Property Valuation Act, 2014 (Act No. 17 of 2014) the Office of the Valuer-General (OVG) is expected to align its efforts with Department of Land Reform and Rural Development (DLRRD)'s key strategic imperatives that seek to enhance rural and urban development and most importantly equitable access to land. It is therefore important to note that the performance outputs that are determined by the OVG are mostly driven by the demand for land reform valuations from the Land Redistribution and Tenure Reform (LRTR) and Commission on Restitution of Land Rights (CRLR). The OVG must continue to plan around the execution of land reform valuations to ensure that land claims and land redistribution programmes are not compromised.

This year marks another year when the OVG continues to ramp up its efforts to deliver property valuations that are making significant input in delivering thousands of hectares of land to people who have been dispossessed of land and to those who have been deprived of their rights to own and work the land. It is worth noting that the OVG has yet again managed to deliver 100% of all land reform valuations that were requested within specified timelines, and a significant number of those valuations was delivered within the specified 50 days period. This achievement is a key contributor to the impact of land reform beneficiaries who will have an opportunity to build prosperous business enterprises that will create jobs and contribute towards economic growth.

The Medium-Term Development Plan 2024/29 remains an anchor that will direct the focus of the OVG in contributing positively to the strategic priorities of the Government of National Unity. The OVG should also see itself as a key contributor to DLRRD Impact Statement that says 'A transformative catalyst for equitable land access and sustainable development, driving social justice and integrated community growth in both rural and urban areas. which fosters land reform to create sustainable, inclusive communities across diverse regions'.

The OVG commits to continue with its role of providing just and equitable property values that facilitate the determination of just and equitable compensation to land claimants and property owners.

Initial activities are being processed towards the implementation of the recommendations of the Ministerial Advisory Panel (MAP) on the review of the Property Valuation Act, 2014 (Act No. 17 of 2014) (PVA). This includes the review of the OVG's target operating model where the design work has been completed and the review of the PVA Regulations containing the proposed amendments are yet to be published for public comments.

We will continue to collaborate with our various stakeholders to ensure the achievement of targets set out in our plan for the year ahead. I am confident that with the implementation of planned performance for the financial year 2025/26, the OVG will continue to make a meaningful contribution towards the attainment of land restitution, land redistribution, and land tenure annual performance targets.

I have noted the unqualified audit outcome that the OVG has received from the Auditor-General (AGSA) for 2024/25 financial year with appreciation, particularly because prior to 2023/24 qualified audit opinion, the OVG achieved three clean audit outcomes and two unqualified audit opinions. The 2024/25 audit outcome brings assurance of good governance and the OVG will work towards achieving a clean audit opinion in the 2025/26 financial year and beyond.

It thus gives me great pleasure to endorse the 2024/25 Annual Report for the OVG. I look forward to providing the political guidance and leadership needed to support the OVG. I would like to further extend my sincere gratitude to the acting Valuer-General and her team for the execution of this pertinent mandate.

Mr M Nyhontso, MP
Minister: Land Reform and Rural Development

4. Chief Executive Officer's overview

It is with a humble sense of gratitude that I present the 2024/25 Annual Report of the Office of the Valuer-General (OVG). The legislative mandate of the OVG is derived from its establishment legislation, the Property Valuation Act (No. 17 of 2014), which states that the OVG must be impartial and must exercise the powers and perform the functions of office without fear, favour or prejudice; and is accountable to the Minister. Schedule 3A of the Public Finance Management Act (No. 1 of 1999 as amended) (PFMA) lists the OVG as a National Public Entity.

The OVG's allocation was increased from R140,3 million in the 2023/24 financial year to R142,8 million in the 2024/25 financial year. Expenditure increased from R93,8 million in the 2023/24 financial year to R108,7 million in the 2024/25 financial year. This is due to increase in capacity and the execution of capital projects that have been in the pipeline for a while. Surplus for the year decreased from R52 million in the 2023/24 financial year to R38 million in the 2024/25 financial year. The OVG does not retain these funds.

The dawn of the Government of National Unity ushered in the introduction of Medium-Term Development Plan (MTDP) 2024–2029 leading to the development of the entity's 2025–2030 Strategic Plan. Consequently, leading to a very final chapter of the 2020–2025 Strategic Plan. We remain committed to our alignment to the National Development Plan (Vision 2030) and the Medium-Term Development Plan. This report outlines the OVG's achievements against strategic imperatives, as articulated in the entity's Strategic Plan 2020–2025.

Whilst cognisant of the impact of the fiscal challenges faced by public entities, the OVG had consistently endeavoured to effectively utilise its resources to give effect to its mandate. This is embedded in our 5-year strategic plan and annual performance plans where consistently committed to complete 100% of valuations received within specified period and furthermore committed to complete these valuations in 50 days.

The OVG is highlighting its 2024/25 performance on core business indicators with a sense of gratitude. The 60% achievement on core business indicators comes after the OVG has consciously decided to increase the number of core business performance indicators from two to five indicators. It is encouraging to see that with the persistent increase in valuations referrals from the land reform stakeholders, the OVG team managed to complete all valuations that were received within the specified period in less than the specified average number of days. This is an indication of how serious our team is about timeous delivery of the planned performance targets in support of the land reform programme.

The OVG experienced a very challenging audit season during the 2023/24 audit, where the AGSA issued a qualified audit opinion. We highlight with humility that the OVG managed to improve its 2024/25 audit outcomes to an unqualified audit opinion. This improvement was mainly due to the OVG's commitment to a clean audit outcome, which was driven at executive level through the clean audit strategy. The achievement of a clean audit outcome is embedded in our annual performance plans to ensure good governance practices within the OVG. As for the past five financial years, the OVG achieved three clean audit outcomes and two unqualified audit opinions. The qualified audit opinion in the 2023/24 financial year brought issues that management was blind-sided on to the fore. Management has been committed to addressing issues raised by the auditors during the 2024/25 financial year. We are happy to highlight that there has been an improvement and the OVG received an unqualified audit opinion. Management has implemented interventions, and work is underway to ensure that the OVG is back to its clean audit.

Our journey of implementing a new target operating model (TOM) has advanced significantly. We have obtained the necessary approvals for the designed TOM and Macro Organisational Structure. This target operating model is a result of the need to stabilise operations and valuations functions of the OVG.

The OVG continues to experience an increase in the demand for land reform valuations. It is in the context of the National Development Plan (Vision 2030) that we note that there is more work for our land reform partners in achieving the target of redistributing 30% of land to historically disadvantaged groups. The NDP highlighted that in 2011, the total amount of land that was redistributed was 6 million hectares, this is against plus minus 23 million hectares that make up the 30% target, which is planned to be achieved by 2030. This effectively means that in 2011 , South Africa had 19 years to acquire about 17 million hectares for redistribution purposes when only 6 million hectares was acquired in a period of 16 years.

This calls for all land reform partners to identify and execute strategies and tactics that will eliminate bottlenecks to achieve the planned targets by the year 2030. One of the driving factors behind the review of the target operating model is the pursuit to keep up with the pace of land reform. The OVG has an established functional unit of Supply Chain Management (SCM). The unit is fairly staffed, and the OVG is in a position to process all its procurement needs in accordance with the PFMA and Treasury prescripts. The SCM system and process comply with the minimum requirements in line with the Treasury Regulations. The signed SCM policy provides for processes to be followed when procuring goods and services. SCM delegations also ensure that officials are empowered to do their work accordingly, with a clear separation of duties to ensure accountability, and established bid committees in line with the requirements.

As at the end of the financial year under review, the OVG has not entered into any form of an unsolicited bid arrangement with any service provider. The OVG will ensure continuous training of its SCM officials as a means of strengthening capacity, including recruitment methods as and when a need arises.

I would like to take this opportunity to thank the Director-General of the Department of Agriculture, Land Reform and Rural Development for the engagement and support we frequently continue to receive.

It is therefore with great humility that I, on behalf of the OVG's management and staff present the 2024/25 Annual Report.

Ms Maloka
Acting Valuer-General/Chief Executive Officer
Date: 29 August 2025

5. Statement of Responsibility and Confirmation for accuracy for the Annual Report

This report has been prepared in accordance with the applicable legislative requirements, including the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended), the National Treasury Guidelines, and relevant performance reporting frameworks issued by the Department of Planning, Monitoring and Evaluation.

In my capacity as the Accounting Authority, I acknowledge my responsibility for the accuracy of the information contained in this report and confirm that, to the best of my knowledge and belief:

- All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements, which have been audited by the Auditor-General of South Africa.
- The information contained in this annual report is accurate, complete, and fairly reflects the performance of the Office of the Valuer-General for the period under review.
- All material facts have been disclosed, and no relevant information has been omitted.
- The financial statements and performance information have been prepared in accordance with the prescribed standards and frameworks.
- Appropriate systems of internal control and risk management were maintained throughout the reporting period to ensure the integrity of the information presented.
- All key performance indicators and targets reflected in the Annual Performance Plan 2024/2025 have been reviewed and accurately represent the performance of the OVG during the reporting period.

In our opinion, this Annual Report provides a transparent and accountable reflection of the activities, performance, and financial position of the Office of the Valuer-General during the reporting period.

We remain committed to upholding the principles of good governance, ethical leadership, and continuous improvement in service delivery in line with our legislative mandate.

Yours faithfully

M.M.Maloka

Ms M Maloka
Acting Valuer-General/Accounting Authority
Date: 29 August 2025

6. Strategic overview

VISION

To be recognised in the market as the centre of excellence and innovation in respect of all property valuations with a primary focus on land reform.

MISSION

Support land reform by providing impartial, efficient, just, and equitable valuation services for all land-reform related matters in the country.

Promote accurate professional valuations by informing, communicating, and monitoring adherence to the criteria and guidelines applicable to land reform valuations; and

Enhance efficiency and accuracy of valuations through the development of innovative tools and processes, including a database of property valuation data accessible to the valuation profession.

Provide impartial, efficient, equitable and accurate general valuation services to/on behalf of government departments.

VALUES

- Professionalism and accountability
- Respect and integrity (ethics and honesty)
- Courtesy and compassion
- People-centred service standards
- Effective communication and transparency
- Efficiency
- Delivery focus

7. Legislative and other mandates

The Office of the Valuer-General discharges its legislative mandate by implementing its foundational act, the Property Valuation Act, 2014 (Act No. 17 of 2014), which determines that the Office of the Valuer-General must be impartial, exercise its powers and perform its functions, and is accountable to the Minister of Agriculture, Land Reform and Rural Development and The Act states that the Office of the Valuer-General must value all land to be acquired for land reform purposes in accordance with a prescribed set of criteria based on section 25(3) of the Constitution.

In addition, the Office of the Valuer-General may, in its discretion, when requested to do so by a national or provincial government department, determine the market value of property to be acquired or disposed of by such government department. The Valuer-General may make recommendations to the Minister of Agriculture, Land Reform and Rural Development relating to criteria, procedures and guidelines, and compliance monitoring. Such recommendations, and any other matters the Office of the Valuer-General is required or permitted to determine in terms of the Act, may be published as regulations by the Minister of Agriculture, Land Reform and Rural Development.

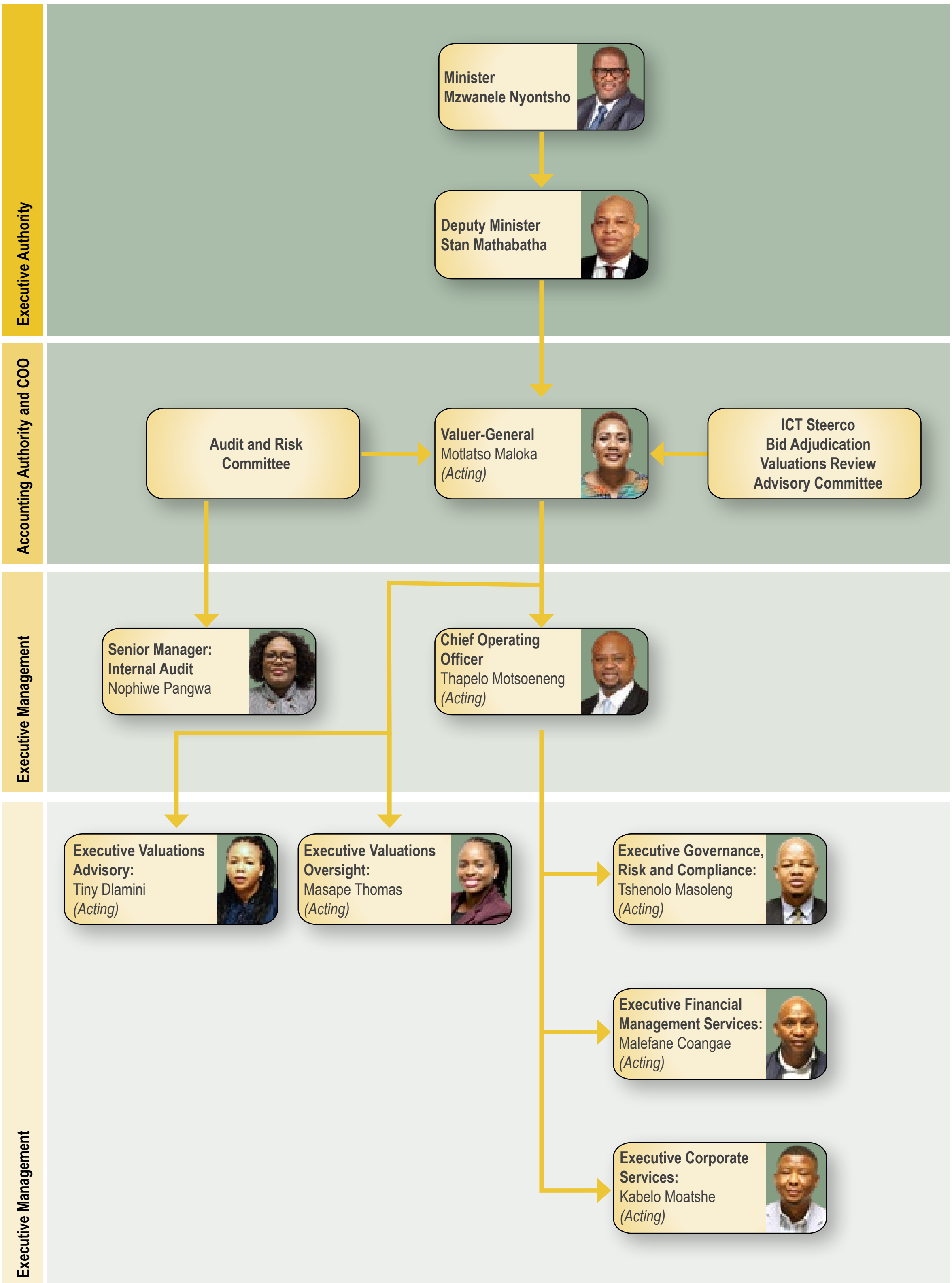
The Valuer-General, valuers appointed as staff members of the Office of the Valuer-General and external valuers contracted to perform valuations in accordance with the Property Valuation Act, 2014 (Act No. 17 of 2014) must comply with the following Acts to the extent that they provide for matters pertaining to valuation and valuers:

- Expropriation Act, 1975 (Act No. 63 of 1975)
- Property Valuers Profession Act, 2000 (Act No. 47 of 2000) (administered by the Department of Public Works)
- Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) (Administered by the Department of Cooperative Governance)

The Office of the Valuer-General must also comply with the provisions relating to land reform and the acquisition, management, and disposal of land by national and provincial government departments, as contained in the following Acts:

- Abolition of Certain Title Conditions Act, 1999 (Act No. 43 of 1999)
- Communal Property Associations Act, 1996 (Act No. 28 of 1996)
- Conversion of Certain Rights into Leasehold Act, 1988 (Act No. 81 of 1988)
- Deeds Registries Act, 1937 (Act No. 47 of 1937) Distribution and Transfer of Certain State Land Act, 1993 (Act No. 119 of 1993)
- Distribution and Transfer of Certain State Land Act, 1993 (Act No. 119 of 1993)
- Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997)
- Geomatics Profession Act, 2013 (Act No. 19 of 2013)
- Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)
- Interim Protection of Informal Land Rights Act, 1996 (Act No. 31 of 1996)
- Kimberley Leasehold Conversion to Freehold Act, 1961 (Act No. 40 of 1961)
- KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3 of 1994)
- Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996)
- Land Administration Act, 1995 (Act 2 of 1995)
- Land Survey Act, 1997 (Act No. 8 of 1997)
- Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993)
- Land Titles Adjustment Act, 1993 (Act No. 111 of 1993)
- Planning Profession Act, 2002 (Act No. 36 of 2002)
- Provincial State Land Acquisition, Management and Disposal legislation

8. Organisational structure




V20
VALUATION SUMMIT &


V20


C B E


AFRICA


AFRICA
AFRICA
VALUATION


2025


AWARD
2025

PART B: PERFORMANCE INFORMATION

1. Overview of performance

In this financial year, the OVG optimised its performance on core business indicators by adding three new indicators that assisted in tracking and fully accounting for any valuations that were not completed in the prior years and to also report on the valuations that were submitted by clients outside the submission period. We are pleased to highlight that in this financial year, there we no material audit findings on performance information. This outcome encouraged the monitoring and evaluation team to put more effort into sustaining clean audits on performance information.

The journey of digitising the business of the OVG has commenced during the financial period of 2024–25 through the development of an Enterprise Architecture Roadmap which is informed by a clearly defined enterprise policy and charter.

Through this process of development called Architecture Development Module (ADM), a maturity assessment was also conducted for the purpose of determining the maturity level status at the time which then informed the milestone activities required to reach the Maturity Level 5 in a period of five years.

The successful execution of the activities under the key performance indicator of % of Digital transformation roadmap implemented has now paved a way for finalising the remaining activities under the Enterprise Architecture Project within the financial period of 2025/2026. The ultimate goal is to build a valuation management system which must cover the entire value of performing property valuations.

We also highlight that over the past two years we have consistently achieved 100% in the completion of valuations that were submitted by clients within the submission periods. This is the performance standards that we want to consistently maintain. We invested in additional capacity within the valuations space to ensure that we meet the ever-increasing demand for valuations work as we have seen in the past two years.

During this period, we have drastically reduced the average number of days to complete land reform valuations, which is an indication that we could ensure a quicker response time for land reform valuations. The monitoring mechanisms that were put in place included weekly engagements with valuers to establish the status of each valuation in progress. We also had monthly engagements with clients where we provided feedback on the status of the valuations that were submitted and identified key interventions for valuations that were complex.

We continued to receive requests from clients that required the OVG to put exceptions in place in accommodating special requests. An example was valuations that were received from the CRLR towards the middle of fourth quarter where the OVG was requested to expedite completion of those valuations to allow the CRLR to make offers to both claimants and property owners before the end of the quarter. Such request required an agile and flexible approach to ensure a balance between work in progress and the new work that was a priority. Our response to the request enabled the CRLR to achieve their targets and proved that we were a willing and enable collaborator in the land reform space.

2. Our programmes

2.1 Programme: Administration

Purpose: *To provide governance services for the optimal operational performance of the OVG.*

Sub-Programme: Governance, Risk and Compliance

Purpose: *To ensure an optimal management of risks and good corporate governance of the entity and provision of comprehensive legal advisory services that will enable the entity to execute its mandate within the rule of law effectively.*

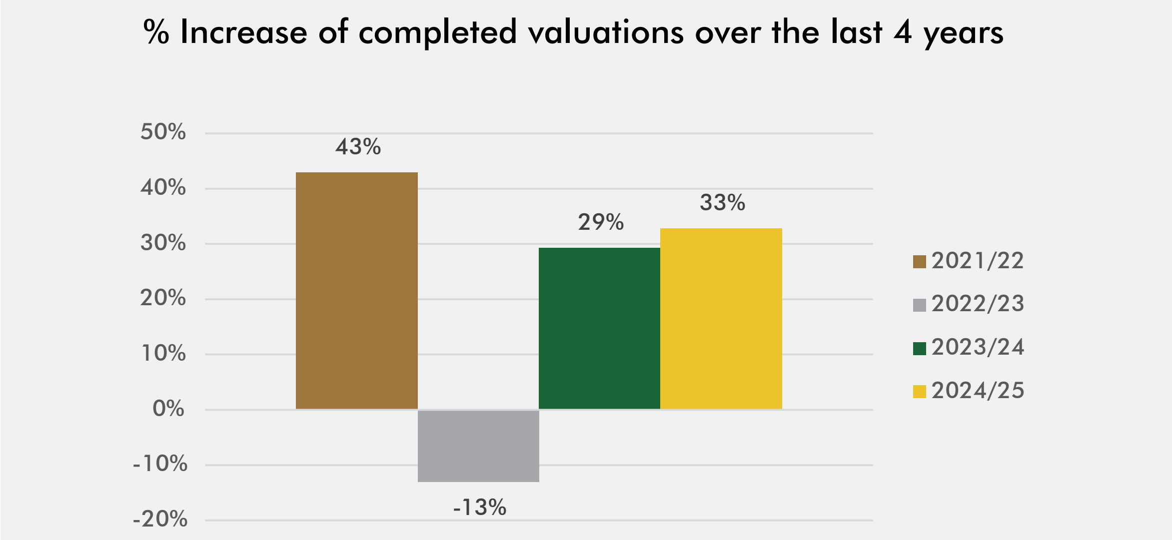
Sub-Programme: Internal Audit

Purpose: *To provide an independent and objective assurance over governance, risk management and internal control systems.*

Performance Indicator	Actual achievement 2023/24	Planned Target 2024/25	Actual Achievement 2024/25	Deviation from planned targets to Actual Achievement 2024/ 2025	Comments on deviations
% Implementation of corruption and fraud prevention	30%	100%	100%	N/A	There is no deviation.

2.2 Programme: Valuations

Purpose: *To determine credible values in line with the PVA.*

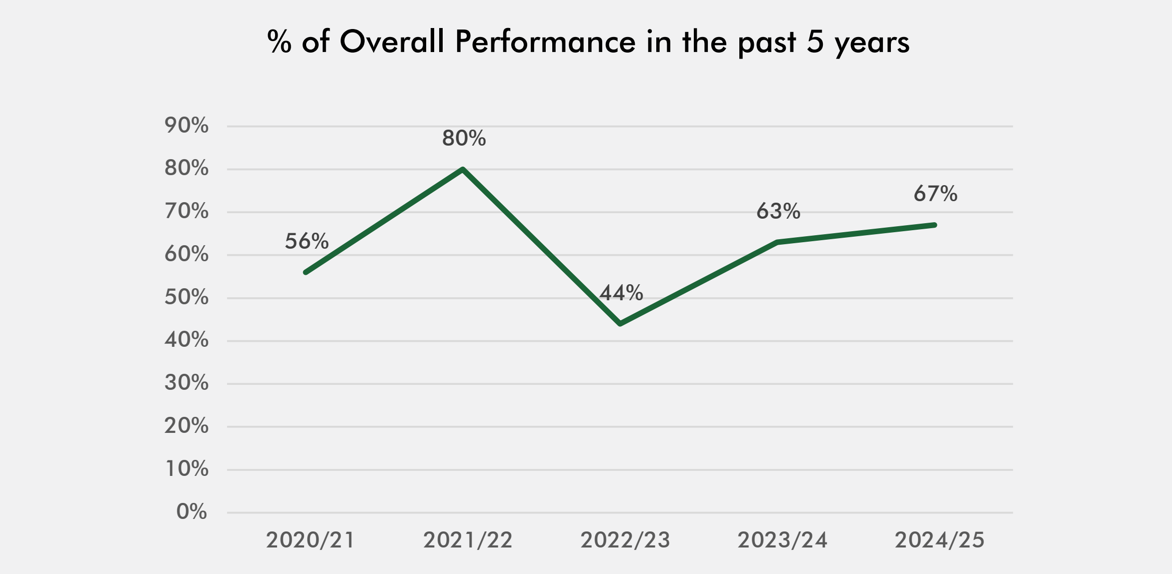


The OVG has seen a 43% increase in final valuations certificates issued in 2021/22 however there was a decline in 2022/23 due decreased number of valuation referrals received from clients in that year. In the subsequent years the number of referrals received from clients increased leading to a sharp increase in percentage of final certificates issued in both 2023/24 and 2024/25. The relationship between number of certificates issued and number of referrals received is significant as the OVG consistently plan to achieve 100% on all referrals received.

Sub-Programme: Property Valuations

Performance Indicator	Actual achievement 2023/24	Planned Target 2024/25	Actual Achievement 2024/25	Deviation from planned targets to Actual Achievement 2024/2025	Comments on deviations
Average number (#) of working days taken to issue a valuation certificate	48,1	50	33	N/A	The target was overachieved and there is a positive deviation.
% Completion of valuation requests submitted by clients within specified times	100%	100%	100%	N/A	There is no deviation.
% Completion of valuation requests submitted outside the specified timelines	New indicator	100%	69%	31%	OVG received priority list from the CRLR in February 2025 where the Commission was urging OVG to urgently intervene in assisting the CRLR to settle and finalise the reprioritised land claims speedily. A management decision to prioritise service delivery over targets was made to accede to the request even though it put this indicator at risk. This request required the OVG valuations team to reprioritise their work which had a negative impact on other valuations which did not form part of CRLR priority. The Technical Indicator Description that supports this indicator has been revised in the new APP to allow more agility in decision making without compromising the achievement of targets.
% Completion of cumulative valuations	New indicator	100%	100%	N/A	There is no deviation.

Performance Indicator	Actual achievement 2023/24	Planned Target 2024/25	Actual Achievement 2024/25	Deviation from planned targets to Actual Achievement 2024/2025	Comments on deviations
Average number (#) of working days - Cumulative Valuations	New indicator	50	99	-49	There were valuations which had complexities in terms of getting to agree on the value with the property owners. A significant amount of time was spent on reviewing the financials and addressing property owners' concerns. These valuations were eventually concluded.



The graph above depicts the OVG's overall performance in the past 5 years. Performance in the past 2 years indicates a strong recovery from 2022/23 performance. We are now on the path of reaching 80% achievement as was the case in 2021/22.

2.3 Programme: Operations

Sub-programme: Project Management Office (PMO)

Purpose: *To provide project management, business analysis and management reporting functions.*

Sub-programme: Human Capital Services

Purpose: *To provide transformational Human Resources functional support enabling the entity to attract, develop and retain skilled people across the organisation.*

Sub-programme: Strategy & ICT Services

Purpose: *To coordinate the translation of policy priorities agreed upon by the OVG management into actionable strategic plans with clear outcomes, outputs, indicators and resource commitments; provide long-term planning and day to day support in respect of ICT needs, services and systems, and ensure that the OVG delivers on its impact statement and improves and sustains its performance and reporting thereof.*

Sub-programme: Financial Management Services

Purpose: *To provide prudent financial management services.*

Sub-programme: Supply Chain Management

Purpose: *To ensure that goods and services are procured and disposed of in line with the procurement legislation and the principles of good corporate governance.*

Sub-Programme: Operations

Performance Indicator	Actual achievement 2023/24	Planned Target 2024/25	Actual Achievement 2024/25	Deviation from planned targets to Actual Achievement 2024/25	Comments on deviations
Number (#) of funded posts filled in line with the approved interim structure	82	95	97	+2	The target was overachieved and there is a positive deviation.
Unqualified audit opinion	Qualified audit opinion	Unqualified audit opinion	Qualified audit opinion	N/A	The 2023/2024 qualification arose as a result of internal control weaknesses and how the office had been reporting/ treating certain balances since inception. The qualifications were on payables, commitments and general expenses. Management implemented an action plan and a clean audit strategy with a view to ensure a better opinion in the next financial year. The clean audit strategy included an item on the capacitation of the finance unit and establishing structures for the review of financial statements. All of this activities have since contributed to a positive outcome has the OVG received an unqualified audit report in the financial year following the year of qualification.
% of digital maturity roadmap implemented	0%	100%	100%	N/A	There is no deviation.

3. Revenue

As a relatively new schedule 3(A) entity, the OVG is on a drive to establish itself as a leader in the property valuations sector. The goal is to be recognised in the market as a centre of excellence and innovation in respect of all property valuations, with a primary focus on land reform. To do this, the OVG needs to build a strong corporate identity (CI) that will allow the organisation to increase its visibility and improve stakeholder engagement.

An integrated marketing and communication strategy was developed and approved during the financial period of 2024-25 with an emphasis on revenue generation. This strategy includes an implementation plan which outlines a list of activities that must be executed for the establishment of a business development function.

While the business development function is not formally in place, progress has been made through the development of a micro-structure which is at advanced stage of finalisation. It is expected that a recruitment process will commence as soon as the structure is approved.

Furthermore, a business case to inform a special project of generating revenue in alignment to the approved high level revenue strategy will be prepared for the purpose of informing an implementation plan that must define human and financial resources as well as operational activities required to drive the planned programme.

The planning phase which involves the definition and provision of the required resources for the approved implementation plan should is targeted for delivery during the financial period of 2025-26 while the execution of the operational project activities meant for generating revenue is aimed for execution during the period of 2026-27. Clear timelines and revenue targets will be defined in the plan.

The OVG collected R600 000 in the 2024/25 financial year which is an increase from R305 000 in the 2023/24 financial year. The OVG partnered with the Department of Water and Sanitation and the Department of Forestry, Fisheries and the Environment.

	2023/24			2024/25		
Sources of revenue	**Estimate (R'000)**	**Actual amount collected (R'000)**	**(Over)/under collection (R'000)**	**Estimate (R'000)**	**Actual amount collected (R'000)**	**(Over)/under collection (R'000)**
Other Valuations	0	305	305	0	600	600
Total	**0**	**305**	**305**	**0**	**600**	**600**

The above revenue relates to revenue collected for Section 12(1)(b) transactions (Non-land reform transactions). The OVG did not budget for these transactions as the main focus currently is on driving land reform transactions. Due to capacity issues the OVG focuses its resources on land reform transactions.

4. Capital Investment

The OVG is not a capital-intensive entity, and therefore a significant part of its asset base is IT equipment and furniture. The carrying value for PPE decreased from R4,8 million in the 2023/24 financial year to R3,9 million in the 2024/25 financial year. The OVG focused on capacitating the office to ensure delivery on the mandate and improved service delivery.

The carrying value for intangible assets increased from R3,8 million in the 2023/24 financial year to R5,2 million in the 2024/25 financial year. The intangible assets consisted of the ERP and its modules. The OVG's assets are relatively new and in good condition, so there were no repair costs. Monthly verifications and asset reconciliation ensured a current asset register.

PART C: GOVERNANCE

1. Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, 2008 (Act No. 71 of 2008 as amended), corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended) (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

2. Portfolio Committee

During the reporting period the OVG appeared before the parliamentary committees on eight occasions and six of those were with Portfolio Committee on Agriculture, Land Reform and Rural Development. The table below provides a high-level analysis of Portfolio Committee engagements, Parliament, the Executive and the accounting authorities of the public entities that are responsible for corporate governance. This section highlights corporate governance activities that the OVG embarked on in the reporting period.

Date	Committee	Meeting Topic	Description
10 June 2024	National Treasury & DALRRD	2025 MTEF Budget Bilateral	Bilateral meeting between National Treasury and DALRRD on budget planning.
21 August 2024	Portfolio Committee on Land Reform	Committee Meeting	General committee meeting attended by OVG.
28 August 2024	Portfolio Committee on Land Reform	Committee Meeting	General committee meeting attended by OVG.
18 September 2024	Portfolio Committee on Land Reform	Briefing Session	Briefing session on performance and strategic plans.
16 October 2024	Portfolio Committee on Land Reform	2023/24 Annual Reports	Briefing by entities including OVG on annual reports.
27 November 2024	Portfolio Committee on Land Reform	Committee Meeting	General committee meeting attended by OVG.
30 January 2025	Portfolio Committee on Land Reform	Annual Reports Briefing	Briefing on annual reports of the department and its entities.
25 March 2025	Select Committee on Agriculture, Land and Environment	Reports Requested	General committee meeting attended by OVG.

3. Risk Management

The OVG has adopted an effective Enterprise Risk Management, which is a holistic approach to the management of risks and opportunities that affect its strategic outcomes. The AVG has committed the OVG to the management of risks and has fostered a culture of integrating risk management in the day-to-day operations and decision making across all business units.

Risk Management

The OVG has developed a risk management policy and strategy to guide its efforts to the management of risks. These policies were approved by the Audit and Risk Committee. The risk awareness workshops were facilitated for all stakeholders to include risk management into the culture of the OVG. The risk assessments were conducted on a regular basis to identify new and emerging risks. The following risk assessments were conducted during the financial year, and related risk registers were developed:

- Strategic Risks Register
- Fraud Risks Register
- Compliance Risks Register
- Valuations Risks Register
- Legal Services Risks Register
- Supply Chain Risks Register
- ICT Risks Register
- Finance Risks Register
- Project Management Office Risks Register
- Human Capital Services Risks Register

Risk Monitoring is conducted quarterly to ensure timely implementation of the management action plans. The OVG has revised its Risk Appetite and Tolerance policy, and it is expected to be approved in the 2025/26 financial year.

Combined Assurance

The OVG has, in its efforts to reduce assurance fatigue and improve the management of risks, developed a Combined Assurance Framework and Combined Assurance Forum Framework. These policies were approved by the Audit and Risk Committee. The aim of the combined assurance is twofold, to improve the management of key risks and to ensure that appropriate controls are in place to mitigate these risks. The Combined Assurance Forum is operational and reports its work to the Audit and Risk Committee. During the 2024/25 financial year, mapping was limited to the strategic risks, and it is expected that the operational risk registers will be mapped in the 2025/26 financial year to ensure a holistic approach to the combined assurance model.

Business Continuity Management

The OVG has, in its efforts to manage its resilience against business disruptions, developed a Business Continuity Policy and Framework. These policies were approved by the Audit and Risk Committee. During the financial year a Business Impact Analysis was conducted with priority given to the Valuations, Finance, and the ICT environment as part of the enhancement of the Business Continuity Plan. The KPIs were defined for all role players in so far as Business Continuity Management was concerned. BCM awareness training sessions were conducted for all staff members, including senior management. The following continuity plans are in draft and expected to be finalised during the 2025/26 year: Crisis Management Plan, Emergency Response Plan, Business Unit Recovery and Technology Recovery. The enhanced Business Continuity Plan is also expected to be finalised during the 2025/26 financial year.

4. Internal Control Unit

The OVG has established an internal audit unit which reports functionally to Audit and Risk Committee (ARC). This brings adequate checks and balances in as far as the management of internal controls is concerned.

Internal Audit and Risk Committee

Key activities and objectives of the Audit and Risk Committee (ARC)

The OVG appointed members to the ARC on 1 March 2019 in accordance with Section 51(1)(a)(ii) of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended) (PFMA) and Treasury Regulation 27.1. The Committee adopted appropriate formal terms of reference as its charter, which regulates its affairs, and all its responsibilities as contained therein.

The purpose of the ARC is to provide structured, systematic oversight of the OVG's governance, risk management, and internal control practices. The ARC assists the Acting Valuer-General in providing advice and guidance on the adequacy of its initiatives relating to:

- Values and ethics
- Governance
- Risk management
- Internal controls
- Compliance
- Combined assurance
- ICT governance
- Oversight over internal audit and external audit
- Financial and performance reporting
- Attendance of Audit Committee meetings by Audit Committee Members

5. Attendance of Audit Committee meetings by Audit Committee Members

For the reporting period, the OVG Audit and Risk Committee convened eight meetings for the period between 1 April 2024 to 31 March 2025. The composition of the committee and the number of meetings attended for the 2024/25 financial year were as follows:

The table below discloses relevant information on the audit committee members.

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Number of meetings attended
Ms Phuthanang Motsielwa	Bachelor of Accountancy, CA(SA)	Chairperson, (External)	N/A	1 March 2019	10/10
Ms Dianne de Wet	Master of Business Administration (MBA), National Diploma Property Valuations	Independent member (External)	N/A	1 March 2019	09/10
Dr Charles Motau	Doctorate: Computer Science and Data Processing; Masters in Information Technology, Masters in Business Leadership	Independent member (External)	N/A	1 March 2019	10/10

Internal Audit

Key activities and objectives of the Internal Audit Function at Office of the Valuer-General (OVG)

The purpose of the OVG's Internal Audit Function (IAF) is to provide independent, objective assurance and advisory services designed to add value and improve operations. It is achieved through the provision of risk-based, objective assurance services, advice, and insight. The IAF's mandate is to strengthen the organisation's ability to create, protect, and sustain value by providing independent, risk-based, and objective assurance, advice, insight, and foresight. IAF enhance OVG:

- To successfully achieve its objectives;
- Improve governance, risk management, and control processes;
- In decision-making and oversight; and
- In its ability to serve the public interest.

As such, an Internal Audit Charter and Internal Audit Plans, which provide the basis for Internal Audit Function (IAF) activities, were approved by the ARC during the reporting period. The Senior Manager: Internal Audit (who is the Chief Audit Executive), with functional reporting lines to the ARC and administratively to the Valuer-General, leads the OVG's Internal Audit Function (IAF). The unit was further capacitated with the resources required to implement its mandate through the appointment of two in-house staff members and Shumba Incorporated (a service provider for a period of three years), appointed through the OVG's SCM processes.

6. Summary of audit work done

The following internal audit reviews were completed as part of the approved 2024/25 Internal Audit Plan (IAP):

- Valuation Services Review
- Information and Records Management
- Project Management
- ICT Follow-up Audit Review
- ICT Governance Review
- Financial Management Services Review
- Human Capital Services Review
- SCM and Contract Management Review
- OHS Review
- Asset Management Review
- Business Continuity Management
- Organisation Design
- Performance information (Quarterly Validation)
- Review AFS 2023/24 and IFS 2024/25
- Review of the 2025/2026 Draft APP
- Follow-up on AGSA Audit findings.

The OVG has developed a system of compliance universe which provides guidance of all applicable legislation to the public entity. The applicable legislations were then categorised and prioritised according to core, topical and secondary. In addition to the above, the OVG developed a Compliance Management policy and framework which guides the activities of the Compliance Management unit.

The Compliance Management unit continued to provide strategic inputs to management through testing compliance with the legislation.

In addition to the above the Compliance Management unit continued to give credible advice to the OVG management through the provision of the ad hoc compliance assignments. These ad hoc assignments were proactive in nature and were able to provide timely recommendations to management which were necessary for the decision-making.

7. Fraud and Corruption

The OVG has developed a Fraud Prevention Policy, Ethics Policy, Fraud Prevention Plan, and Investigations Procedure. The policies were approved by the Audit and Risk Committee. These policies are designed to prevent, detect, and investigate unethical behaviour, corruption and maladministration. These policies were further used to manage the fraud risk. In addition to the policy framework, the OVG has a dedicated Ethics Officer to foster ethical behaviour within the OVG.

Some of the key activities conducted during the financial year were as follows:

- Facilitation of Fraud and Ethics Awareness workshops
- Facilitation of financial disclosure for all employees
- Development of the fraud risk register
- Review of the policy framework
- Training of the Risk and Ethics employees
- Monitoring of fraud risk register

The OVG Fraud Prevention Plan highlights the process that employees should follow to report all suspected areas of fraud and corruption and including unethical conduct. The policy further stipulates and encourages that employees are free to report these suspected cases of fraud and corruption anonymously. The OVG is now in the process to source an Anti-corruption hotline.

The suspected cases of fraud and corruption, once reported in line with Fraud Prevention policy; the practice is to conduct preliminary investigations first to test the veracity of allegations before instituting a full-blown investigation. The Valuer-General is the ultimate authority to approve all investigations. The Internal Audit is the designated authority to investigate all suspected cases of fraud and corruption.

The OVG has developed a Whistle-blowing policy which is expected to be approved in the 2025/26 financial year.

8. Minimising Conflict of Interest

The OVG has implemented key processes in managing and mitigating the possibility of conflict of interest. Key measures that have been implemented include the following:

- Employees are required to disclose their financial interests through the financial disclosure process.
- Employees are required to apply for outside remunerative work.
- Where an employee has expressed a conflict of interest during a tender process, they are requested to recuse themselves.

9. Code of Conduct

The OVG has developed a draft code of conduct and engaged colleague on the drafted code of conduct

10. Health, Safety and Environmental Issues

The entity has developed a draft Occupation health and safety policy that will be adopted by the organisation in terms of the occupational, health and safety act. The OVG deals with valuations of property and at times officials travel far and wide across the country and work at farms and agricultural places.

The officials are provided with personal protection equipment to ensure that they are visible and are protected when performing their work. Training will be arranged continuously for all officials in all important aspects of Occupational Health and Safety to ensure compliance and empower officials about any matter that is aimed at keeping a safe working environment. The offices are secured correctly and pest control fumigation process done quarterly and all the fire extinguishers are serviced. The work environment is kept clean and hygienic at all times. Appropriate measures are taken and monitored regularly to ensure that officials are safe in the case of emergencies in the workplace.

11. Audit and Risk Committee Report

The OVG's Audit and Risk Committee (ARC) report was prepared in accordance with Treasury Regulation 27.1 issued in terms of the Public Finance Management, 1999 (Act No. 1 of 1999) as amended by Act 29 of 1999.

We are pleased to present our report for the financial year ended 31 March 2025.

Audit Committee Responsibility

The Audit and Risk Committee reported that it had adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, regulated its affairs in compliance with this Charter as well as the recommendations of the King IV Code of Corporate Governance, and discharged its responsibilities as contained in the Charter.

The Effectiveness of Internal Control

The Committee managed to perform its oversight responsibilities over the entity through quarterly meetings where reports on audit matters, performance, financial management, compliance as well as risk management, were reviewed and discussed with management. Our review of the internal audit work revealed significant areas of improvement in internal controls which management has committed to address.

- Valuation Services Review
- Information and Records Management
- Project Management
- ICT Follow-up Audit Review
- ICT Governance Review
- Financial Management Services Review
- Human Capital Services Review
- SCM and Contract Management Review
- OHS Review
- Asset Management Review
- Business Continuity Management
- Organisation Design
- Performance information (Quarterly Validation)
- Review AFS 2023/24 and IFS 2024/25
- Review of the 2025/2026 Draft APP
- Follow-up on AGSA Audit findings.

The Internal Audit unit achieved implementation of all its planned audits for the financial year. Overall, we are satisfied with the effectiveness of the OVG's Internal Audit Function.

In-Year Management and Monthly/ Quarterly Report

The Committee was supplied with all quarterly financial and performance reports prepared and issued by the OVG during the year under review in compliance with the statutory reporting requirements.

Evaluation of Financial Statements

As part of its oversight over the entity's financial and performance information reporting, the Audit and Risk Committee performed the following activities during the current reporting period:

- Reviewed and discussed the 2024/25 unaudited annual financial statements and performance report with the Auditor-General South Africa and OVG;
- Reviewed 2024/25 unaudited interim financial statements;
- Reviewed 2024/25 quarterly financial performance;
- Reviewed the quarterly reports for 2024/25 OVG's performance;
- Reviewed the AGSA's management report and management's responses thereto;
- Reviewed for changes in accounting policies and practices; and
- Reviewed the entity's compliance with legislation and regulatory provisions.

Auditor's Report

We have reviewed the report by the Auditor-General South Africa, including the entity's action plan for the prior year's audit findings. We are satisfied that management is attending to the issues raised. The Audit and Risk Committee concur with and accepts the AGSA's report on the Annual Financial Statements, the unqualified opinion and that the audited Annual Financial Statements should be accepted and read together with the report of the AGSA.

Ms Phuthanang Motsielwa CA(SA), RA
Chairperson of the Audit and Risk Committee
Office of the Valuer-General

12. B-BBEE Compliance Performance Information

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes/No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	The OVG's mandate does not talk to issuing of licences or related activities
Developing and implementing a preferential procurement policy?	Yes	The entity procurement policy gives effect to the Preferential Procurement Policy Act (Act No. 5 of 2000). The OVG's SCM policy implements the targeted procurement for all procurement opportunities and is targeted at historically disadvantaged people, women and people living with disabilities, who get allocated points in terms of either 80/20 or 90/10 PPPFA procurement principles. The entity is studying the Public Procurement Act (Act No. 28 of 2024), for implementation.
Determining qualification criteria for the sale of state-owned enterprises?	No	The OVG's mandate does not talk to selling state-owned enterprises
Developing criteria for entering into partnerships with the private sector?	Yes	Our supply chain management policy provides for this requirement.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	Our supply chain management policy provides for this requirement.

PART D: HUMAN RESOURCE MANAGEMENT

1. Introduction

OVG Human Resources oversight statistics provide a view of the performance of HR within the OVG. There is a significant improvement in HR matters year-on-year, which provides confidence that the OVG is on a positive trajectory in terms of acquiring suitable skills and managing the retention of those skills.

2. Human Resources Oversight Statistics

Personnel Cost by programme/activity/objective

Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
108 746	70 356	65%	92	764,74

Personnel cost by salary band

Level	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top management	2 309	3	1	2 309
Senior management	14 304	20	9	1 589
Professional qualified	18 096	26	23	787
Skilled	29 728	42	41	725
Semi-skilled	4 956	7	14	354
Unskilled	963	2	4	241
TOTAL	**70 356**	**100**	**92**	**765**

Performance rewards

Programme/activity/ objective	Performance rewards	Personnel expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top management	0	0	0
Senior management	0	0	0
Professional qualified	0	0	0
Skilled	0	0	0
Semi-skilled	0	0	0
Unskilled	0	0	0
TOTAL	**0**	**0**	**0**

Training costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure	Training expenditure as a % of personnel cost	No. of employees trained	Average training cost per employee
ITWeb Security	R18 199.67	R54 599.70	33.33%	3	R18 199.67
Training for Auditors	R16 172.62	R32 345.24	50%	2	R16 172.62
SAGE	R5 663.75	R11 327.50	50%	2	R5 663.75
Valuation for Land Reform and Expropriation	R10 312.50	R123 750.00	8.33%	12	R10 312.50
Agile Project management	R15 900.00	R15 900.00	100%	1	R15 900.00
Business Architecture Training	R43 125.00	R43 125.00	100%	1	R43 125.00
Risk champion training 2024	R8 707.89	R113 202.55	7.69%	13	R8 707.89
Project Management Training	R16 215.00	R16 215.00	100%	1	R16 215.00
Data science Python	R9 900.00	R9 900.00	100%	1	R9 900.00
Valuation Workshop	R1 037.83	R38 400.00	2.70%	37	R1 037.83
Ethics Management Workshop	R827.00	R20,675.00	4%	25	R827.00

Employment and vacancies

Programme/activity/ objective	2023/24 No. of employees	2024/25 Approved posts	2024/25 No. of employees	2024/25 vacancies	% of vacancies
Top management	1	8	1	7	87,5
Senior management	8	9	9	0	0
Professional qualified	22	22	22	0	0
Skilled	40	48	40	8	16,66
Semi-skilled	7	23	14	9	39,13
Unskilled	4	4	4	0	0
TOTAL	**82**	**114**	**90**	**24**	**21,05**

The positions of Valuer-General and Chief Operating Officer were advertised. However, the recruitment process was not completed.

The main reason for OVG staff leaving is the OVG packages and benefits are not market-related. The OVG has improved on the operating model with concurrence of the Minister for macro structure.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	1	0	0	1
Senior management	7	2	0	9
Professional qualified	21	3	2	22
Skilled	31	12	3	40
Semi-skilled	7	10	3	14
Unskilled	4	4	0	4
Total	**71**	**31**	**8**	**90**

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	8	11,26
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	**8**	**11,26**

Natural attrition, resignation as a result of better opportunities.

Labour relations: misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0

Equity target and employment equity status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1			-	0	-	0	-
Senior management	4			-	0	-	0	-
Professional qualified	10		1	-	0	-	0	-
Skilled	14			-	0	-	0	-
Semi-skilled	5			-	0	-	0	-
Unskilled	0			-	0	-	0	-
TOTAL	**34**		**1**	**-**	**0**	**-**	**0**	**-**

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	-	0	-	0	-	0	-
Senior management	5	-	0	-	0	-	0	-
Professional qualified	11	-	0	-	0	-	0	-
Skilled	26	-	0	-	0	-	0	-
Semi-skilled	9	-	0	-	0	-	0	-
Unskilled	4	-	0	-	0	-	0	-
TOTAL	**55**	**-**	**0**	**-**	**0**	**-**	**0**	**-**

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	-	0	-
Senior management	1	-	0	-
Professional qualified	0	-	1	-
Skilled	0	-	0	-
Semi-skilled	0	-	0	-
Unskilled	0	-	0	-
TOTAL	**1**	**-**	**1**	**-**

PART E:
PFMA COMPLIANCE REPORT

1. Information on irregular, fruitless and wasteful expenditure and material losses

Irregular expenditure	2024/25 R'000	2023/24 R'000
Opening balance	1 617	724
Add: Irregular expenditure confirmed	487	893
Less: Irregular expenditure condoned	-	-
Closing balance	**2 104**	**1 617**

Reconciling Notes

Irregular expenditure	2024/25 R'000	2023/24 R'000
Irregular expenditure that was under assessment in 2023/24	1 617	724
Irregular expenditure that relates to 2023/24 and identified in 2024/25	-	
Irregular expenditure for the current year	487	893
Total	**2 104**	**1 617**

Irregular expenditure	2024/25 R'000	2023/24 R'000
Irregular expenditure under assessment		
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	2 104	1 617
Total	**2 104**	**1 617**

Fruitless and wasteful expenditure	2024/25 R'000	2023/24 R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	138	-
Less: Fruitless and wasteful expenditure condoned	-	-
Closing balance	**138**	**-**

Reconciling Notes

Fruitless and wasteful expenditure	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure that was under assessment in 2023/24	-	-
Fruitless and wasteful expenditure that relates to 2023/24 and identified in 2024/25	138	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**138**	**-**

Fruitless and wasteful expenditure	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure under assessment	138	
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation		-
Total	**138**	**-**

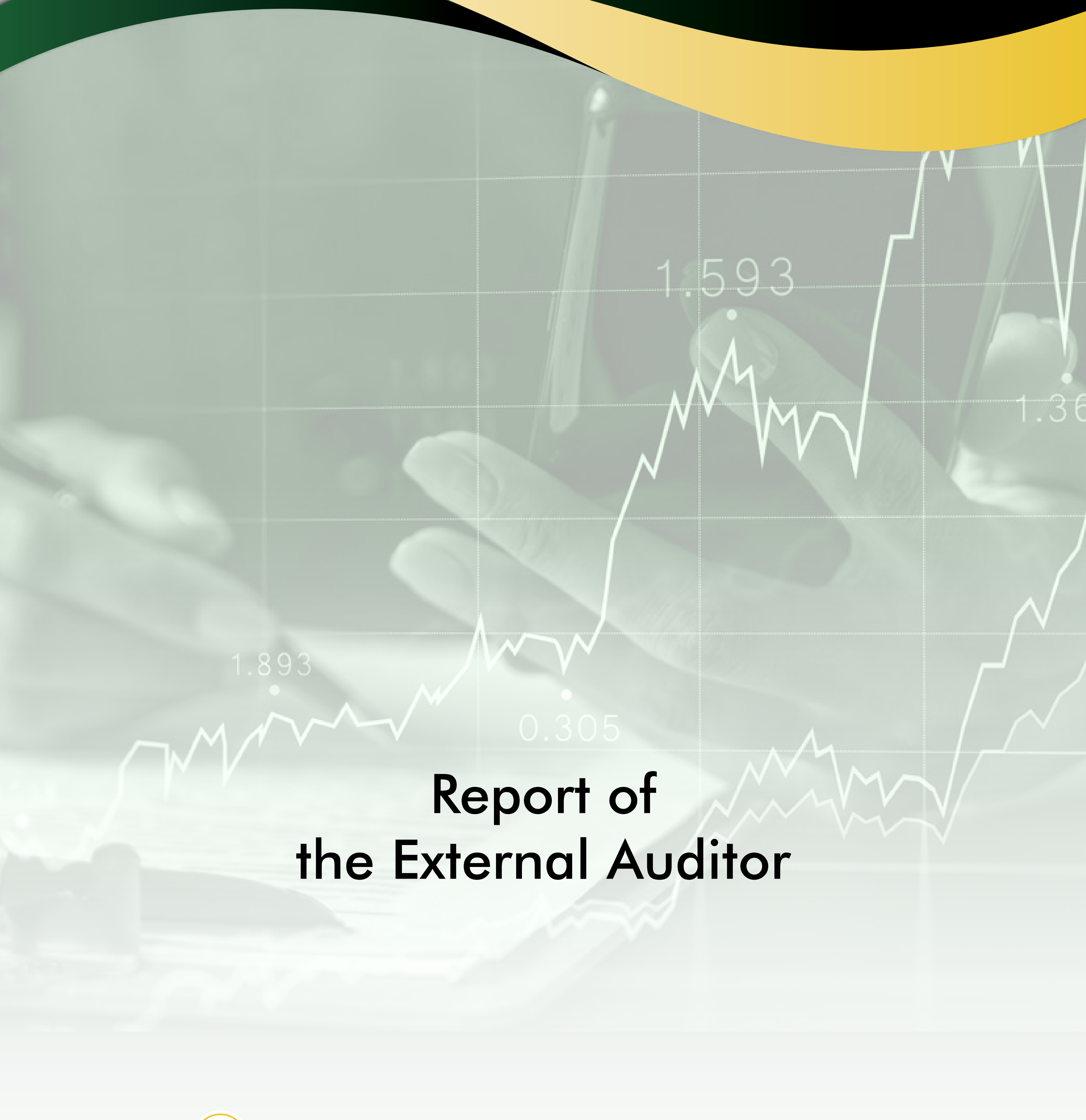
2. Information on late and/or non-payment of suppliers

Monitoring mechanisms have been implemented to ensure timely processing of completion certificates that confirm satisfactory delivery of goods and services by all contracted service providers and timely processing of payments.

3. Contract variations and expansions

Project description	Name of supplier	Contract modification on type (Expansion or Variation)	Contract number	Original contract value	Value of current contract expansion or variation	Value of previous contract expansion/s or variation/s (if applicable)
Provision of ICT Support Services	OKGH (Pty) Ltd T/A Okuhle Digital	Variation	OVG (04) 2020/21	R427 383.88	R13 800.00	0
Provision of ICT Support Services	OKGH (Pty) Ltd T/A Okuhle Digital	Variation	OVG (04) 2020/21	R427 383.88	R6 900.00	R13 800.00
Total					**R20 700.00**	**R13 800.00**

PART F:
FINANCIAL INFORMATION



Report of the External Auditor

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE OFFICE OF THE VALUER-GENERAL

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Office of the Valuer-General set out on pages 47 to 86, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Valuer-General as at 31 March 2025 and financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Property Valuation Act 17 of 2014 (PVA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor general for the audit of the financial statements section of my report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International *Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of prior year figures

7. As disclosed in note 24 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the prior year financial statements of the public entity at and for the year ended 31 March 2025.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and PVA 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 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 43, forms part of my auditor's report.

Report on 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

13. I selected the following material performance indicators related to valuation and operations presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Average number of working days taken to issue a valuation certificate
    - Percentage of completion of valuations requests submitted by clients within the specified timelines
    - Percentage of completion of valuation requests submitted outside the specified timelines
    - Percentage of completion of cumulative valuations
    - Average number of working days - cumulative

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

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
    - 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 to report material findings only; and not to express an assurance opinion or conclusion.

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

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. 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.

20. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 15 to 19.

Valuation

Targets achieved: 60%		
Key valuation indicator not achieved	**Planned target**	**Reported achievement**
Percentage of completion of valuation requests submitted outside the specified timelines	100%	69%
Average number of working days - cumulative valuations	50	99

Report on compliance with legislation

21. 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.

22. 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.

23. 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.

Annual financial statements

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and were not supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA.

25. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statement were corrected and the supporting records were provided, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

26. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

27. 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.

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

29. 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

30. 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.

31. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, and the material findings on compliance with legislation included in this report

32. The entity did not consistently prepare regular, accurate and complete financial and performance reports that are supported by reliable and verifiable information. This indicates a weakness in the internal control environment relating to financial reporting processes.

33. Proper record-keeping practices were not implemented in a timely manner to ensure that complete, relevant and accurate information was readily accessible to support financial reporting.

Auditor-General

Auditor-General
Pretoria
31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the 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 51(1){b){i); 51{1){b)(ii); 51(1)(e)(iii); 53(4) Section 54{2){c); 54(2){d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1) Section 57(b) Section 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2 Regulation 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2{b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6 Regulation 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7 Regulation 16A8.3; 16A8.4 Regulation 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3{b); 30.1.3(d); 30.2.1 Regulation 31.2.1; 31.2.5; 31.2.7(a) Regulation 32.1.1(a); 32.1.1{b); 32.1.1{c) Regulation 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Requlations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9 Paragraph 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Supply Chain Management (SCM) Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 3 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17 Paragraph 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4{b); 3.9

Legislation	Sections or regulations
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1 Paragraph 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1 Paragraph 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4 Paragraph 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 Regulation 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1; 9.2 Regulation 10.1; 10.2 Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Annual Financial Statements

Statement of Financial Position

as at 31 March 2025

	Note(s)	2025 R '000	2024 Restated* R '000
Assets			
Current assets			
Inventories	3	316	286
Trade and other receivables from exchange transactions	4	793	723
Receivables from non-exchange transactions	5	42 113	1 917
Prepayments	6	92	12
Cash and cash equivalents	7	11 601	64 172
		54 915	**67 110**
Non-current assets			
Property, plant and equipment	8	3 951	4 805
Intangible assets	9	5 248	3 851
		9 199	**8 656**
Total assets		**64 114**	**75 766**
Liabilities			
Current liabilities			
Payables from exchange transactions	10	18 288	15 417
Non-current liabilities			
Provisions	11	13	11
Total liabilities		**18 301**	**15 428**
Net Assets		**45 813**	**60 338**
Accumulated surplus		45 813	60 338
Total net assets		**45 813**	**60 338**

**Restated*

Statement of Financial Performance

	Note(s)	2025 R '000	2024 Restated* R '000
Revenue			
Revenue from exchange transactions			
Rendering of services		600	305
Other income		-	12
Reversal of impairment		11	276
Interest received		3 431	5 121
Total revenue from exchange transactions		**4 042**	**5 714**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies		142 775	140 271
Total revenue	12	**146 817**	**145 985**
Expenditure			
Employee related costs	13	(70 356)	(57 840)
Depreciation and amortisation	8&9	(3 832)	(3 598)
Impairment loss/Reversal of impairments	4	-	(172)
Finance costs		-	(1)
Loss on disposal of assets		(99)	(111)
General Expenses	14	(34 459)	(32 115)
Total expenditure		**(108 746)**	**(93 837)**
Surplus for the year		**38 071**	**52 148**

**Restated*

Statement of Changes in Net Assets

	Accumulated surplus / deficit R'000	Total net assets R'000
Opening balance as previously reported	31 661	31 661
Adjustments		
Surplus funds surrendered to National Treasury	(21 900)	(21 900)
Prior year adjustments 24	(1 571)	(1 571)
Balance at 01 April 2023 as restated*	**8 190**	**8 190**
Changes in net assets Surplus for the year	52 148	52 148
Opening balance as previously reported	62 353	62 353
Surplus funds surrendered to National Treasury	(52 596)	(52 596)
Prior year adjustments 24	(2 015)	(2 015)
Balance at 01 April 2024 as restated*	**7 742**	**7 742**
Changes in net assets Surplus for the year	38 071	38 071
Total changes	38 071	38 071
Balance at 31 March 2025	**45 813**	**45 813**

**Restated*

Cash Flow Statement

	Note(s)	2025 R '000	2024 Restated* R '000
Cash flows from operating activities			
Receipts			
Rendering of services		195	1 950
Government grants		102 579	116 454
Interest income		3 912	4 640
Other receipts		15	12
		106 701	**123 056**
Payments			
Cash paid to employee related costs		(70 482)	(58 019)
Cash paid to service providers and other		(33 546)	(47 693)
Surplus funds surrendered to National Treasury		(52 596)	-
		(156 624)	(105 712)
Net cash flows from operating activities	23	**(49 923)**	**17 344**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(612)	(280)
Purchase of other intangible assets	9	(2 036)	(1 008)
Net cash flows from investing activities		**(2 648)**	**(1 288)**
Cash flows from financing activities			
Finance lease payments		-	(3)
Net increase/(decrease) in cash and cash equivalents		**(52 571)**	**16 053**
Cash and cash equivalents at the beginning of the year		64 172	48 119
Cash and cash equivalents at the end of the year	7	**11 601**	**64 172**

**Restated*

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget R '000	Adjustments R '000	Final Budget R '000	Actual amounts on comparable basis R '000	Difference between final budget and actual R '000	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	-	-	**-**	600	**600**	26.1
Impairment Reversal	-	-	**-**	11	**11**	26.2
Interest received	-	-	**-**	3 431	**3 431**	26.3
Total revenue from exchange transactions	**-**	**-**	**-**	**4 042**	**4 042**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	142 775	-	**142 775**	142 775	**-**	26.4
Total revenue	**142 775**	**-**	**142 775**	**146 817**	**4 042**	
Expenditure						
Employee related costs	(63 354)	(6 646)	**(70 000)**	(70 356)	**(356)**	26.5
Depreciation and amortisation	-	-	**-**	(3 832)	**(3 832)**	26.6
General Expenses	(79 421)	6 646	**(72 775)**	(34 459)	**38 316**	26.7
Total expenditure	**(142 775)**	**-**	**(142 775)**	**(108 647)**	**34 128**	
Operating surplus	**-**	**-**	**-**	**38 170**	**38 170**	
Loss on disposal of assets	-	-	**-**	(99)	**(99)**	26.8
Surplus for the year	**-**	**-**	**-**	**38 071**	**38 071**	

1. Significant accounting policies

The significant accounting policies applied in the preparation of these audited annual financial statements are set out below.

1.1 Basis of preparation

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

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

These accounting policies are consistent with the previous period, except for the changes set out in note 24 Changes in accounting policy.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made based on the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

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

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.5 Significant judgements and sources of estimation uncertainty

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

Receivables from exchange transactions

The entity assesses its other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgment as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for other receivables is calculated on amounts that are 90 days or more overdue. Assessment for the impairment has been made on individual debtors based on specific probability of recovery. Consideration is also given regarding payment received from long outstanding debtors after year end, as well as information obtained from any debt collector used by the Entity.

1. Significant Accounting Policies (continued)

Depreciation

Depreciation recognised on property, plant and equipment is determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on Management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of assets informs the useful life and residual value, Management considers the impact of technology and minimum service requirements of the assets.

Impairment of non-financial assets

In testing for, and determining the value-in-use of non-financial assets, Management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets).

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

The carrying amount of available-for-sale financial assets would be an estimated R - lower or R - higher were the discounted rate used in the discount cash flow analysis to differ by 10% from management's estimates.

Impairment testing

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

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

Provisions

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

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

1. Significant Accounting Policies (continued)

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

Subsequent to initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the depreciable amount using the straight-line method over the estimated useful life of the asset. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets residual value, where applicable.

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	15 - 30 years
Office equipment (Finance leases)	Straight-line	3 - 5 years
IT equipment	Straight-line	3 - 10 years
Leasehold improvements	Straight-line	5 - 13 years
Photographic equipment	Straight-line	5 years

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

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

1. Significant Accounting Policies (continued)

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

1.7 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

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

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

The OVG Considered the following:

(a) Availability of resellers
(b) Size of market share
(c) Availability of technical support
(d) History of the OVG and lived experiences

For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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

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

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

1. Significant Accounting Policies (continued)

Item	Amortisation method	Average useful life
Software licenses	Straight-line	1 year
Computer software		Indefinite

1.8 Financial instruments

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

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

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

A financial asset is:

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

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

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

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

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

Impairment and uncollectability of financial assets:

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

Financial assets measured at amortised cost:

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

1. Significant Accounting Policies (continued)

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition:

Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirely to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred based on their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non- exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange transactions (Taxes and Transfers).

Presentation

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

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

1.9 Leases

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

Finance leases - lessee

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

1. Significant Accounting Policies (continued)

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

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

The discount rate used in calculating the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of return on the remaining balance of the liability.

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

Operating leases - lessee

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

1.10 Inventories

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

Inventories consisting of consumable stores are subsequently measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arose. The amount of any reversal of any write-off of inventories arising from an increase in the current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

If there is no related revenue, the expenses are recognised when the goods are consumed, or related services are rendered. The amount of any write-down of inventories to current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

1.11 Employee benefits

Identification

Employee benefits

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

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

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment because of either:

(a) an entity's decision to terminate an employee's employment before the normal retirement date; or

(b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Short-term employee benefits

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

1. Significant Accounting Policies (continued)

Short-term employee benefits include items such as:

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

Post-employment benefits: Defined contribution plans

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

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

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

1.12 Provisions

Provisions are recognised when:

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

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

1. Significant Accounting Policies (continued)

1.13 Impairment of non-cash-generating assets

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

Non-cash-generating assets are assets other than cash-generating assets.

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

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

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

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

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

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

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

Useful life is either:

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

Judgements made by Management in applying the criteria to designate assets as non-cash-generating assets or cash- generating assets, are as follows:

Bank balances held by agents yield interest; the calculation and accrual of this interest is based on the amount advanced by the Department of Agriculture, Land Reform and Rural Development, from which the even distribution of expenses monthly is deducted from, to calculate the closing balance of debtor (monies held by agent) from which interest accrues.

Designation

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

The entity designates an asset or a cash-generating unit as cash-generating when:

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

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

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

1. Significant Accounting Policies (continued)

Identification

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

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

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

1.14 Revenue from exchange transactions

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

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

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

Measurement

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

Rendering of valuation services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by finalisation of a signed valuation certificate.

The Office of the Valuer-General discharges its legislative mandate by implementing its foundational act, the property Valuation Act, 2014 (Act No. 17 of 2014). The act states that the Office of the Valuer-General must value all land to be acquired for land reform purposes in accordance with a prescribed set of criteria based on section 25(3) of the Constitution.

Interest income

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

1. Significant Accounting Policies (continued)

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

1.15 Revenue from non-exchange transactions

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

Revenue received from conditional or operational grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations if any embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Recognition

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

Measurement

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

When, because of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition.

Services in-kind

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

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

The significance of the services in-kind on the entity's operations and/or service delivery objectives determines whether the entity recognises services in-kind as an asset and revenue. It should recognise those services in-kind when they meet the definition of an asset and satisfy the criteria for recognition.

Services in-kind include services provided by individuals to entities and the right to use assets in a non-exchange transaction. These services meet the definition of an asset because the entity controls a resource from which future economic benefits or service potential is expected to flow to the entity. These assets and revenue are, in most instances, immediately consumed or used and a transaction of equal value is also recognised to reflect the consumption or usage of these services in-kind.

1.16 Prepayments

Prepaid expenses are cash paid amounts that represent costs incurred from which a service or benefit is expected to be derived in the future.

The future write-off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. When the period arrives to which a prepaid cost relates the costs will be treated as a period cost for the period in question. Normally such prepaid costs will be written off based on the lapse of time and receipt of services rendered/ goods received.

Prepaid expenses should be classified as current assets unless a portion of the prepayment covers a period longer than 12 months. If they are prepayment costs with a benefit beyond 12-month, they should be classified as non- current assets in the Statement of Financial Position.

Prepaid expenses will be measured at the value of services or goods to be received/ receivable in the future.

1.17 Cash and cash equivalents

Cash for reporting purposes will include cash in the bank and any petty cash.

1. Significant Accounting Policies (continued)

Cash equivalents - to be included on the cash line in the financial statements - will consist primarily of term deposits, and all other highly liquid investments with a maturity of twelve months or less. Cash equivalents are stated at cost.

Cash is measured at fair value.

1.18 Expense recognition

The entity reports its expenses on the accrual basis, meaning when the expenses are incurred, not when they are paid. Expenses are incurred when goods are received and services are rendered, whether an invoice has been received or payment has been made.

The policy exists to ensure adherence with GRAP, to promote consistent accounting treatment across the entity, and to ensure the operating results of the entity are not misstated because of expenses unrecorded or recorded improperly.

1.19 Related parties

Where the entity has had related party transactions during the period covered by the financial statements, it discloses the nature of the related party transaction during the period covered by the financial statements. The nature, information about those related party transactions and outstanding balances including commitments.

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

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

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 those family members who may be expected to influence or be influenced by that person in their dealings with the entity.

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

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

1.20 Prior period errors and change in accounting estimates

Prior period errors

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that;

- was available when financial statements for those periods were authorised for issue; and
- could reasonably be expected to have been obtained and considered in the preparation and presentation of those financial statements.

Such errors may include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretation of facts, and fraud.

Material prior period errors are retrospectively corrected by:

- restating the comparative amounts for the prior period presented in which the error occurred; or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

1. Significant Accounting Policies (continued)

Changes in accounting estimates

As a result of uncertainties inherent in delivering services, conducting trading or other activities, many items in financial statements cannot be measured with precision but can only be estimated. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimates was based or as a result on new information or more experience. By its nature, the revision of an estimates does not relate to prior periods and is not the correction of an error.

The effect of a change in accounting estimate shall be recognised prospectively by including it in surplus or deficit in:

- The period of the change, if the change affects that period only; or
- The period of the change and future periods, if the change affects both.

1.21 Contingent liabilities and contingent assets

Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity; or

A present obligation that arises from past events that is not recognised because;

- It is not probable that an outflow of resources and embodying economic benefit will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.
- The contingent liability is recognised awaiting the outcome of legal action or dispute between the two parties

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

Contingent assets

A contingent asset is a possible asset that arises from past events, and whose 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.

An entity shall not recognise a contingent asset:

Where an inflow of economic benefits or service potential is probable, an entity shall disclose a brief description of the nature of the contingent assets at the reporting date and where practicable, an estimate of their financial effect, measured using the principles set out for provisions.

1.22 Payable from exchange transactions

A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

Liabilities from exchange transactions will be recognised if:

- It is probable that any future economic benefit or service potential associated with the item will flow from the entity; and
- The item has a cost or value that can be measured reliably.

A part of the process of maintaining the accounting records in conformity with Generally Recognised Accounting Practice, once a transaction or obligation event has taken place, the liability shall be recorded in the accounting records. This will normally occur upon the earlier of receipts of the invoice or delivery of service/goods.

1.23 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

1. Significant Accounting Policies (continued)

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.24 Accounting by principals and agents

Identification

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

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

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

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

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

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

1.25 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expenditure, and where recovered, it is subsequently accounted as revenue in the statement of financial performance.

1.26 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in accordance or that is not in accordance with a requirement of any application legislation, including

(a) The PFMA; or
(b) The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) Any provincial legislation providing procurement procedures in that provincial government.

National Treasury Instruction No.4 of 2022/2023 which was in issued terms of section 51(1)(b)(ii) and 57(c) of the PFMA requires the following (effective from 3 January 2003):

Expenditure recognised as irregular expenditure is expenditure that must have been recognised in the statement of financial performance or a liability recognised in the statement of financial position. The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

Irregular expenditure is recorded in the annual financial statements disclosure when incurred and confirmed. This relates to irregular expenditure incurred in the current financial year with a one-year comparative.

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

1. Significant Accounting Policies (continued)

(a) Irregular expenditure incurred and confirmed in the previous financial year;
(b) Irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year, and
(c) Irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
(d) Irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

1.27 Events after reporting date

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

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

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

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

1.28 Budget information

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

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The budget for the economic entity includes all the entities approved budgets under its control.

The audited annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Variances of 10% and above are considered material and are explained in the notes to the annual financial statements.

Notes to the Audited Annual Financial Statements

	2025 R '000	2024 R '000

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 106 Transfer of Functions Between Entities Not Under Common Control		Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control		Unlikely there will be a material impact Unlikely there will be a material impact
GRAP 2023 Improvements to the Standards of GRAP 2023		Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)		Unlikely there will be a material impact
iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed

3. Inventories

	2025	2024
Stationery and consumable on hand	316	286

None of the entity's inventory is carried at current replacement cost. Accordingly, the balance as presented, represents the cost of inventory on hand. Inventories consist mainly of stationery and consumables material.

Inventory to the value of R143 669 (2024: R76 633) was recognised as an expense during the year. Inventories are recognised as an expense as and when consumed within the entity and related expense is included in the printing and stationery expenses line item.

The basis of determining cost is the weighted-average method.

4. Trade and other receivables from exchange transactions

	2025	2024
Trade receivables	660	255
Impairment of trade receivables	(161)	(172)
Staff debts	294	159
Interest receivables	-	481
	793	**723**
Trade receivables age analysis		
Current	499	83
Over 90 days	161	172
	660	**255**

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

The trade receivable relates to valuation services that were provided for various projects.

Impairment of trade receivables - age analysis		
Over 90 days	(161)	(172)
Reconciliation of impairment of receivables from exchange transactions		
Opening balance	(172)	(276)
Increase in impairments	-	(172)
Impairment reversal	11	276
	(161)	**(172)**

The current change in impairment of receivables in exchange transactions has been included in the statement of financial performance under "Reversal of impairment". Amounts charge to impairment of receivables in exchange transactions are generally written off when there is no expectation of recovery. Impairment reversal is because of transactions previously assessed as impaired. The transactions where then paid for after being impaired and the impairment was reversed.

5. Receivables from non-exchange transactions

Government grants & subsidies	42 113	1 917

6. Prepayments

Opening Balance	12	31
Add: Prepayment during the period	180	77
Less: Expensed during the period	(100)	(96)
	92	**12**

An amount of R1 332 (2024: R662) is prepaid to South African Broadcasting Corporation for television annual licenses.

An amount of R0 (2024: R51 621) is prepaid to South African Council for the Property Valuers Professional for annual membership fees.

An amount of R0 (2024: R2 191) is prepaid to Institute of Risk Management (SA) for annual membership fees.

An amount of R7 380 (2024: R16 600) is prepaid to Multichoice Group for annual subscription of DSTV.

An amount of R2 443 (2024: R2 188) is prepaid to Post Office for annual license. An amount of R1 685 (2024: R0) is prepaid to CIPS South Africa.

An amount of R1 142 (2024: R 4 221) is prepaid to the Institute of Internal Auditors. An amount of R37 863 (2024: R0) is prepaid to Lexis Nexis for annual subscription. An amount of R39 861 (2024: R0) is prepaid to Juta for annual subscription.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025 R '000	2024 R '000
Bank balance - current account	1 513	2 975
Bank balance - call account	10 088	61 197
	11 601	**64 172**

The entity had the following bank accounts

	Bank statement balances		Cash book balances	
Account number / description	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Bank Balance - Current Account	1 513	2 975	1 513	2 975
Bank Balance - Call Account	10 088	61 197	10 088	61 197
Total	**11 601**	**64 172**	**11 601**	**64 172**

8. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 681	(661)	1 020	1 732	(567)	1 165
Office equipment (Finance lease)	103	(103)	-	103	(103)	-
IT equipment	6 250	(3 594)	2 656	6 240	(2 957)	3 283
Leasehold improvements	438	(205)	233	438	(137)	301
Photographic equipment	69	(27)	42	69	(13)	56
Total	**8 541**	**(4 590)**	**3 951**	**8 582**	**(3 777)**	**4 805**

Reconciliation of property, plant and equipment - March 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 165	-	(29)	(116)	1 020
IT equipment	3 283	612	(122)	(1 117)	2 656
Leasehold improvements	301	-	-	(68)	233
Photographic equipment	56	-	-	(14)	42
	4 805	**612**	**(151)**	**(1 315)**	**3 951**

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

Reconciliation of property, plant and equipment - March 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 302	-	(19)	(118)	1 165
Office equipment (Finance lease)	3	-	-	(3)	-
IT equipment	4 261	211	(92)	(1 097)	3 283
Leasehold improvements	369	-	-	(68)	301
Photographic equipment	-	69	-	(13)	56
	5 935	**280**	**(111)**	**(1 299)**	**4 805**

The Office of the Valuer-General did not incur any costs relating to repairs and maintenance related to property, plant and equipment in the current financial year.

9. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Software licenses	3 008	(992)	2 016	1 997	(550)	1 447
Computer software	2 404	-	2 404	2 404	-	2 404
Intangible assets under development (WIP)	828	-	828	-	-	-
Total	**6 240**	**(992)**	**5 248**	**4 401**	**(550)**	**3 851**

Reconciliation of intangible assets - March 2025

	Opening balance 1 447	Additions 3 086	Amortisation	Total 2 016
Software licenses	1 447	3 086	(2 517	2 016
Computer software	2 404	-	-	2 404
Intangible assets under development (WIP)	-	828	-	828
	3 851	**3 914**	**(2 517)**	**5 248**

Reconciliation of intangible assets - March 2024

	Opening balance	Additions	Other changes, movements	Amortisation	Total
Software licenses	1 749	1 997	-	(2 299)	1 447
Computer software	2 562	-	(158)	-	2 404
	4 311	**1 997**	**(158)**	**(2 299)**	**3 851**

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

Because history has shown rapid changes in technology, computer software and many other intangible assets are susceptible to obsolescence. However, a lot of the owners of software are aware of these rapid changes in technology and are now subjecting their products to constant software developments. This maintains service potential and the ability to use them for longer terms and thus their continued use is based on OVG Information Technology strategy on maintenance of software.

The current computer software is comprised of an ERP solution that has been purchased as an off the shelve package and customised to specification in accordance with the needs of the entity. The entity has demonstrated its intention to use the software on a continued basis through entering support and maintenance contracts with services providers to ensure constant upgrades and maintenance of the system.

The useful life of the ERP software is indefinite since the entity intends on using it into the foreseeable future with continued maintenance to sustain service potential at required levels. The following factors played a significant role in determining the asset has an indefinite useful life.

- Period over which software has been in existence in the market.
- Period of which entities currently using it have been using it for.
- Rate of technology turn over and advancements in government.
- Availability of support and maintenance including availability of resources to support and maintain solution.

Computer software has been tested for impairment and is not considered to be impaired.

10. Payables from exchange transactions

	2025	2024
Trade payables	4 640	2 632
Sundry accruals	8 353	8 957
Accrued leave pay	3 962	2 607
Accrued bonus	1 333	1 221
	18 288	**15 417**

11. Provisions

Reconciliation of provisions - March 2025

	Opening Balance	Additions	Total
Long term capped leave	11	2	13

Reconciliation of provisions - March 2024

	Opening Balance	Additions	Total
Long term capped leave	7	4	11

The leave pay provision relates to long term/ capped leave that accrued to employees. It is not possible to anticipate the timing of the utilisation or the timing of the cash-out of this balance. Accordingly, the uncertainty related to the balance is limited to the timing of realisation. A review of the utilisation trends has however evidence that it is unlikely that the full balance will be realised within the short term. Accordingly, the balance is classified as non-current.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

12. Revenue

Rendering of valuation services	600	305
Other income	-	12
Impairment reversal	11	276
Interest received - bank	3 431	5 121
Government grants	142 775	140 271
	146 817	**145 985**

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

Rendering of valuation services	600	305
Other income	-	12
Impairment reversal	11	276
Interest received - bank	3 431	5 121
	4 042	**5 714**

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

Transfer revenue		
Government grants	142 775	140 271

13. Employee related cost

Basic salaries	50 401	41 591
Medical Aid - Employer contribution	1 497	1 170
Pension Fund - Employer contributions	4 729	4 182
Employer contributions: bargaining council	9	7
Leave: accumulated short term	2 270	1 115
Overtime payments	2 507	2 133
Service Bonus	3 023	2 654
Car allowance	437	437
Housing benefits and allowances	1 768	1 657
Service Bonus - Retention	3 715	2 894
	70 356	**57 840**

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

14. General Expenses

Advertising	624	792
Auditors' remuneration	4 150	2 896
Bank charges	30	36
Catering	18	14
Cleaning	18	346
Consulting and professional fees	6 332	8 763
Consumables	188	150
Foreign exchange loss	3	-
Interest and penalties	138	-
IT expenses	2 019	2 566
Operating leases	1 083	1 056
Legal services	117	210
Maintenance and support	1 797	1 808
Printing and stationery	222	180
Security services	2 287	2 221
Staff welfare	32	-
Subscriptions and membership fees	562	465
Telephone and fax	2 348	2 165
Theft and losses	52	26
Transport and freight	3 484	1 698
Training and development	6 142	4 815
Travel - local	2 381	1 605
Travel - overseas	432	303
	34 459	**32 115**

15. Financial instruments disclosure

Categories of financial instruments

March 2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	954	954
Cash and cash equivalents	11 601	11 601
	12 555	**12 555**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	12 994	12 994

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

March 2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	895	895
Cash and cash equivalents	64 172	64 172
	65 067	**65 067**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	10 579	10 579

16. Operating lease

	2025 R '000	2024 R '000
Minimum lease payments due:		
Due in 1 year	882	729
Due in 2 to 5 years	345	270
	1 227	**999**

The above amounts are due in future financial years due to contractual obligations. Operating leases relate to service level agreements for leasing of parking bays for officials, rental of Internet connectivity lines, lease of telephone management and switchboard system, hosting of the domain and email system.

17. Capital commitments

Authorised future capital expenditure

Already contracted for but not provided for

	2025 R '000	2024 R '000
• Due within 1 year	15 316	990
• Due within 2 - 5 year	1 938	-
	17 254	**990**

Total capital commitments

	2025 R '000	2024 R '000
Already contracted for but not provided for	17 254	990

Total commitments

	2025 R '000	2024 R '000
Total commitments		
Authorised capital expenditure	17 254	990

Commitments relate to capital contracts due in future years. The total future commitments detailed above are either non-cancellable or are only cancellable at a significant cost and relate to contents other than the routine, steady and business of the entity.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

18. Related parties

Relationships

DEPARTMENT OF LAND REFORM AND RURAL DEVELOPMENT (DLRRD)

The Department of Land Reform and Rural Development is the designated department of the Office of the Valuer-General and certain services between the DLRRD and OVG are rendered in kind and are not at arm's length, the ones that can be quantified have been disclosed below. The Department of Land Reform and Rural Development paid for office accommodation of the Office of the Valuer- General.

DEEDS REGISTRATION TRADING ENTITY (DEEDS)

The Deeds Registration Trading Entity is a trading entity of the Department of Agriculture, Land Reform and Rural Development. The memorandum of agreement was entered into between Deeds and the OVG for rendering of services for the period 1 April 2022 - 31 March 2023 was signed on the 24 April 2022. The memorandum of agreement continued until terminated by either party to it.

COMMISSION ON RESTITUTION OF LAND RIGHTS (CRLR) AND LAND REDISTRIBUTION AND TENURE REFORM (LRTR)

CRLR and LRTR are entities of the Department of Agriculture, Land Reform and Rural Development. The OVG is mandated to provide valuation services to these entities in line with the Property Valuations Act. These valuation services are not at arm's length and therefore cannot be quantified.

ENTITIES OF THE DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT THAT ARE UNDER COMMON CONTROL

The following entities are related parties as they report to the same Minister as the Office of Valuer-General, however, there were no transactions to report in the current year.

- Agricultural Land Holding Account
- Ingonyama Trust Board
- Agricultural Research Council
- National Agricultural Marketing Council
- Onderstepoort Biological Products
- Perishable Products Export Control Board

Related party transactions

	2025 R '000	2024 R '000
Amounts paid on behalf of OVG (Paid by DLRRD)		
Office rental	830	855
Municipal services	245	-
Amounts paid to a related party (Deeds Registration Trading Entity)		
Management fees	(1 108)	(14 138)

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

Key management information

Remuneration of management

Management class: Executive management

March 2025

Name of officials	Basic salary	Other short- term employee benefits	Post- employment benefits	Total
MM Maloka - Acting Valuer-General	1 093	1 379	131	2 603
TS Motsoeneng - Acting Chief Operations Officer	1 234	915	161	2 310
MES Coangae - Acting Executive: Financial Management Services	1 069	371	128	1 568
TB Masoleng - Senior Manager: Programme Management Office	1 026	370	122	1 518
PV Selauli - Senior Manager: Internal Audit	42	-	-	42
RRM Noge - Senior Manager: Human Capital Services	1 017	380	122	1 519
RT Mokale - Senior Manager: Financial Management Services	954	613	124	1 691
T Ndala Ka Dlamini - Senior Manager: Valuations	1 017	630	122	1 769
K Moatshe - Senior Manager: Strategy and ICT	1 170	410	138	1 718
M Thomas - Acting Senior Manager: Valuations	921	348	112	1 381
N Nkomzwayo - Acting Senior Manager: Chief Audit Executive	399	266	52	717
NK Pangwa - Senior Manager: Chief Audit Executive	373	116	48	537
	10 315	**5 798**	**1 260**	**17 373**

**Ms MM Maloka acted as the Valuer-General during the period of 01 April 2024 - 31 March 2025.*
**Mr T Motsoeneng acted as Chief Operations Officer during the period of 01 April 2024 - 31 March 2025.*
**Ms M Thomas acted as Senior Valuer during the period of 01 April 2024 - 31 March 2025.*
**Ms T Ndala Ka Dlamini acted as Executive: Valuations during the period of 01 April 2024 - 31 March 2025.*
**Mr T Mokale acted as Executive: Legal, Risk and Compliance during the period of 01 April 2024 - 31 March 2025.*
**Ms N Nkomzwayo acted as Senior Manager: Internal Audit during the period of 01 April 2024 - 30 October 2024.*
**Mr MES Coangae acted as Executive: Financial Management Services during the of 01 March 2025 - 31 March 2025.*

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

March 2024

Name of officials	Basic salary	Other short- term employee benefits	Post- employment benefits	Total
MM Maloka - Acting Valuer-General	991	1 215	119	2 325
TS Motsoeneng - Acting Chief Operations Officer	1 545	875	137	2 557
MES Coangae - Senior Manager: Supply Chain and Procurement	1 003	358	120	1 481
TB Masoleng - Senior Manager: Programme Management Office	959	297	115	1 371
PV Selauli - Senior Manager: Internal Audit	1 043	436	129	1 608
RRM Noge - Senior Manager: Human Capital Services	953	315	116	1 384
RT Mokale - Senior Manager: Financial Management Services	902	468	117	1 487
T Ndala Ka Dlamini - Senior Manager: Valuations	959	302	115	1 376
K Moatshe - Senior Manager: Strategy and ICT	1 071	426	129	1 626
M Thomas - Acting Senior Manager: Valuations	788	398	92	1 278
	10 214	**5 090**	**1 189**	**16 493**

Audit and Risk Committee members' fees

	2025	2024
P Motsielwa - Chairperson	417	201
D De Wet	276	95
C Motau	232	152
	925	**448**

Valuations and Quality Review Committee members' fees

	2025	2024
G Senyolo	-	35
L Tanderera	-	24
	-	**59**

The Valuation Review and Advisory Committee did not sit in the current financial year as the OVG was in the process of appointing members of the committee.

ICT Steering Committee members' fees

	2025	2024
N Tshabalala - Chairperson	212	167

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

19. Accounting by principal and agents

In July 2014 the Property Valuation Act brought into existence the Office of the Valuer-General (OVG), the "Principal"; whose responsibility in accordance with the Act is to perform property valuations for the Department of Land Reform and Rural Development (DLRRD). Section 4 and 5 of the Act established the Office as a juristic person.

Due to unavailability of resources as this office is in the process of being structurally established, a memorandum of agreement was entered into with the Deeds Registration Trading Entity (Deeds) who is the "Agent". This MOA states that Deeds will render administrative support and services to the period ending 31 March 2023 after which the MOA continues on a month-to-month basis until terminated by either of the parties to the agreement. The MOA between Agent and Principal was signed on the 24 April 2022.

The following transactions will be undertaken by the Agent on behalf of the Principal.

Transactions relating to Human Resources Management includes:

- payments of salaries and other service benefits

Transactions relating to finance includes:

- revenue management
- payment of expenses and liabilities
- preparation of financial statements

Transactions relating to Supply Chain Management includes:

- contracts management
- procurement of goods and services

All transactions were performed in line with the internal policies of the agent.

Liability:

The following management fees were owing to the Deeds Registration Trading Entity:

Management fees and employee cost payable

	2025 R '000	2024 R '000
Balance at the beginning of the year	(1 108)	(14 138)
Operational expenditure incurred	-	(1 108)
Payments to Deeds	1 108	14 138
	-	**(1 108)**

No other assets are held by the Deeds Registration Trading Entity on behalf of the Office of the Valuer-General.

The relationship between the OVG and Deeds has terminated with the MOA coming to an end. There are no financial implications to the termination of the principal-agent relationship.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

20. Contingencies

Contingent liabilities

In terms of the PFMA Section 53 (3) public entities are not allowed to accumulate surpluses unless approved by the National Treasury. After each year-end, OVG is required to submit year-end surplus retention application to National Treasury through the executive authority, Department of Rural Development and Land Reform. The accumulated surplus of R36,219 million (2024: R51,395 million) has been classified as a contingent liability at 31 March 2025 as there is no approval received as yet to retain the surplus funds.

Contingent assets

Thefts and losses by officials amounting to R121 495 (2024: R91 310) are under determination for the entity's assets lost or damaged by officials, liability depends on the outcome of thefts and losses committee.

21. Services in kind

Administrative services in kind:

Office of Valuer-General falls under the executive authority Minister of the Department of Land Reform and Rural Development (DLRRD). Some senior officials of the department participate in the ICT steering committee of the OVG and there is no cost charged to the OVG.

DLRRD also provides office at Praetor Forum Building and Center Walk. These offices are used as office accommodation for the OVG. The Department's rental cost is R1,075 million (2024: R855 000). There is no charge to the OVG.

The OVG had a contract with service provider however a license was provided to the OVG without paying for the licence. The licence was for an amount of R0 (2024: R32 000) and it was assessed to not be significant.

22. Risk management

Financial risk management

Liquidity risk

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

The entity manages its liquidity risk through ongoing review of future commitments and the budgeting process which monitors spending against available resources (cash and other financial assets). Adequate reserves and liquid resources are maintained.

The table below analyses the entities' financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to contractual maturity date. The amounts disclosed in the table are the undiscounted contractual cashflows. The balances due within 12 months equal the carrying amount of these liabilities as the impact of discounting is not significant.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

At 31 March 2025	Less than 1year	Impairment	Carrying amount
Trade and other payables from exchange transactions	12 994	-	12 994

At 31 March 2024	Less than 1year	Impairment	Carrying amount
Trade and other payables from exchange transactions	10 579	-	10 579

Credit risk

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

Financial assets which potentially subject the Office of the Valuer-General to risk of non-performance and thereby subject to credit risk consist mainly of cash and cash equivalents and receivables from exchange transactions as per GRAP 104.

The Office of the Valuer-General limits its treasury counter party exposure by dealing with well-established institutions approved by National Treasury and its exposure is constantly monitored

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

At March 2025	Gross amount	Impairment	Carrying amount
Trade and other receivables	954	(161)	793
Cash and cash equivalents	11 601	-	11 601

At 31 March 2024	Gross amount	Impairment	Carrying amount
Trade and other receivables	895	(172)	723
Cash and cash equivalents	64 172	-	64 172

Market risk

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

The Office of the Valuer-General is exposed to interest rate fluctuations on past due debtors and thus changes in the interest rate will result in changes in future cash flows expected from these financial instruments. No financial assets are past due or impaired in the current year.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statements of financial position.

None of the financial instruments in the current year were interest bearing.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

23. Cash (used in) generated from operations

	2025 R '000	2024 R '000
Surplus	38 071	52 148
Adjustment for		
Depreciation and amortisation	3 832	3 598
Loss on disposal of asset, thefts and losses	151	111
Finance costs - Finance leases	-	1
Impairment deficit	-	172
Movements in provisions	2	4
Interest receivable		
Changes in working capital:	-	(481)
Inventories	(30)	(122)
Trade and other receivables from exchange transactions	(70)	1 191
Receivables from non-exchange transactions	(40 196)	(1 917)
Prepayments	(80)	19
Payables from exchange transactions	993	(15 480)
Surplus funds surrendered to National Treasury	(52 596)	(21 900)
	(49 923)	**17 344**

24. Prior-year adjustments

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

Statement of financial position

March 2024

	As previously reported	Correction of error	Restated
Receivables from non-exchange transactions	-	1 917	1 917
Property, plant and equipment	4 823	(18)	4 805
Inventory	183	103	286
Provision	(7)	(4)	(11)
Trade and other payables	(13 391)	(2 026)	(15 417)
Accumulated surplus	(62 353)	2 015	(60 338)
Trade and other receivables from exchange transactions	-	723	723
Receivables from exchange transactions	83	(83)	-
Other receivables from exchange transactions	2 557	(2 557)	-
Intangible assets	3 921	(70)	3 851
	(64 184)	**-**	**(64 184)**

An amount of R1,917 million relating to outstanding grants receivable was previously classified under other receivables from exchange transactions has been corrected as receivables from non-exchange transactions. This amount was deducted from an amount of R2,557 million relating to other receivables from exchange transaction as part of corrections.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

Property, plant and equipment was overstated by an amount of R18 000. This amount was previously not disclosed due to an omission of disposal of assets.

Inventory was understated by an amount of R103 000 due to incorrect unit costs being utilised on consumption.

Provision was understated by an amount of R4 000 in the previous year due capped leave not reviewed annually.

Trade and other payables were understated by an amount of R2,026 million due to transactions recorded in the incorrect period and incorrect calculations.

Accumulated surplus was overstated by R2,015 million due to corrected prior year errors.

An amount of R723 000 has been correctly reported and classified under trade and other receivables. This is due to reclassification of receivables from exchange transactions amounting to R640 000 and trade receivables amounting to R83 000 as trade and other receivable from exchange transactions.

Intangible assets were overstated by R70 000 due to licenses being incorrectly amortised in the previous.

Statement of financial performance

March 2024

	As previously reported	Correction of error	Restated
Employee costs	57 859	(19)	57 840
General expenditure	31 611	504	32 115
Loss on disposal of assets	91	20	111
Depreciation	1 301	(2)	1 299
Amortisation	2 387	(88)	2 299
Gain on foreign exchange	(33)	33	-
Surplus for the year	52 596	(448)	52 148
	145 812	**-**	**145 812**

Employee costs was understated by an amount of R19 000 due to adjustment on leave provision.

General expenditure understated by an amount of R504 000 due to transactions being recognised in the incorrect period and incorrect classification.

Loss on disposal of assets was incorrectly understated by an amount R20 000 due to an omission of disposal of assets.

Depreciation was overstated by an amount of R2 000 due to an omission of disposal of assets.

Amortisation was overstated by an amount of R88 000 due incorrect capitalisation of licenses amortised in incorrect periods.

Gain on foreign exchange was incorrectly calculated by an amount of R33 000, a correction has been processed to correct the error.

Surplus was overstated by R448 000 due to corrected prior year errors.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

Disclosure 2024

	As previously reported	Correction of error	Restated
Financial instruments - Financial assets	66 984	(1 917)	65 067
Financial Instruments - Financial Liabilities	10 762	(183)	10 579
Contingent assets (Thefts and losses)	-	91	91
Contingent liability (Accumulated surplus)	(53 421)	2 026	(51 395)
Risk management - liquidity risk (Trade and other payables from exchange transactions)	10 762	(183)	10 579
Risk management - credit risk (Trade and other receivables)	2 640	(1 917)	723
Risk management - credit risk (Cash and cash equivalents)	64 174	(2)	64 172
	101 901	**(2 085)**	**99 816**

Financial instruments (financial asset) and credit risk disclosure were incorrectly overstated by an amount of R1,917 million due to incorrectly classified.

Financial instruments (financial liabilities) and liquidity risk disclosure were incorrectly overstated by an amount of R183 000 due to incorrect calculation.

An amount of R91 000 was incorrectly excluded from contingent asset disclosure as thefts and losses.

Contingent liability related to accumulated surplus decreased with an amount of R2,026 million due to restatements of amounts.

Cash and cash equivalents was incorrectly overstated by an amount of R2 000 due to incorrect calculations.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

Cash flow statement

March 2024

	As previously reported	Correction of error	Restated
Cash flow from operating activities:			
Cash paid to service providers and others	(47 973)	280	(47 693)
Cash paid to employee related costs	(58 020)	1	(58 019)
	(105 993)	**281**	**(105 712)**
Cash flow from investing activities:			
Purchases of property, plant and equipment	-	(280)	(280)
	-	**(280)**	**(280)**
Cash (used in) generated from operations:			
Surplus for the year	52 596	(448)	52 148
Depreciation and amortisation	3 688	(90)	3 598
Loss on disposal of assets	91	20	111
Movements in provision	-	4	4
Other non-cash items	(963)	963	-
Inventory	(121)	(1)	(122)
Trade and other receivables from exchange transactions	-	1 191	1 191
Receivables from exchange transactions	1 542	(1 542)	-
Other receivable from exchange transactions	(2 543)	2 543	-
Receivables from non-exchange transactions	-	(1 917)	(1 917)
Payables from exchange transactions	(15 038)	(442)	(15 480)
	39 252	**281**	**39 533**

An amount of R279 870 was incorrectly allocated under cash flow from operating activities. A correction of error was processed to allocate this amount under cash flow from investing activities as purchases of property, plant and equipment.

Cash paid to employee related costs was previously overstated by an amount of R1 000 has been corrected.

Surplus was overstated by R448 000 due to corrected prior year errors.

Depreciation and armortisation were overstated by an amount of R90 000 due to an omission of disposal of assets and incorrect capitalisation of licenses amortised in incorrect periods.

Loss on disposal of assets was incorrectly understated by an amount R20 000 due to an omission of disposal of assets.

Provision amounting to R4 000 was previously omitted and has been corrected.

Other non-cash items were previously overstated by an amount of R963 000 has been corrected.

Trade and other receivables from exchange transactions amounting to R1,191 million has been correctly classified and reported.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

Receivables from exchange transactions amounting to R1,542 million has been correctly classified under trade and other receivables from exchange transactions.

Other receivables from exchange transactions amounting to R2,543 million has been correctly classified under trade and other receivables from exchange transactions.

Receivables from non-exchange transactions amounting to R1,917 million has been correctly classified and reported.

Payables from exchange transactions was previously understated by an amount of R442 000 due to transactions allocated in incorrect periods.

Change in accounting policy

	As previously reported	Correction of error	Restated
Commitment	16 700	(15 710)	990

An amount of R15 710 million related to operating commitment has been removed from the disclosure note due to change in accounting policy. Currently the commitment no longer aggregates and disclose contractual commitments for routine, steady state business of the entity.

25. Irregular, Fruitless and wasteful expenditure

Irregular expenditure - current year	487	893
Fruitless and wasteful expenditure	138	-
	625	**893**

26. Budget explanation of difference between final and actual amounts

Notes to Statement of Comparison of Budget and Actual Amounts.

Variances considered material are explained below:

26.1 Revenue - Services rendered

This is the revenue generated by OVG by rendering valuation services to external clients. The provision of external valuation services is not budgeted for as the OVG is currently focused on land reform valuations.

26.2 Impairment Reversal

The amount was received in the current financial year.

26.3 Revenue - Interest

Due to uncertainty on the amount, you will invest and the interest to be received. The OVG should be able to budget now with availability of historical data.

26.4 Government grants and subsidies

This is amount relates to the allocation received.

**Restated*

Notes to the Audited Annual Financial Statements (continued)

	2025 R '000	2024 R '000

26.5 Employee costs

We paid more employee related costs than budget for like termination leave payout.

26.6 Depreciation and amortisation

We could never estimate the amount, and it is a non-cash item.

26.7 General expenses

The amount has been committed and without any payment being made.

26.8 Loss on disposal of assets

The disposal was not planned and therefore could not be budgeted for

**Restated*

NOTES:

NOTES:

OFFICE OF THE VALUER-GENERAL

Private Bag X874
Pretoria
0001

www.ovg.org.za

RPXXX/2025
ISBN: XXX-X-XXX-XXXXX-X