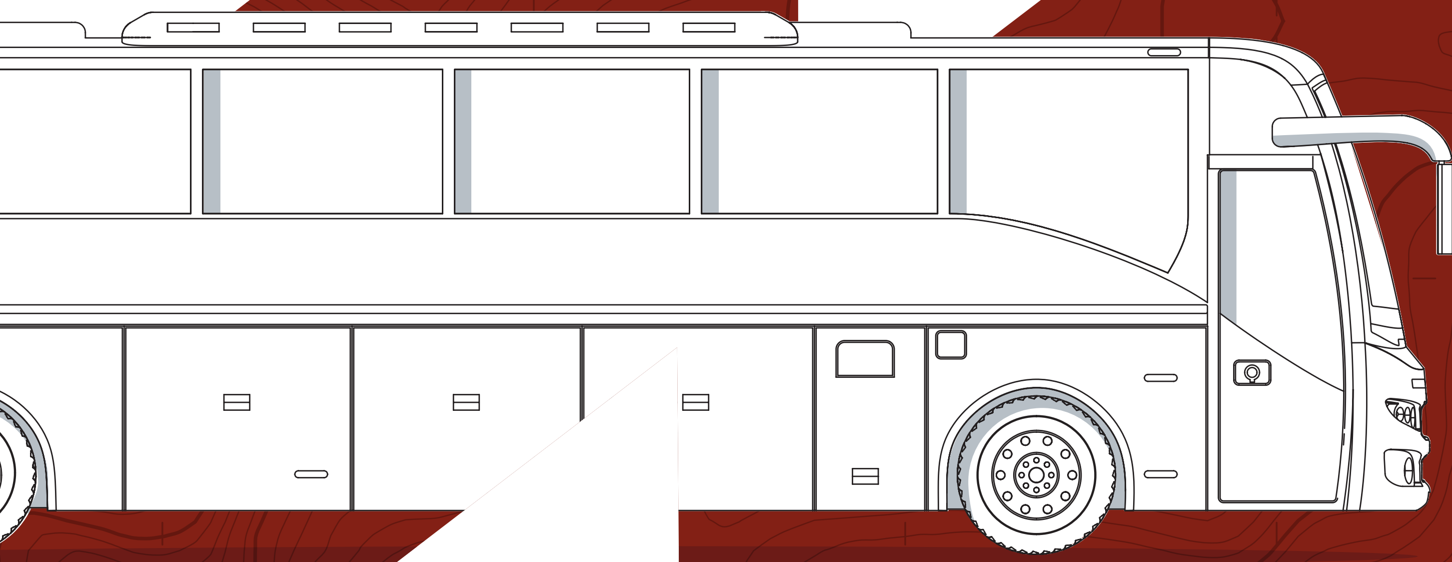
Mayibuye Transport Corporation



2024 2025

Annual report

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General Information

Entity name:	Mayibuye Transport Corporation
Registration number (if applicable):	Not Applicable
PFMA status:	Schedule 3D Public Entity
Physical address:	Head Office 11 Surrey Road, Vincent East London Province of the Eastern Cape, 5247 Tel: (043) 051 2752
Physical address:	Reeston Depot Corner of Drummond and Mdantsane Access Road, East London Province of the Eastern Cape, 5247 Tel: (043) 051 7900
Physical address:	Zwelitsha Depot Mount Coke Road, Zwelitsha Province of the Eastern Cape, 5608 Tel: (043) 051 7901
Physical address:	Komani Depot 8 Faraday Road, Queendustria Komani Province of the Eastern Cape, 5319 Tel: (043) 051 2753
Physical address:	Alice Depot 6 Thompson Road Alice Province of the Eastern Cape, 5700 Tel: (043) 051 2754
Email address:	info@mtcec.co.za
Website address:	www.mtcec.co.za
External auditors:	Auditor General of South Africa
Bankers:	Standard Bank
Company secretary:	Baruch Memoirs (Pty) Ltd

RP307/2025
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Title of Publications: Mayibuye Transport Corporation Annual Report 2024/2025

Statement of Responsibility and Confirmation of Accuracy for The Annual Report

To the best of our knowledge and belief, we confirm the following:
All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General South Africa.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the GRAP standards applicable to the public entity.

The Accounting Authority is responsible for establishing and implementing a system of internal control which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

Chief Executive Officer
Ms. P.N. Roboji
Date

Chairperson of the Board
Mr. X. Malamlela
Date

Part A: General Information

About Mayibuye Transport Corporation (MTC)

The mandate of the Mayibuye Transport Corporation (MTC) is to provide safe, reliable, and affordable public transport to predominantly rural areas of the Eastern Cape. This strategic intent is further supported by the need to be self-sustainable in accordance with the National Land Transport Act 5 of 2009.

Vision

Eastern Cape's leader in provision of public transport services.

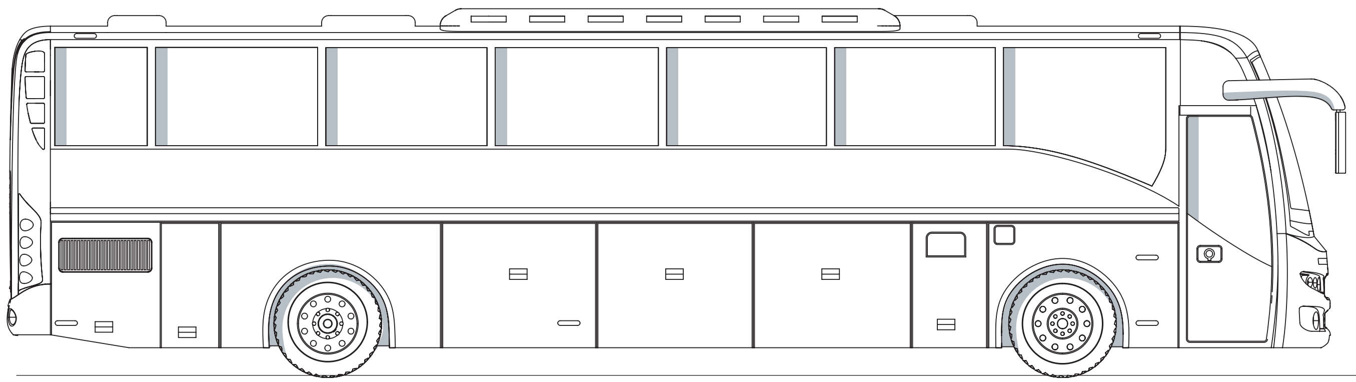
Mission

Provide a safe, reliable, affordable public bus transport service to the people of the Eastern Cape province.

The Corporation is governed by the Corporations Transitional Provisions Act 12 of 1995 (Eastern Cape), with the objective of planning, financing, and establishing undertakings for the transportation of passengers at reasonable rates along designated routes and in line with set timetables. It is listed in the Public Finance Management Act 1 of 1999 as amended (PFMA) as a Schedule 3D provincial public entity under the jurisdiction of the Department of Transport. The institutional environment of good governance is shaped by the Constitution of South Africa, 1996; the Public Finance Management Act, 1999; the Protocol on Corporate Governance; and the King Code IV on Corporate Governance.

Through the provision of public transportation, MTC contributes to the advancement of human dignity, equality, and freedom, while promoting the economic and social development of citizens and contributing to the overall economic growth of the province. The success of MTC is deeply rooted in its human capital and the supporting corporate strategy. The organisation has redesigned and strengthened its business model as a transport corporation, while ensuring full compliance with the PFMA. Recognising the importance of collaboration and partnerships, MTC continues to deliver essential services to many marginalised and underserved rural communities in the Eastern Cape. These services transform lives and bring hope to many.

In addition to its transport operations, MTC also serves as an implementing agent for artisan development programmes, supporting government efforts to advance the objectives of the National Skills Development Strategy.



Values

The MTC's values are the cornerstone of its organisational culture and its way of doing the business of public transport. The MTC is guided by and committed to the following values:

Batho-Pele (Sotho for "People First"): Service-driven organisation committed to excellence and continuous improvement, delivering a better life for all through inclusive services and programmes.

Integrity: Work ethically, honestly, and transparently.

Consultation: Create an enabling environment for community and stakeholder participation.

Innovation: Strive towards radical and revolutionary changes in thinking, services, processes, or organisation.

Accountability: Act honourably and take ownership of our actions and the outcomes thereof.

Legislative and Other Mandates

The MTC is established as a corporation in accordance with the CTPA and is classified as a Schedule 3D organisation in terms of the PFMA. The MTC is a public entity, with the Department of Transport in the Eastern Cape as its sole shareholder. The MTC's mandate is to provide an effective and efficient public transport service, primarily for workers commuting to industrial areas and other places of employment in the surrounding South African urban areas.

Although the MTC is a legal entity established under the Corporations Transitional Provisions Act 12 of 1995, it does not have its own enabling legislation. Recognising the limitations of the existing legislative framework, MTC initiated a process to repeal the outdated founding legislation through her Shareholder, MEC for the Provincial DoT, and to develop a dedicated enabling Act that reflects its current mandate and strategic direction.

As part of this process, MTC collaborated with the Department of Transport to develop a White Paper that sets out the proposed policy framework for the corporation. During the reporting period, a series of stakeholder consultations to gather input from the transport industry and other relevant sectors on the White Paper and its implications were conducted.

The White Paper serves as a precursor to the Draft Mayibuye Transport Corporation Act, a proposed piece of provincial legislation that will formalise MTC's role and functions. The draft legislation will undergo internal government consultation before being submitted to the Provincial Legislature for consideration.

The MTC receives a subsidy in the form of a grant-in-aid to cover for its operating expenses. The corporation recognises good corporate governance as essential to achieving optimal performance. It is therefore critical that the MTC fulfils its mandate in accordance with best practices, particularly regarding accountability, transparency, fairness, and responsibility. As such, the MTC adheres to the principles of good governance as outlined in the King IV Report on Corporate Governance and the Protocol on Corporate Governance in the Public Sector. The MTC is committed to upholding effective governance and the highest standards of ethical business conduct.

In line with the Corporate Plan, the MTC carries out its mandate in compliance with all applicable laws and governance frameworks. The Board honours its fiduciary duties by working to achieve the strategic objectives set out in the Corporate Plan. Furthermore, the Board ensures that targets and objectives are regularly monitored, achieved, and reported on consistently.

Organisational Structure

Board — CEO — Management

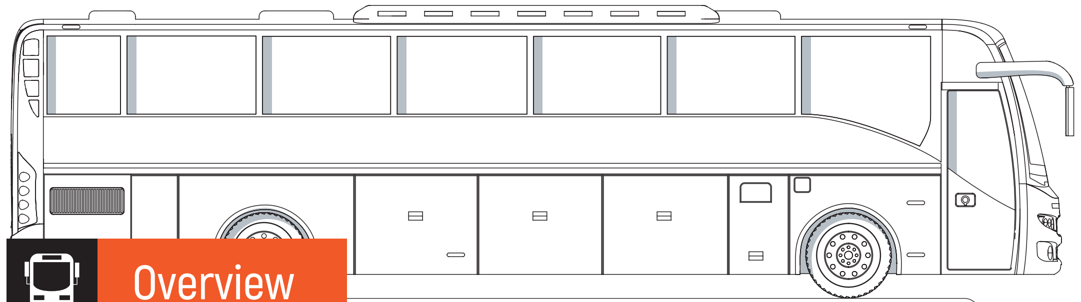
Board

Chief Executive Officer

- Internal Audit
- Company Secretariat
- Finance
- Operations
- Strategy & Executive Support
- Corporate Services

Part B: Performance Information

Performance Highlights



Overview

R163.6 million
budget allocation by the Department of Transport

Unqualified audit opinion

R20,765 million
route revenue

R1,622 million
private hire revenue

881,953
passengers transported

Depot infrastructure and Bus refurbishments

515
average passenger trips per week

90%
customer satisfaction level

90%
of trips departed on time

52%
of expenditure went to suppliers under HDI categories

11
new buses procured

Board of Directors

Mr X Malamlela
Chairperson of the Board
Committees: Governance, Human Resources & Remuneration

Ms N Abrahams - Ntantiso
Committees: Governance, Human Resources & Remuneration

Mr B Makambi
Committees: Human Resources & Remuneration, Finance & Investment, Operations & Engineering

Ms N Matikinca
Deputy Chairperson
Committees: Governance, Operations & Engineering

Mr X Dimaza
Committees: Human Resources & Remuneration, Finance & Investment

Adv. P Mayapi
Committees: Governance, Operations & Engineering, Audit and Risk

Ms N Ntshanga
Committees: Governance, Finance & Investment

Ms S Dyantyi
Committees: Finance & Investment, Operations & Engineering

Ms N Mnconywa
Committees: Finance & Investment, Human Resources & Remuneration, Audit and Risk

Chairperson's Foreword

The 2024/25 financial year marked a pivotal period for the Mayibuye Transport Corporation (MTC), representing both the culmination of the 2020–2025 strategic cycle and the foundational transition toward the Corporation's new 2025–2030 strategy. This was a period of reflection and recalibration, affording the MTC the opportunity to evaluate its strategic instruments and position itself for enhanced service delivery and developmental impact in the years ahead.

Mr. X. Malamlela
Chairperson of the Board
Mayibuye Transport Corporation

While significant work remains in advancing the MTC's developmental mandate, the Board is encouraged by the measurable progress achieved over the past five years. The Corporation has laid a solid foundation for growth and transformation, and the progress to date affirms the strength of its strategic intent and operational resolve.

Throughout this period, the Board has maintained a strong focus on corporate governance, providing consistent oversight and strategic direction in a complex and competitive transport environment. The execution of the MTC's mandate remains a priority task that requires coordinated leadership, operational resilience, and optimal utilisation of institutional capabilities.

STRATEGY AND PERFORMANCE: 2020–2025

The 2020–2025 strategy cycle was underpinned by two primary outcomes: the provision of safe, reliable, and affordable public transport services, and the strengthening of governance and institutional capacity to ensure long-term sustainability.

The MTC pursued a deliberate agenda to improve service delivery to historically underserved communities in the Eastern Cape, while modernising internal systems, processes, and governance frameworks. This was achieved despite operating in a challenging environment characterised by ageing fleet infrastructure, deteriorating road networks, competition and fiscal constraints.

Key performance highlights over the strategy term include:

- High customer satisfaction levels and consistent improvement in service reliability;
- Over 95% compliance in internal safety audits;
- Operational continuity across 70 of the Corporation's 85 designated routes;
- Organisational maturity gains, including the implementation of a comprehensive governance improvement plan and a five-year Human Resource Development Strategy;
- Strengthened digital systems with an infrastructure uptime of 96%.

The Corporation also advanced inclusive development priorities. Targets related to the empowerment of historically disadvantaged individuals, youth internship placements, and gender equity were exceeded in the latter part of the strategy cycle.

Highlights

Closed 2020–2025 strategy cycle with strong governance and operational resilience.

Maintained high customer satisfaction and over 95% safety compliance.

Delivered services on most designated routes despite fleet and road challenges.

Exceeded transformation targets for disadvantaged groups, gender equity, and youth employment.

Strengthened governance, human capital, and digital infrastructure (96% uptime).

Set 2025–2030 plan to modernise operations, introduce electric buses, and invest in digital systems.

Notwithstanding the notable progress, the Corporation faced several challenges. The goal of achieving a clean audit outcome has not yet been fully realised, with material non-compliance audit findings indicating the need for an enhanced compliance environment. The MTC maintained a commendable safety record during the 2024/25 reporting period, achieving zero fatalities in its core bus operations. However, one fatality occurred involving an ancillary vehicle.
Despite these setbacks, the 2020–2025 period reflects an organisation in transition–building its operational, institutional, and ethical resilience. The lessons drawn from this experience will inform a more proactive, responsive and accountable MTC in the future.

STRATEGIC RELATIONSHIPS

Strategic partnerships remain central to the MTC's development model. In the context of persistent financial constraints, leveraging partnerships and stakeholder resources has become increasingly vital. Such collaborations not only enhance the Corporation's capacity to deliver on its mandate but also cultivate goodwill within a highly competitive transport sector.

The Board is committed to strengthening existing relationships and forging new relations that can expand the Corporation's reach and developmental impact. Engagements with the shareholder–the Eastern Cape Department of Transport–remain ongoing, particularly around institutional and sector-specific support frameworks to bolster service delivery.

KEY CHALLENGES

The Board has noted challenges particularly in relation to the non-availability of an adequate fleet to service all allocated routes, as well as the under-resourcing of critical operational functions. Notwithstanding these constraints, the Board has remained focused on stabilising the organisation, reinforcing governance standards, and setting a clear strategic direction to support long-term institutional viability.

STRATEGIC FOCUS: 2025–2030

Looking ahead, the MTC is embarking on a bold and transformative trajectory, guided by its redefined vision: "To be the Eastern Cape's leader in quality integrated public transport services."
The 2025–2030 Strategic Plan outlines key programmes aimed at modernising operations, improving service efficiency, and embracing environmental sustainability. Strategic initiatives include:

- The introduction of electric buses;
- Continued investment in digital infrastructure;
- Organisational development aligned to future mobility needs.

Realising this vision will require strong stakeholder collaboration, robust governance, and prudent resource management. The Board is committed to enabling these outcomes, ensuring the MTC is well-positioned to meet the mobility needs of the province while contributing to inclusive economic growth and social development.

APPRECIATION

On behalf of the Board, I extend my sincere appreciation to the Executive Authority for his steadfast support. I also thank the Eastern Cape Department of Transport, for its ongoing commitment to the Corporation's mandate.
I am particularly grateful to my fellow Board members and the erstwhile interim Board for their dedicated oversight, and to the executive management team and staff of the MTC for their commitment to service excellence.
Lastly, I acknowledge our valued stakeholders whose continued collaboration and shared vision have enabled us to drive developmental outcomes for the communities we serve.

Executive Management

Ms P.N Roboji
Chief Executive Officer

Mrs A Mhlambi-Nqikashe CA(SA)
Chief Financial Officer

Mr M Jobela
Chief Operations Officer

Chief Executive Officer's Report

The 2024/25 financial year epitomised the immense responsibility and strategic wisdom required to steer the Mayibuye Transport Corporation (MTC) toward sustained growth and viability, while upholding its role as a trusted steward of public assets. The scale of reliance placed upon the MTC by commuters in pursuit of their socio-economic aspirations is formidable. Leading a catalyst of socio-economic transformation such as the MTC therefore demands clarity of vision, incisive leadership, and the capability to align organisational efforts with community needs through a shared development agenda.

Ms. P.N. Roboji
Chief Executive Officer
Mayibuye Transport Corporation

The review period thus provided an opportune moment of appraisal and reflection, coinciding with the culmination of the 2020-25 strategic cycle. This reflective exercise helped identify and celebrate our collective success, and the instruments necessary to guide the Corporation toward a sustained growth trajectory. This appraisal of organisational performance provided critical inputs into the development of a new 2025/2030 organisational strategy which places the attainment of a superior customer experience as well as sustainability imperatives at the centre of the MTC's strategic posture.

MANDATE DELIVERY

The Corporation engaged in this exercise acutely aware that mandate delivery is not a mere theoretical postulate solely based on quantitative considerations. The litmus test of our efficacy is our qualitative contribution to the socio-economic aspirations of the communities we exist to serve. Our mandate delivery apparatus is enjoined to deliver a demonstrable impact, placing people at the centre of the development project. In practice, our societal contribution is determined by the lived experiences of our commuters and our ability to deliver a consistent, safe, reliable and affordable bus passenger service.

A pronounced development impact is informed by our ability to ensure that millions of commuters get to their places of vocation, educational pursuit and centres of social and economic activity consistently, safely and on time. As a special purpose vehicle of government, the MTC is required to discharge this obligation in an affordable manner. This is a crucial undertaking as we serve remote communities often on the periphery of socio-economic activity comprising of townships, peri-urban localities and rural areas.

STRATEGY IMPLEMENTATION

I am pleased that over the 2020-2025 strategic cycle the Corporation delivered a solid report card in relation to customer satisfaction, operational reliability, and adherence to safety protocols. The Corporation exceeded its targets for on-time departures and road safety compliance. The Corporation also demonstrated a sincere commitment to improving the customer experience. These qualitative achievements demonstrate the MTC's resolve to deliver consistent shareholder and mandate delivery returns.

Organisational performance over this five-year strategy cycle reflects a commitment to growth and operational maturity. While the Corporation made impressive strides in service delivery, governance reform, and transformation, there remain critical areas that require ongoing focus–particularly in audit compliance, safety management, financial sustainability, and consistent staff development. The lessons drawn from the successes and the challenges of this period should inform the design of future strategies and operational plans, ensuring that the MTC continues to evolve into a more efficient, accountable, and inclusive public transport service provider.

The MTC also made commendable progress in advancing inclusivity and transformation. Toward the end of the five-year strategy cycle, targets related to procurement spending on designated groups, empowerment of HDIs, and the participation of women, youth, and people with disabilities were either met or exceeded. These achievements reflect a growing organisational awareness and response to national transformation priorities.

Highlights

881,953
passengers transported

11
new buses procured, including two fitted for passengers with disabilities, to improve accessibility.

24 interns.
partnered with TVET colleges and TETA to provide workplace experience for 24 interns.

Achieved an unqualified audit opinion, reinforcing financial stewardship.

Strengthened human capital through training, technical upskilling, and organisational restructuring.

Delivered subsidised transport and socio-economic support initiatives to communities.

Preparing for growth with electric bus introduction, greater digitalisation, and enhanced operational efficiency in the 2025–2030 strategy.

INTERNAL EFFICIENCIES

The Corporation also mobilised its internal financial and operational efficiencies in pursuit of a world-class and fit-for-purpose organisation which is cognisant of the gears it needs to pull to deliver on its stated mandate. The Corporation recognises that capacitated human capital lies at the epicentre of effective mandate delivery. In this regard, the organisation is priming its human resources to deliver a superior socio-economic dividend to the shareholder. Human resources are being empowered and primed with the technical tools and instruments to deliver the envisaged mandate outcomes. The Corporation is in a continuous state of improvement matching its skills with the right roles within the organisational architecture. There is concerted effort to attract and retain the best talent to support the attainment of the development agenda. A capacitated human capital will unlock the requisite operational and financial efficacies to place the organisation on a firm and sustainable growth path.

The 2024/25 financial year marked the Corporation's second year implementing a Board-approved organisational structure which came into effect in the 2022/23 reporting period. The implementation of the structure revealed several inefficiencies and operational limitations. As such, the organisation proposed adjustments to the Board intended to realign the structure within the Corporation's evolving priorities and operational requirements. Despite the teething challenges, this structure has delivered a solid foundation for improved service delivery as well as operational and financial efficacy.

Furthermore, the Corporation signalled its commitment to youth skills development by partnering with Technical and Vocational Education and Training (TVET) colleges in the Eastern Cape to provide internship opportunities. Fourteen interns participated in the internship programme. In addition, the Corporation enrolled 10 graduate interns through funding provided by the Transport Education and Training Authority (TETA). The programme provided critical workplace experience to improve their employment prospects and marketability. These initiatives reflect the MTC's ongoing contribution to national socio-economic development by creating pathways for youth employment. These interventions also create a quality pipeline of skilled artisans and graduates which the organisation can tap into as vacancies arise.

SERVICE DELIVERY ENVIRONMENT

The Corporation continues to play a critical role in supporting regional and national development goals, with a specific focus on the Eastern Cape. Its core mandate remains the provision of reliable and efficient transport services, particularly for workers and learners in economically marginalised and remote areas.

OPERATIONAL FOOTPRINT

Main Depots: Reeston, Zwelitsha, Komani, and Alice

Head Office: Vincent, East London

Fleet Complement: 77 buses operating across 85 routes

Key Service Areas: Amathole District Municipality (Raymond Mhlaba Local Municipality and Amahlathi Local Municipality), Buffalo City Metropolitan Municipality, Chris Hani District Municipality (Enoch Mgijima Municipality)

In 2024/25, despite operational constraints, the organisation achieved 75% of its planned targets. High service levels were sustained, with 96% compliance with internal safety standards and a 90% customer satisfaction rating.

ORGANISATIONAL ENVIRONMENT

Poor road conditions across the service area continue to affect operations, resulting in higher maintenance costs and reduced fleet availability. During the reporting period, an average of 36 buses serviced 70 of the 85 routes.

To address bus shortages, the MTC implemented its Board-approved Recapitalisation Plan. Eleven new buses were procured for delivery during the 2025/26 financial year. The addition of these buses is expected to improve route coverage and reliability.

The MTC remains committed to community development. It provided subsidised transport and financial sponsorships to support socio-economic upliftment, reinforcing its role as a socially responsible entity.

POLICY AND LEGISLATIVE DEVELOPMENTS

As part of institutional strengthening, the MTC advanced the development of enabling legislation to replace the outdated legal framework from the former Ciskeian administration. A Draft White Paper and new Bill were developed, marking significant progress toward governance modernisation.

A strategic policy review was launched in the final quarter of the review period to update and realign organisational policies with legislative amendments, evolving business needs, and strategic objectives. The process enhanced interdepartmental collaboration and accountability.

FINANCIAL PRUDENCE

The Corporation continues to prioritise the prudent and judicious use of financial resources entrusted to it by the shareholder. I am delighted that in the 2024/25 financial year, the Corporation maintained an unqualified audit opinion. This achievement is critical to building public and shareholder trust. It demonstrates our commitment to financial sustainability imperatives while maintaining a delicate balancing act with development priorities. The plan is to build and maintain internal financial efficiencies in order to deliver superior support to the core business.

Operational Performance

881,953
passengers transported

36/77 buses
Operational Fleet Average

R20.765 million
Route Revenue
(up from R19.987 million)

Private Hire Revenue: R1.622 million
Operational Expenditure: R39,509 million

On-Time Departure: 90%
Customer Satisfaction: 90%
Safety: No fatalities in bus operations; one fatality involving an ancillary vehicle
Safety Compliance: 96% of safety standards achieved.

A fare increase of 10% was introduced to respond to inflation and operational cost increases, though the MTC remains committed to affordable pricing. The number of drivers decreased from 54 to 48 due to natural attrition, resignations, and retirements.

HIGH VALUE PARTNERSHIPS

The organisation is cognisant that the cultivation of high value partnerships and strategic alliances will assist the Corporation to expand its development impact. Partnerships in this sector are crucial to maintaining a stable and safe operating environment where competing prioritise are manifest. The transport sector is a volatile and highly competitive arena which requires level-headedness in navigating complex competing interests. As such, the organisation continues to participate in various industry forums to address areas of common interest and disagreement and to find amicable resolutions. In particular, the MTC is working to improve and maintain relationships with the taxi industry. I am confident that the organisation will continue to work with its stakeholder community and its various publics in pursuit of its service delivery aspirations.

FUTURE OUTLOOK

Looking ahead, the Corporation will:

- Continue investing in human capital for development impact
- Enhance the customer experience as a key performance driver
- Improve operational and financial efficiencies
- Lobby for improved road infrastructure to reduce maintenance costs
- Advance digitalisation to streamline systems and reduce human error
- Continue implementation of the Board-approved Recapitalisation Plan

APPRECIATION

I express my sincere gratitude to the Shareholder for its continued support. I am grateful to the Board for its guidance and oversight role as we prime our delivery machinery to effect the desired mandate outcomes. I am grateful to the management team for its dedication and determination in building a sustainable MTC that delivers on its stated vision. I am indebted to the entire MTC team for its resilience in a generally challenging operating environment characterised by increasing resource constraints. I am equally grateful to the stakeholder community for extending its resources in order to broaden the impact and extent of the MTC's development agenda.

Chief Financial Officer's Report

In an environment of muted economic growth, a high unemployment rate in the province, and high inflation rate in the automotive industry, the Corporation delivered another year of strong resilience, tight expense control, efficient operating leverage, and sound working capital management. The diligent pursuit and implementation of the MTC's financial management policies, systems and processes forms a central pillar in the development of a responsive and financially astute public bus service.

Mrs A. Mhlambi-Nqikashe CA(SA)
Chief Financial Officer
Mayibuye Transport Corporation

INTRODUCTION

The Finance Department ensures the provision of systematic financial management systems designed to co-ordinate the organisation's budget and resource requirements. Such activities include ensuring compliance with regulatory provisions required to facilitate the funding of MTC as well as to take appropriate steps to ensure that expenditure occurs within the approved budget and to prevent overspending of the budget. Systematic financial management systems also entail the maintenance of a procurement system that is fair, equitable, transparent, competitive and cost-effective; it also ensures that effective and appropriate steps are taken to prevent unauthorised, irregular or fruitless and wasteful expenditure.

In addition to the department's existing functions, cost management and revenue generation have become key priorities. These remain strategic objectives for the Corporation. However, the aging fleet, combined with poor terrain conditions across several routes, has negatively affected the Corporation's ability to control costs and maximise revenue collection. In response, the Corporation has implemented various mitigation measures aimed at improving revenue performance and reducing costs, which are expected to yield positive results.

SOURCES OF INCOME

The Corporation currently generates income through the provision of scheduled bus transport services to commuters. It also receives grant funding from the ECDoT through current and capital transfers.

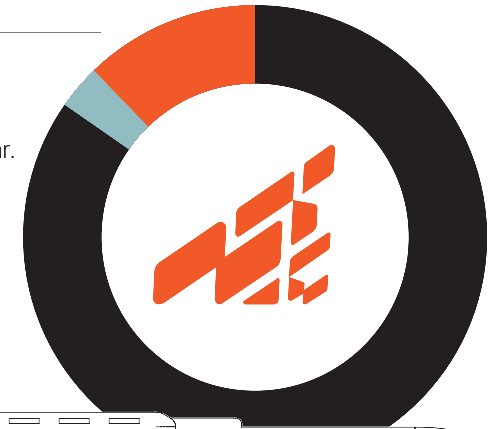
FINANCIAL OVERVIEW

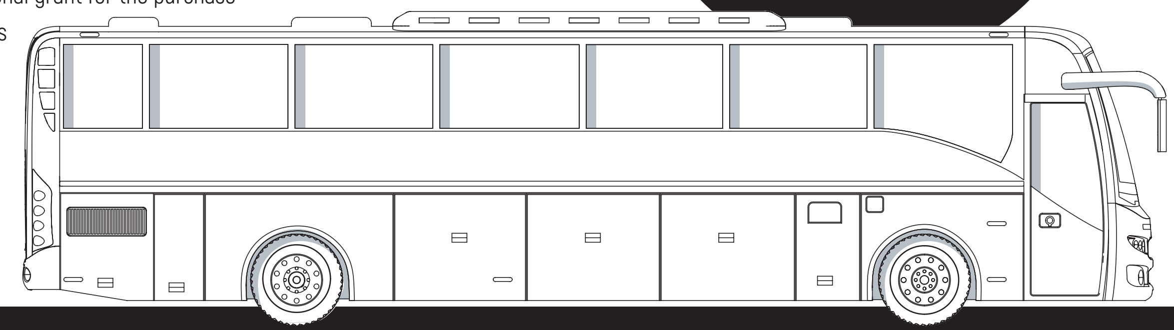
The total budget allocation to the Corporation by the ECDoT for the 2024/25 financial year was R163,6 million. Included in this was a conditional grant amounting to R7,3 million for the purchase of buses. The Corporation initially budgeted R30,5 million in self-generated revenue, which was subsequently adjusted to R22,5 million. The total budget amount before adjustments was R194,4 million, and after adjustments, the total budget was R186 million.

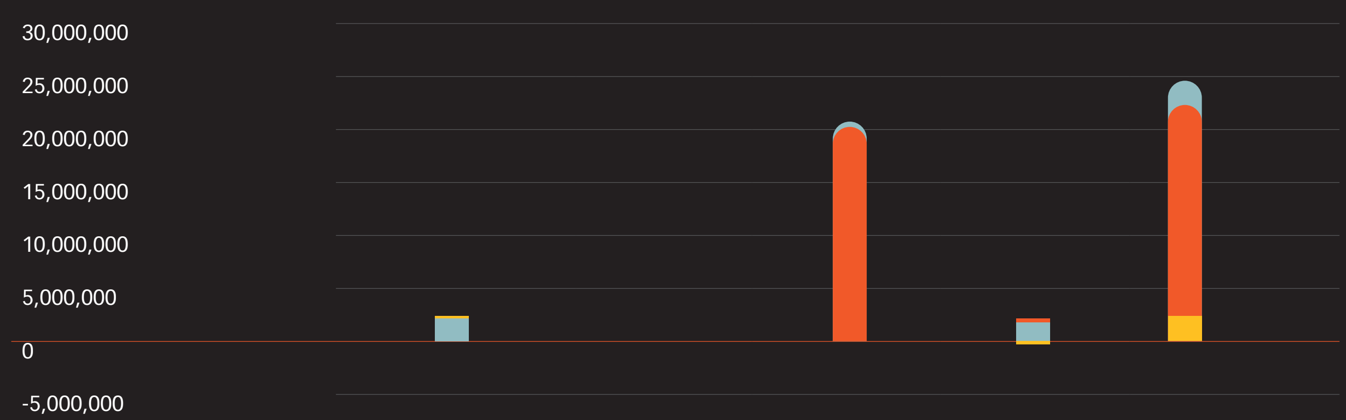
REVENUE

The revenue of the Corporation for the financial year was as follows:

- **R163,6 million**
  total grant budget allocation by the Eastern Cape Department of Transport (ECDoT). The total grant allocated was received in full during the financial year.
- **R22,5 million**
  own generated revenue
- **R7,3 million**
  conditional grant for the purchase of buses







	Interest received investment	Other Income	Passenger Fare	Private Hire	Total Income
Actual	2,192,905	173,954	20,765,587	1,622,407	24,754,853
budget	0	0	20,595,582	1,866,814	22,462,396
Variance	2,192,905	173,954	170,005	-244,407	2,292,457

Reasons for Variances:

The Corporation's overall revenue collection showed an over-collection of R2,292,456, primarily due to interest received from funds not yet utilised.

Private hire income reflects an under-collection of R244,407, mainly attributed to the ongoing challenges related to the unavailability of operational buses. This revenue stream remains a key component of the Corporation's revenue enhancement strategy and has proven to be an effective marketing tool in raising awareness of the Corporation within the Eastern Cape province.

Accordingly, the Corporation has implemented the following strategies as measures to maximise its own revenue:

- Improved fleet availability through timely servicing of operational buses assigned to designated routes.
- Due to the inherent risks associated with manual revenue collection, enhanced cash collection controls have been implemented to ensure the completeness and accuracy of revenue received.
- A fare collection and fare evasion system is currently in the procurement process and is expected to be finalised in the new financial year.
- Implementation of an inspectorate service is planned for September 2024.
- Monitoring of Cost Reduction and Revenue Increase Strategy (CRRIS)

Other Income Includes

R 2,192,905
Interest yield on monies not yet utilised

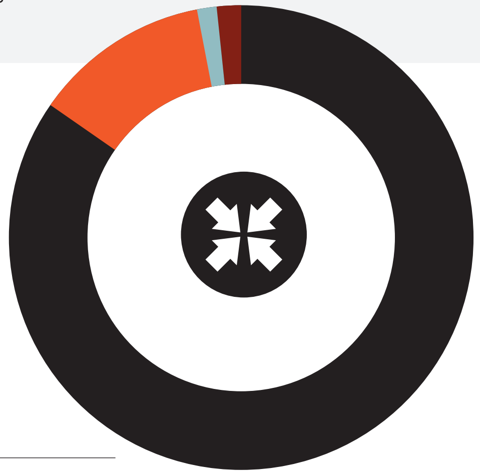
R 21,000
Window Advertising

R766,724
TETA Reimbursement for monies incurred for the training of MTC employees

R152,954
Sundry Income

Overall Own Revenue vs Grant-in-Aid

The Corporation has a target to improve the overall ratio of own generated revenue against the amount received from the Department of Transport. The budget was prepared on the assumption that 86% of revenue would come from grant income and 14% from own-generated revenue.

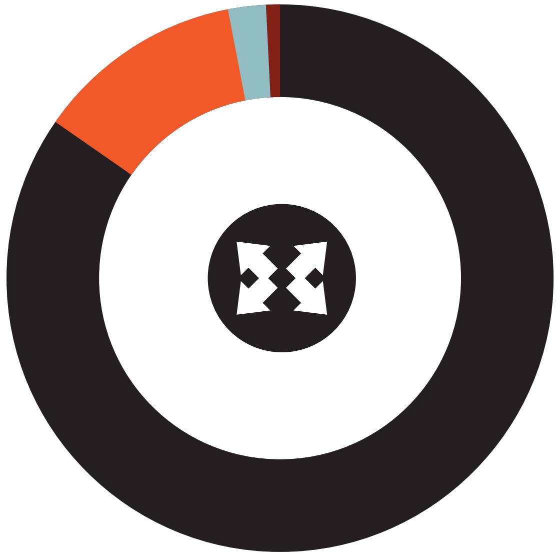


- Grant in Aid 87%
- Casual Passenger 11%
- Private Hire 1%
- Other Income 1%

The Corporation was funded to 87% for the period from April 1, 2024, to March 31, 2025.

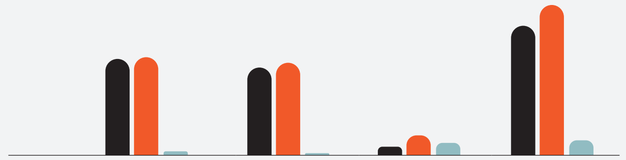
EXPENDITURE

The proportions of expenditure excluding non-cash expenditure are illustrated below:



- Employee Costs 47%
- Operating Expenses 24%
- Admin Expenses 21%
- Capital Expenses 8%

The Corporation's total cost of employment currently accounts for 47% of total expenditure, which is above the 40% benchmark set by the Eastern Cape Provincial Government. This level of investment reflects the Corporation's commitment to ensuring that its human capital is appropriately aligned with its operational needs and organisational structure. The recent organisational redesign has enabled the Corporation to position its workforce effectively to deliver on its mandate and enhance service delivery. Looking ahead, the Corporation remains committed to optimizing resource allocation and driving operational efficiencies to progressively bring the cost-of-employment ratio closer to the accepted norm, while continuing to strengthen organisational capacity and performance. The total expenditure incurred until the end of the financial year and variance explanations are as indicated below:



	Employee costs	Goods & Services	Capital expenditure	Total
Actual	R79,748,636	R74,807,385	R13,878,291	R168,434,312
Budget	R83,137,397	R75,764,999	R28,936,247	R187,838,643
Variance	R3,388,761	R957,614	R15,057,956	R19,404,331

Explanations for underspending

- The underspending on goods and services was due to savings that were reprioritised for recapitalisation. Significant savings have been made on diesel expenditure, as the Corporation stores diesel at its depots and also buys fuel at wholesale prices.
- The major underspending in capital expenses is due to orders that were not delivered by year-end.

EXPENDITURE REDUCTION STRATEGIES

The following expenditure reduction strategies have been developed:

- FAS
- CRRIS

AUDIT REPORT MATTERS

The Corporation received an unqualified audit opinion for the period under review, maintaining the previous year's outcome, albeit with findings related to compliance. The retention of an unqualified opinion serves as a solid foundation toward achieving a fully clean audit in the future. Notably, the Corporation has consistently achieved a clean status on the audit of predetermined objectives throughout the strategic reporting cycle, demonstrating strong performance in this critical area.

The compliance findings raised relate primarily to consequence management, expenditure management, and asset management. To address these, the Corporation is implementing targeted remedial actions, strengthening internal controls, and enhancing oversight mechanisms. These measures are designed to resolve the identified gaps and position the Corporation to achieve and sustain a clean audit outcome across all audit areas in upcoming cycles.

CONCLUSION

While the Corporation continues to operate within financial constraints, prudent cost management measures are applied to ensure that operations remain efficient, effective, and economical. The Corporation is progressively implementing a recapitalisation plan aimed at strengthening its fleet and enhancing overall service delivery, positioning itself for sustainable growth and improved performance in the future.

Chief Operations Officer's Report

The provision of a safe, efficient, reliable, and affordable bus passenger service remains a central pillar of the Mayibuye Transport Corporation's (MTC) service delivery mandate. The MTC mandate is an inspired assignment that requires dedicated and energised operational acumen, placing people and superior customer experience at the centre of its delivery efforts.

Mr. M. Jobela
Chief Operations Officer
Mayibuye Transport Corporation

The existence of MTC is intentional, reflecting government's commitment to providing a bus service that promotes economic participation—even for citizens on the periphery of the mainstream economy. Each year, the MTC fleet traverses the length and breadth of the Eastern Cape, often under challenging conditions, to transport thousands of township, rural, and peri-urban commuters to their workplaces, educational institutions, and places of service. The MTC service also enables access to education, healthcare, and social activities for underserved citizens, including low-income earners, senior citizens, people in remote areas, and those living with disabilities.

This critical task demands the development and maintenance of operational efficiencies that support corporate sustainability, while addressing the logistical needs of the communities that rely on the service most.

The MTC service is pivotal to enabling socio-economic participation, allowing marginalised communities to access essential opportunities. Public bus services like the MTC's are central to social and economic inclusion, connecting communities and supporting robust local economies while improving quality of life. This is evidenced by the 881,953 passengers who utilized MTC services during the 2024/25 financial year.

The MTC places special focus on effective fleet management, efficient route coordination, consistent revenue generation, and the upkeep of facilities and infrastructure. These priorities aim to deliver a superior customer experience, build trust, and reinforce MTC's role as a responsible steward of public assets. The Corporation's operations team conducts regular repair and maintenance of its fleet and ancillary vehicles, with an emphasis on preventive maintenance to ensure safety and reliability.

However, poor road conditions—particularly in rural areas—continue to hamper MTC's ability to provide a dependable service. These conditions negatively impact maintenance and repair efforts. The MTC engages regularly with local government and its shareholder, the Department of Transport, to address these challenges. These engagements have already resulted in road repairs within the MTC route network.

STRATEGIC ALLIANCES

The development of high-value partnerships remains essential to the efficient delivery of safe and reliable services. The Corporation continues to nurture relationships with partners and stakeholders that enhance its value offering. Partnerships play a key role in managing tensions in the transport sector, especially with groups that have competing interests.

For example, transport forums in Buffalo City and Enoch Mgijima (covering the Chris Hani District) address contentious issues such as permits, road conditions, and conflict resolution in this competitive sector.

The MTC is working to improve stakeholder relationships, especially with the taxi industry. Challenges persist in areas such as private hire operations and fare competitiveness. The Corporation remains committed to finding fair resolutions to these and other pressing issues.

OPERATIONAL EFFICACY

During the review period, the Corporation recommitted to maintaining sufficient fleet capacity to meet obligations across all routes and deliver consistent passenger trips. Inadequate technical capacity remains a challenge. The operations team is being upskilled to conduct preventive maintenance at MTC workshops, mitigating the impact of deteriorating roads—especially during the rainy season.

Road conditions have resulted in reduced bus availability and longer turnaround times for repairs. In the 2024/25 financial year, an average of 36 buses were operational out of a fleet of 77. Despite this, the MTC successfully transported 881,953 passengers.

36/77
Operational Fleet Average

Despite this, the MTC successfully transported 881,953 passengers.

The MTC's aging fleet remains a concern, but the Corporation is addressing this through new bus acquisitions. In 2024/25, 11 new buses worth R28,48 million were procured, of which R21,18 million came from the Corporation's own funds and R7,3 million from the Department of Transport. Two of these buses are equipped for passengers with disabilities, featuring wheelchair lifts and colour-coded handlebars for the partially sighted. This supplements the six buses purchased in 2023/24.

Plans for 2025/26 include procuring a luxury coach for entry into the tourism market, along with additional passenger buses.

The Corporation is pleased to report that 90% of its trips departed on time during 2024/25.

CUSTOMER RETENTION

High-quality service and a superior commuter experience remain central to MTC's customer retention strategy. Resource allocation is driven by the importance of customer satisfaction to the MTC's continued viability.

Efforts are underway to build brand affinity and loyalty. Reliability, punctuality, safety, and accessibility are essential in a competitive transport market.

The MTC has established bus committees in each operational area—Alice, Zwelitsha, Komani, and East London—with representation from both officials and commuters. These committees serve as conduits for feedback, complaint resolution, and information sharing, and they influence decisions such as fare adjustments and service improvements.

According to surveys conducted during the 2024/25 financial year, 90% of commuters expressed satisfaction with the MTC's service—a strong indicator of progress in building trust and brand loyalty.

Highlights

Transported 881,953 passengers in 2024/25, enabling access to work, education, healthcare, and social activities, especially in rural and underserved areas.

Maintained 90% on-time departures, **reinforcing reliability and commuter trust.**

Procured 11 new buses **(two accessible for passengers with disabilities)** to improve service quality and accessibility.

Established bus committees in each operational area to enhance commuter engagement, resolve issues, and inform service decisions.

Reduced traffic fines through improved driver behaviour monitoring and enforcement.

Enhanced depot conditions with refurbishments, updated branding, and improved security measures, including CCTV and access control.

Progressed towards sustainability with plans for solar panels, water-saving wash bays, and electric buses.

Continued to build strategic alliances with industry stakeholders, including the taxi industry, to support stable operations

SAFETY RECORD

The MTC maintained an admirable safety record in 2024/25, with no fatalities in its bus operations. Regrettably, there was one fatality involving an ancillary vehicle.

The year saw 22 minor accidents, some of which were caused by third-party drivers. The MTC ensures strict adherence to road safety regulations through routine inspections and preventive maintenance.

All accidents are thoroughly investigated, and appropriate disciplinary measures are taken where necessary. Driver performance is evaluated regularly, and training is provided.

REVENUE COLLECTION

Route revenue for 2024/25 totalled R20,765 million–an increase from R19,987 million in the previous year. The private hire business contributed R1,622 million, offering services for funerals, school tours, church gatherings, and sporting events.

An average of 36 buses were operational, resulting in 515 passenger trips per week. Some routes remain non-operational due to bus and driver shortages.

Poor road infrastructure continues to negatively affect revenue. However, improved technical training is expected to boost operational capacity and revenue going forward.

Due to the absence of an automated fare collection system, a private inspection service was contracted to monitor revenue collection. This led to improvements in the accuracy and completeness of fare data.

FLEET MANAGEMENT AND MAINTENANCE

Total operational expenditure for 2024/25 was **R39,5 million**. Efforts are underway to reduce high operating costs that erode revenue.

Operational expenditure

R9 420 282
Repairs and Maintenance

R16 107 958
Fuel

R4 599 816
Insurance

R2 923 956 Tyres
R2 210 302 Licences and Permits
R2 128 649 Other operating expenses
R1 527 887 Consumables such as Lubricants and Grease
R282 240 Inventory loss adjustment
R202 111 Motor Vehicle expenses
R104 748 Fleet Management
R1 170 Fines and Penalties

R39 509 119 Total

A fleet management system is being procured, and is envisaged to be finalised in the new financial year. Driver behaviour has improved, as shown by a reduction in traffic fines–primarily due to enhanced monitoring and enforcement. A fuel monitoring system is in place to track tank levels, dispensing, and consumption.

TRAFFIC MANAGEMENT

The MTC continues to strive to ensure that all buses maintain valid roadworthiness certificates and operating licenses. Driver credentials are routinely monitored, with all drivers holding valid licenses and Professional Driving Permits, despite some challenges experienced with the National Department of Transport regarding license and permit processing.

In response to rising operational costs and inflation, fare adjustments were introduced during 2024/25. Nevertheless, the MTC remains committed to providing accessible and affordable fares for its passengers.
The number of drivers declined from 54 to 48 due to natural attrition, resignations, and retirements. To address this shortfall, recruitment efforts are underway to attract and retain qualified drivers and to strengthen the operational capacity of the MTC fleet.

SECURITY AND ENVIRONMENTAL MANAGEMENT

The MTC employs private security services to protect its assets. CCTV cameras are installed at all four depots, and security personnel are responsible for access control, incident monitoring, CCTV analysis and staff safety. Risk assessments and contingency plans are implemented during peak seasons. In 2024/25, the Corporation began eliminating environmental hazards, such as asbestos roofing at the Zwelitsha depot. This initiative will extend to the Reeston depot.

FACILITIES AND BUILDING MAINTENANCE

Minor refurbishments were undertaken in 2024/25, including floor painting at the Alice depot, plumbing repairs, and depot painting in line with the new corporate identity. The branding of buses has also been updated.
Depot conditions have significantly improved, including workshop cleanliness, yard maintenance, and new infrastructure such as the Reeston depot entrance. Scrap material is being cleared to further elevate depot standards.

FUTURE OUTLOOK

Looking ahead, the MTC plans to erect water-saving wash bays using recycled water. Additional generators will also be installed at all depots to mitigate load shedding and minimise operational disruptions.

The Corporation plans to acquire electric buses and luxury coaches to expand into the tourism sector. A digital document management system is in development to support a paperless environment. Automation of internal systems and the implementation of a cashless fare collection system are also being prioritised to reduce fare evasion and enhance efficiency.

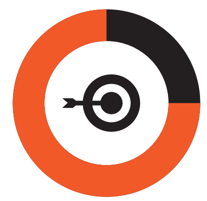
AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on performance against predetermined objectives is included in the report to management, with no material findings reported under the Predetermined Objectives heading in the Report on Other Legal and Regulatory Requirements section of the Auditor's Report. Refer to page 78-79 of the Auditor's Report, which is published on pages 78-82 of the annual report.

OVERVIEW OF PERFORMANCE

Service Delivery Environment

In South Africa, public transport remains the primary mode of travel for the majority of citizens and is a cornerstone of the government's commitment to service delivery. Globally, the main challenge for public transit systems lies in consistently providing safe, dependable, and cost-effective services. In developing countries like South Africa, public transport is a critical driver of socio-economic development. For rural populations, it is often the only available means of mobility, connecting people to jobs, schools, and essential services.



75%
of planned goals met

70/85
of allocated routes were covered

The MTC plays a vital role in supporting regional and national development priorities, particularly in the Eastern Cape Province. With a central focus on passenger mobility, the MTC is dedicated to ensuring the efficient and reliable transportation of individuals—primarily workers and learners—across various regions. Its operations cover four key areas in the province, providing scheduled public transport services that serve public sector employees, students, and the general public, many of whom live in economically disadvantaged and remote communities. These communities rely heavily on the corporation's services for their livelihoods and daily needs.
The MTC operates from four main depots—Reeston, Zwelitsha, Komani, and Alice—while its administrative headquarters is located in Vincent, East London. Its fleet of 77 buses covers 85 routes across key areas such as the Amathole District Municipality (Raymond Mhlaba Local Municipality and Amahlathi Local Municipality), Buffalo City Metropolitan Municipality, Chris Hani District Municipality (Enoch Mgijima Municipality).

The MTC's operational goals align with broader government strategies, including those outlined in the National Development Plan (NDP), which emphasises expanding public access to economic and social opportunities. Despite facing unforeseen challenges during the 2024/2025 financial year—which affected the full achievement of targets (with 75% of planned goals met) - the MTC remained committed to its mission. The Corporation continued to offer a reliable, safe, and affordable bus transport service. This was reflected in a 96% compliance rate with internal safety standards and a 90% customer satisfaction rating, demonstrating ongoing trust and support from its commuter base.

Organisational Environment

The Mayibuye Transport Corporation (MTC) operates scheduled bus services within its areas of operation, aligning its activities with the legislative mandates of the Department of Transport and the strategic direction outlined in the Eastern Cape Provincial Growth and Development Strategy.

The 2024/2025 financial year marked the Corporation's second year of implementing the organisational structure approved by the Board in the 2022/2023 financial period. As the structure was put into operation, a number of inefficiencies and operational constraints became evident. In response, management proposed adjustments to the Board to realign the structure with the organisation's evolving priorities and operational needs. Despite these initial hurdles, the structure laid a strong foundation for improved service delivery and operational effectiveness.

One of the key challenges faced by the Corporation remains the deteriorating condition of roads within its service areas. Poor road infrastructure has hindered the ability to consistently service all designated routes and has led to rising costs related to fleet maintenance and repairs. During the reporting period, the MTC operated an average of 36 buses from its total fleet of 77, covering approximately 70 of the 85 allocated routes.

To address the shortage of operational buses, the MTC advanced its Re-capitalisation Plan, as endorsed by the Board. Under this initiative, 11 new buses were procured and are scheduled for delivery during the 2025/2026 financial year. These additional buses are expected to improve route coverage and service reliability.

As part of its commitment to youth development and skills training, the MTC partnered with TVET colleges in the Eastern Cape to offer internship opportunities, in which fourteen (14) interns were enrolled. Additionally, the Corporation enrolled 10 graduate interns through funding provided by the TETA, offering them valuable workplace experience to enhance their employability. These initiatives reflect the MTC's continued contribution to national socio-economic development by creating pathways to youth employment.

The MTC also remains committed to giving back to the communities it serves. Through its Corporate Social Investment (CSI) initiatives, the Corporation supported community development during the review period by offering subsidised transport services and financial sponsorships, reinforcing its role as a socially responsible public entity.

Key Policy Developments and Legislative Changes

As part of its institutional strengthening efforts, the MTC intensified its focus on legislative alignment and policy reform during the 2024/2025 financial year. A key milestone was the advancement of new enabling legislation to replace the outdated legal framework inherited from the former Ciskeian administration. This legislative process has reached the Draft White Paper stage, with initial stakeholder consultations completed and a draft Bill developed—marking a significant step toward modernising the MTC's governance and operational mandate.

To support this legislative transition, the Corporation prioritised ensuring that its internal policy environment remains responsive, relevant, and legally compliant. Guided by its Policy Development Framework, the MTC undertook a comprehensive review of its policy suite to align with evolving legislative requirements, strategic objectives, and operational realities.

During the last quarter of the financial year, the MTC conducted a comprehensive policy review initiative. These reviews were not merely administrative exercises but strategic interventions aimed at enhancing service delivery, clarifying operational standards, and embedding governance best practices. Particular attention was paid to policies requiring updates due to legislative changes, evolving business needs, or nearing expiry. In addition to updating critical policy content, the process fostered meaningful cross-departmental collaboration, encouraging a culture of shared accountability and continuous improvement.

Through these efforts, the MTC has begun laying the groundwork for a more agile and accountable policy environment—one that supports both current operations and future growth.

Progress towards achievement of institutional Impacts and Outcomes

Strategic Outcomes Overview

Over the 2020-2025 period, the MTC had aimed to achieve two key strategic outcomes:
1. Safe, reliable and affordable public transport
2. Improved governance and administrative systems to ensure sustainability.

Both outcomes focused on the substantial improvement in the public's experience with the services the corporation provides. Transportation facilitates economic activity and by achieving our intended results, the corporation would thus support the first goal of the Provincial Development Plan of an "innovative and inclusive growing economy." Our primary outcome therefore related to offering safe, reliable, and affordable public transport which is aligned with the NDP's aim to expand access to economic opportunities, social spaces, and services.

In addition to the customer-focused outcome, the Corporation aimed at improving its governance and administrative systems to ensure sustainability of its services. Our focus on systems was geared at enhancing structures, processes, policies, strategies, tools, organisational culture, and other components to increase customer experience quality.

Strategic Focus Area	Summary of Performance	Achievement Level
Public Transport Service Quality	Targets such as on-time departure, customer satisfaction scores, and road safety compliance were mostly met or exceeded in multiple years.	High
Zero Fatalities Goal	Target not fully achieved. A fatal accident occurred in the final year.	Partially Achieved
Maintenance & Safety Compliance	Mostly achieved (e.g., 100% safety checks in early years, improved maintenance over time).	Moderate to High
Driver Development	Some years had no activity (e.g., 0% training in 2020/21), but performance improved sharply in later years.	Improved Over Time
Audit Outcomes	Targeted clean audits not consistently achieved (AGSA reports still had non-compliance matters).	Moderate
Revenue Diversification	Limited success—reliance on grants remained high; target ratios not consistently met.	Low to Moderate
Governance Improvement Plans	Implementation rates improved year by year, achieving targets in most cases by 2024/25.	High
Human Capital Development	Training and development metrics showed improvement with some exceeding targets.	Moderate to High
Cost Efficiency and Digital Systems	Digital system uptime showed progress (86% to 96%); cost-to-revenue improvements implemented.	High
Inclusion & Transformation	Targets on HDI, designated groups, and apprenticeships were mostly achieved by the final year.	High (Late Stage)

Key Strengths

One of the MTC's most notable strengths during the 2020–2025 strategic period was its consistently strong performance in customer satisfaction, operational reliability, and adherence to safety protocols. The Corporation not only exceeded its targets for on-time departures and road safety compliance but also demonstrated a strong commitment to enhancing the overall passenger experience, as reflected in consistently high customer satisfaction scores.

In addition, the final year of the strategic period saw a significant and focused effort by the MTC to strengthen its internal capacity, particularly through enhanced human resource development, improved digital systems, and reinforced governance processes. These initiatives reflect a clear organisational shift toward building long-term sustainability and operational resilience.

The MTC also made commendable progress in advancing inclusivity and transformation objectives. In the later years of the strategic plan, targets related to procurement spending on designated groups, the empowerment of historically disadvantaged individuals (HDIs), and the participation of women, youth, and people with disabilities were either met or exceeded. These achievements underscore a growing organisational commitment to national transformation priorities.

Areas for Improvement

While the Corporation has made notable progress in strengthening governance and compliance, certain critical objectives remain unmet, particularly in achieving clean audit outcomes. Despite implementing various improvement initiatives, the Corporation has not yet consistently secured a clean audit status across all areas. Audit reports continue to reflect matters of non-compliance, signalling persistent weaknesses in specific financial and operational control areas. Addressing these shortcomings remains a key priority to enhance overall accountability, operational integrity, and sustainable performance.

The MTC maintained a commendable safety record during the five-year strategic reporting cycle, achieving zero fatalities in its core bus operations. However, one fatality occurred during the 2024/2025 financial year, involving an ancillary vehicle, resulting in the zero-fatality target not being met. The Corporation has introduced enhanced safety measures aimed at reinforcing incident prevention and strengthening operational controls.

Closing Remarks

In summary, the MTC's performance over the 2020–2025 strategic planning cycle reflects a trajectory of growth, resilience, and increasing operational maturity. While the Corporation made notable strides in service delivery, governance reform, and transformation, several areas still require ongoing attention—particularly audit compliance, safety management, financial sustainability, and consistent staff development. The lessons learned from both successes and challenges during this period should inform future strategic and operational planning, ensuring that the MTC continues to evolve into a more efficient, accountable, and inclusive public transport service provider.

Institutional Programme Performance Information

Programme 1: Administration

The Administration Programme comprises the Office of the CEO, Strategy and Transformation, Finance, and Corporate Services. It undertakes essential administrative and strategic leadership responsibilities.

Strategy and Transformation

This sub-programme includes the following business units: Strategy, Planning and Reporting; Legal Services; Public Relations and Corporate Communications.

Purpose

The Strategy and Transformation sub-programme provides strategic direction for the development and execution of the MTC's long-term strategy, innovation, and digital transformation to create synergies within the Corporation. It promotes collaboration among the Shareholder, the Board, executives, and stakeholders. The sub-programme ensures effective planning and reporting systems through internal management collaboration, communication, and develops external partnership networks benefiting the MTC's stakeholders.

- Strategy, Planning and Reporting: Bridges the gap between strategy and execution by aligning management activities with strategic objectives, coordinating strategic planning, reporting, and organisational performance improvement.
- Legal Services: Ensures compliance with laws and regulations, fosters a culture of governance and ethics, and provides legal guidance to the MTC and the Board.
- Public Relations and Corporate Communications: Develops and implements programs to increase revenue, expand market share, and contribute to growth and profitability, while protecting the Corporation's reputation among shareholders, employees, and the public.

Additional legislated functions include Internal Audit and Company Secretariat services, both contracted out. Internal Audit provides independent assurance and consulting, while the Company Secretariat ensures effective coordination between the Corporation and the Board.

Institutional Outcome Supported

- Improved governance and administrative systems to ensure sustainable service delivery.

Overview of Performance

Driving Service Excellence and Organisational Performance

- Continued focus on delivering the MTC's strategic mandate during the 2024/2025 financial year.
- Held bi-monthly support sessions with business units for performance tracking, strategic alignment, and resolving challenges.
- Achieved significant improvements in organisational performance compared to the previous cycle.
- Leveraged a mature Corporate Performance Management System to drive operational efficiency, accountability, and transparency.
- Auditor-General's report for the thirteenth consecutive year found no material issues in performance reporting, reinforcing stakeholder confidence.

Strengthening Brand Visibility and Empowerment

- Public Relations and Corporate Communications led initiatives to enhance brand presence and stakeholder engagement.
- Hosted the annual Women's Month Celebration on 31 August 2024, honouring women's resilience, leadership, and achievements.
- The event encouraged dialogue on social and professional challenges women face, featuring speeches from accomplished female leaders.

Deepening Stakeholder Engagement and Customer Responsiveness

- Strengthened collaboration with the Bus Passenger Forum to prioritise customer experience in service planning.
- Conducted the annual Customer Satisfaction Survey, which showed a higher rating compared to the previous year.
- The customer satisfaction survey outcome is being used as a catalyst for innovation and service improvement to enhance commuter experience and public confidence.

Changes to Planned Targets

- No changes to planned targets were made.

Strategic Outcomes, outcome indicators planned targets and actual achievement:

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved governance and Administrate systems to ensure sustainability of service	Improved organisational governance maturity levels	% implementation of the CEO-approved Governance Risk and Compliance Management Improvement Plan	0%	55%	80%	81%	1%	The target was overachieved as the division was able to maximise quick-win interventions which positively contributed to the overachievement of the target.
	Progressive improvement in legal cases managed	Number of Legal Registers Monitored	4	4	4	4	0	Not applicable. Target Achieved.
	Improve service delivery and MTC Reputation	Number of Corporate Performance Support Sessions for Corporate Plan and Annual Operational Plan implementation	-	144	48	48	0	Not applicable. Target Achieved.
	Improve MTC brand recognition and reputation	% of the Marketing and Communication Strategy implemented	-	100%	100%	80%	-20%	The underperformance in this KPI, where the actual implementation reached only 80% against a target of 100%, was primarily due to the reprioritisation of projects within the Marketing and Corporate Communication division. In response to the need for higher response rates in the customer survey, the division reallocated focus and resources to initiatives that could more directly impact the survey results. Consequently, several planned projects within the overall Marketing and Communication Strategy were deferred or not executed as initially scheduled. This decision, while strategic in the short term, resulted in the non-completion of all the intended outputs for the year.

Linking performance with budgets

	2023/2024			2024/2025		
Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Executive Office	14 406	20 132	(5726)	17 357	16 903	454
Total	14 406	20 132	(5 726)	17 357	16 903	454

Finance

Purpose

This sub-programme ensures the implementation of systematic financial management systems designed to coordinate the corporation's budget and resource requirements. Key activities include ensuring compliance with regulatory provisions necessary for the funding of the MTC, as well as taking appropriate measures to ensure that expenditure remains within the approved budget and to prevent overspending.

Effective financial management also involves maintaining a procurement system that is fair, equitable, transparent, and cost-effective. Additionally, it ensures that appropriate steps are taken to prevent unauthorised, irregular, or fruitless and wasteful expenditure.

The sub-programme consists of the following business units: Financial Management, Budget and Reporting, Supply Chain Management, Asset Management, and Payroll.

The Finance sub-programme contributes to the following institutional outcome:

- Improved governance and administrative systems to ensure the sustainability of services.

Overview of Performance: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Finance Department plays an integral role in supporting the entity's operations through supply chain management (SCM). The supply chain is the backbone of the institution, ensuring that all plans are implemented by sourcing the necessary goods and services to fulfill the entity's mandate. The department has reduced the turnaround time for procuring goods and services, improving efficiency in the repairs and maintenance of buses and facilities.

The department implemented sound financial management practices by reallocating capital to the institution's most critical projects through the reprioritisation of funds, savings from operating costs, and interest earned on surplus funds during the year. As a result, the entity purchased 11 additional buses, increasing its operational capacity.

The department conducts finance workshops to educate employees of the corporation on the budgeting process and the institution's financial performance. This promotes an inclusive approach to budgeting that addresses the needs of all staff and divisions within the corporation.

The department maintained its unqualified audit opinion status, demonstrating accountability and transparency in handling public funds. It continues to strive to eliminate material non-compliances to achieve a clean audit status in the future.

Changes to Planned Targets

There were no changes to planned targets.

Strategic Outcomes, outcome indicators planned targets and actual achievement:

Programme / Sub-programme: Finance

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved governance and Administrate systems to ensure sustainability of service	Improved and effective systems of internal control	Number of AG Reports concluded as unqualified with no repeat matters of emphasis	0	0	1	0	-1	The KPI was not achieved due to repeat finding on irregular expenditure incurred on Fuel/ Diesel this was due to using garages within the proximity of Depots. The Corporation also had non-compliance paragraphs on preparation of AFS which was not in terms of GRAP Standards. Other non-compliances on contracts management which were contributed by capacity issues within Supply Chain Management unit.
	Improved financial sustainability	% implementation of the business and financial sustainability models as approved by the Board	-	47%	50%	50%	0%	Not applicable. Target Achieved.
	Contribute to development of SMME's	% Contribution to the Historically Disadvantaged Individuals (HDI)	-	49%	50%	50%	2%	The target was overachieved. This was due to strengthened efforts made by the Corporation to advance previously disadvantaged groups.

Strategy to overcome areas of underperformance.

A demand and acquisition plan will be developed and implemented in the new financial year to monitor the implementation of planned projects. There were no changes to planned targets.

Linking performance with budgets

	2023/2024			2024/2025		
Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Programme 1: Sub-programme (Finance)	22 601	20 506	2 095	21 079	20 198	881
Total	22 601	20 506	2 095	21 079	20 198	881

Corporate Services

This sub-programme comprises of three divisions i.e. Human Capital, Technology and Digital and Facilities Management. This sub-programme is responsible for providing an internal enabling function and support service to the other sub-programmes such as ICT infrastructure, human capital management and a safe working environment.

Purpose: Human Capital Management

The Human Capital division provides an internal enabling function and support service to the other programmes regarding human resource management. The division also provides guidance on how to strategically manage people as a business resource. This includes managing recruitment, coordinating employee benefits, labour relations, integrated employee wellness and human capital development.

Purpose: Technology and Digital

Technology and Digital describes the strategic approach for designing, delivering, managing, and improving the way Information Technology (IT) is used within the Corporation. The goal of Technology and Digital is to ensure that the right policies, processes, people, and technology are in place so that the Corporation can meet its business goals.

Purpose: Facilities Management

Facilities management is responsible for ensuring the efficient and effective operation of the MTC's physical assets and infrastructure. Its main areas of responsibility are to:

- Maintain and optimise building systems and equipment.
- Ensure a safe and comfortable environment for MTC employees.
- Manage space utilisation and allocation.
- Coordinate maintenance and repairs of infrastructure at all the MTC's buildings.
- Oversee security and access control.

Facilities management aims to enhance productivity, reduce costs, and support the MTC's core business functions by maintaining a well-functioning physical environment.

The Corporate Services sub-programme contributes to the following institutional outcome:

- Improved governance and administrative systems to ensure sustainability of service.

Overview of Performance: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Human Resources Management

During the review period, the division implemented several Human Capital Management strategies aligned with the objectives of the Corporate Plan and Annual Operational Plan, contributing to the Corporation's strategic outcomes. These strategies included staff recruitment, training and development, and the management of wellness programs to promote a healthy, happy, productive, and efficient workforce.

The 2024/2025 financial year marked the Corporation's second year of implementing the organisational structure approved by the Board in the 2022/2023 financial period. As part of this process, employees were reassigned to positions within the new structure, while surplus staff were placed in a Corporate Pool. Efforts are ongoing to address the Corporate Pool situation, including internal job postings and matching individuals to roles based on their skills and qualifications. Several critical vacancies were also filled during this period.

To ensure staff remain informed and capable, the Corporation provided training to one hundred (100) employees under the MTC-approved Workplace Skills Plan (WSP). Additionally, nine employees received support through the MTC Study Assistance Programme. These initiatives aim to build a well-equipped workforce and encourage career development.

The MTC partnered with TVET colleges in the Eastern Cape to offer internships, enrolling 14 interns. Additionally, the Corporation enrolled 10 graduate interns through funding from TETA, providing valuable workplace experience to enhance their employability. These initiatives demonstrate the MTC's ongoing commitment to national socio-economic development by creating pathways to youth employment.

Technology and Digital

The Technology and Digital division plays a strategic and enabling role in transforming the organisation into a modern, efficient, and customer-focused transport provider. It supports MTC's strategic and operational objectives by delivering reliable, secure, and innovative technology solutions that enhance service delivery and improve service quality.

During the reporting period, the division focused on strengthening digital infrastructure, enhancing cybersecurity, and improving system availability across all operational units. Its core responsibilities included managing enterprise systems, administering networks, providing user support services, and implementing Information, Communication and Technology (ICT) governance frameworks. The division also contributed to process automation and data-driven decision-making, ensuring that technology remains a key driver of operational efficiency and customer satisfaction.

Facilities

During the year under review, the Corporation focused on ensuring its facilities and infrastructure adequately support safe and efficient operations. Key achievements include:

- Maintenance and Upgrades: Routine maintenance and targeted upgrades enhanced operational efficiency, vehicle readiness, and staff safety.
- Depot Improvement Programme: The Corporation continued implementing its Depot Improvement Programme, successfully completing the pilot refurbishment at the Reeston Depot, followed by work at the Zwelitsha Depot. This phased approach allows lessons learned to be applied progressively, improving operational infrastructure effectively.
- Workplace Safety and Compliance: While most facilities met legislative requirements, planned enhancements in occupational health and safety will further protect employees.
- Support for Staff Operations: Facility upgrades and maintenance align with initiatives to improve employee wellness and productivity.

The Corporation remains committed to continuously improving its facilities to support operational excellence, safety, and a conducive working environment.

Changes to Planned Targets

There were no changes to planned targets.

Strategic Outcomes, outcome indicators planned targets and actual achievement:

Programme / Sub-programme: Corporate Services

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved governance and Administrate systems to ensure sustainability of service	Progressive Improvement in business process maturity levels	% implementation of the CEO-approved Business Process Improvement programme	50%	70%	90%	90%	0%	Not applicable. Target Achieved.
	Progressive improvement in human capital & development maturity levels	% implementation of the CEO- approved Human Resources and Development Plan	20%	52%	80%	82%	2%	The target was overachieved. The department's quick-win interventions from previous reporting periods positively contributed to the overachievement of the target.
	Transformation and Upskilling of MTC staff	Number of employees in the designated groups enrolled in the Workplace Transformation and Empowerment Programme	-	4	6	14	8	The target was overachieved. The MTC was able to participate in an AIDC Artisan Recognition of Prior Learning Programme, during which at planning stage was never envisaged. The opportunity presented by AIDC enabled MTC to increase its employee intake in the programme, thereby resulting in a larger number of employees benefiting from the Workplace Transformation agenda.
	Adherence to agreed % uptime of core digital systems	% up-time of core digital systems	90%	95%	95%	96%	1%	The target was overachieved. The migration of core digital systems to cloud services has exceeded expectations, resulting in enhanced performance and increased uptime stability.

Linking performance with budgets

	2023/2024			2024/2025		
Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Programme 1: Sub-programme (Corporate Services)	33 797	29 331	4 466	40 505	41 259	(754)
Total	33 797	29 331	4 466	40 505	41 259	(754)

Programme 2: Operations

This programme comprises of two sub-programmes i.e. Operations Management and Technical Management Services. The purpose of the Operations Programme is to ensure the efficient and effective provision of public transport services through a safe and reliable fleet at all the MTC depots. The programme is responsible for the entire Corporation's operations related activities, fleet management, coordination of bus services on all routes, the enhancement of revenue streams as well as the management of inventory.

Purpose: Operations Management Services

The purpose of the Operations Management sub-programme is to ensure the efficient and effective management of all the operational activities of the MTC. The sub-programme is responsible for coordination of bus services on all routes, the enhancing of revenue streams and the coordination of capital fund expenditure.

Purpose: Technical Management Services

The purpose of the Technical Management sub-programme is to ensure the efficient and effective provision of public transport services through a safe and reliable fleet at all depots of the MTC. The sub-programme is responsible for all the Corporations' fleet related activities as well as the management of inventory.

The Operations programme contributes towards the following institutional outcomes:

- Improved governance and administrative systems to ensure sustainability of service.
- Safe, reliable, and affordable public transport services

Overview of Performance: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

During the period under review, the Operations programme achieved significant success, meeting multiple operational targets aligned with both our corporate and annual operational plans. Key highlights include:

Road Safety Compliance

The department prioritises safety through daily maintenance inspections of all MTC buses, with results logged in a safety check register reviewed by the Strategy and Transformation sub-program. This ensures strict adherence to road safety standards. Our Traffic Management unit further supports this by verifying driver and bus certifications. Notably, 96% of our fleet met road safety compliance standards last year, demonstrating our commitment to safety excellence.

Operated Routes vs. Allocated Routes

The department achieved an 82% performance rating, slightly below the 85% target, primarily due to operational challenges. On average, 36 buses were operational, facilitating 515 passenger trips weekly. Some routes remained inactive due to bus and driver shortages, while poor road infrastructure impacted revenue. Enhanced technical training is expected to improve operational capacity and revenue in the coming year.

Customer Satisfaction

The department exceeded its target with a 90% customer satisfaction rating, surpassing the 85% goal. This success reflects strong service coverage in remote areas, competitive fare structures, and active feedback mechanisms, all contributing to improved customer experience and loyalty.

Changes to Planned Targets

There were no changes to planned targets.

Strategic Outcomes, outcome indicators planned targets and actual achievement:

Programme / Sub-programme: Operations

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Improved governance and Administrate systems to ensure sustainability of service	Improved revenue generated from buses	Percentage implementation of phase one of the Board approved Technical and Operational Capacity Improvement Plan	-	50%	70%	70%	0%	Not applicable. Target Achieved.
Safe, reliable, and affordable public transport services	Improved bus safety and compliance	Percentage adherence to road safety regulatory compliance requirements on operational buses	95%	94%	96%	96%	0%	Not applicable. Target Achieved.
	Improved bus availability and utilisation	Percentage of operated routes against allocated routes	85%	85%	85%	82%	-3%	This KPI fell short of its 85% target, achieving an actual annual performance of 82%. The shortfall can be attributed to several operational challenges encountered throughout the year. During the second and third quarters, there was a significant reduction in the number of operational buses, primarily due to mechanical failures exacerbated by poor road conditions on MTC routes. The organisation experienced delays in both the procurement of parts and the repair of buses, which constrained the fleet's availability. In addition, a shortage of bus drivers further compounded the issue, as the number of available personnel was insufficient to meet operational demands even when buses were ready for deployment.
	Improved customer satisfaction	Percentage of the COO-approved Customer Satisfaction Survey Report recommendations implemented	85%	86%	85%	90%	5%	The target was exceeded, with customer satisfaction reaching 90% against a its target of 85%. This overperformance is primarily due to MTC's more affordable fare structure compared to competitors, along with its strong service presence in remote operational areas.

Strategy to overcome areas of underperformance.

The Corporation plans to improve bus repair turnaround times by training technical staff, focus on insourcing maintenance, and secure funding to further implement its fleet recapitalisation plan, ensuring a reliable and efficient bus fleet.

Linking performance with budgets

	2023/2024			2024/2025		
Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Programme 2: Operations	110 793	101 682	9 111	115 464	90 075	25 389
Total	110 793	101 682	9 111	115 464	90 075	25 389

Institutional Programme Performance Information

	2023/2024			2024/2025		
Sources of revenue	Estimate R'000	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
Operational grant	150 378	150 378	-	156,182	156,182	-
Capital grant	5 000	5 000	-	7,385	7,385	-
Passenger fare	22 705	19 987	2 718	20,596	20,766	-170
Private hire	3 514	2 392	1 121	1,866	1,622	244
Other income	-	362	(362)	-	174	-174
Interest received - investment	-	1655	(1 655)	-	2,193	-2,193
Total	181 597	179 775	1 822	186,029	188,322	-2,293

The Corporation's overall revenue showed an over-collection of R2,292,456, mainly due to interest earned on unutilised funds and other revenue sources.

Private hire income recorded an under-collection of R244,407, primarily due to the ongoing shortage of operational buses. Despite this, private hire remains a key part of the Corporation's revenue enhancement strategy and an effective marketing tool for raising awareness in the Eastern Cape province.

CAPITAL INVESTMENT

The Corporation has committed to expanding its fleet during the year under review, with 11 new buses expected to be delivered by the end of the 2025/26 financial year. These new additions will replace the ageing fleet, improving overall operational efficiency.

As part of efforts to enhance employee working conditions, renovations have been undertaken across all the MTC depots. In addition, six new ancillary vehicles have been received, and new tools and operating equipment were procured for the workshops and depots. These initiatives represent a strategic move to strengthen internal capacity for the repair and maintenance of buses and the MTC facilities.

Linking performance with budgets

	2023/2024			2024/2025		
Infrastructure projects	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Buildings and other fixed structures	320	203	117	4,247	4,898	(651)
Transport equipment	11,000	15,954	(4,954)	24,096	2,798	21,298
Other machinery and equipment	3,333	1,108	2,225	5,878	6,182	(304)
Total	14,653	17,265	-2,612	34,221	13,878	20,343

Part C:
Governance

INTRODUCTION

The Board is the designated Accounting Authority of the MTC and governs the entity in accordance with the provisions of the Public Finance Management Act 1 of 1999 (as amended) (PFMA). The Board also strives to comply with the principles and standards of integrity, accountability and good governance contained in the recommendations of the King IV report on corporate governance.

PORTFOLIO COMMITTEE AND STANDING COMMITTEE ON PUBLIC ACCOUNTS

The Corporation appeared before the Portfolio Committee and the Standing Committee on Public Accounts to deliberate on the analysis of its Quarterly Performance Reports, Budget, Corporate Plan and Annual Report for the 2024/2025 financial year. During the sittings, the entity further provided progress reports on the implementation of the Committee's resolutions.

The MTC appeared on the following dates:

- 8 July 2024
- 6 September 2024
- 28 November 2024

EXECUTIVE AUTHORITY

The Executive Authority exercises its powers and authority to ensure that the implementation of the MTC objectives and functions comply with the legislation and policies of the Corporation. The Executive Authority is the MEC for Transport. The MEC monitors the Corporation's performance through quarterly reports and interactions with the Board. The quarterly performance and financial information are submitted for review by the MEC, in line with compliance requirements.

THE ACCOUNTING AUTHORITY

The Board is the Accounting Authority responsible for overseeing the application of corporate governance principles and carrying out fiduciary duties as contemplated by the PFMA. MTC is led by a Board comprising non-executive members. The Board is responsible for providing strategic direction and ensuring that a risk management and internal control environment exists. Board induction training was provided to the Board through the Institute of Directors South Africa (IoDSA) to fully equip them to discharge their role and responsibilities.

In addition to the accountability requirements set out in the legislative framework and governance prescripts, the Board carries the following oversight responsibilities:

- Govern and manage the MTC in accordance with applicable legislation.
- Shape and set the organisational culture.
- Provide policy and strategic direction and oversee effective implementation.
- Review management performance and monitor risk management practices.
- Ensure alignment of MTC's objectives and functions with constitutional, legislative, and policy mandates.

The interim Board's term ended during the third quarter of the financial year, and consequently the MEC for Transport appointed a fully-fledged Board for a 5-year term from 01 February 2025 – 31 January 2030.

Board Composition

Interim Board

Name	Designation	Date Appointed	End of Term	Composition
Adv. P. Mayapi	Board Chair	12 June 2023	31 December 2024	Non-Executive Member
Ms. N. Matikinca	Deputy Chair	12 June 2023	31 December 2024	Non-Executive Member
Ms. R Daaminds	Board Member	12 June 2023	31 December 2024	Non-Executive Member
Ms. M Ndlangisa-Nodada	Board Member	12 June 2023	31 December 2024	Non-Executive Member
Ms. S Dyantyi	Board Member	01 Nov 2022	31 December 2024	EC Provincial Treasury
Adv. J Korkie	Board Member	12 June 2023	31 December 2024	Non-Executive Member
Mr. B Makambi	Board Member	20 July 2022	31 December 2024	EC Department of Transport

Newly Appointed Board

Board Member Name	Designation	Date of Appointment	Expertise	Qualifications	Composition
Mr X Malamlela	Chairperson	3 February 2025	HR	ND in Public Management Diploma in Practical Labour Law	Non-Executive Member
Ms. N. Matikinca	Deputy Chair	3 February 2025	Engineering	ND in Building Surveying (CPUT), BSc Pest Management (WSU)	Non-Executive Member
Ms N Ntshanga	Board Member	3 February 2025	Finance	BTech Cost & Management Accounting ND: Accounting Certificate in Municipal Finance	Non-Executive Member
Adv. P. Mayapi	Board Member	3 February 2025	Legal	B Juris (UFH), LLB (UFH), Admitted Advocate of the High Court of South Africa, ND Transportation (UJ),	Non-Executive Member
Ms N Mnconywa	Board Member	3 February 2025	Finance	Masters in Accounting Sciences, Professional Qualifying Exam, BCom Honours, Post-Grad Certificate in Accounting	Non-Executive Member
Mr M Dimaza	Board Member	3 February 2025	Engineering	Master of Philosophy IT Governance, PGD in E-Commerce, BTech in Business Admin, Diploma in Project Management, ND: Electronics Engineering	Non-Executive Member
Ms N Abrahams-Ntantiso	Board Member	3 February 2025	Public Administration	Masters in Public Admin, Degree: B.Ed UWCDegree: B.A, Diploma in applied Linguistics, Diploma in Office Admin, Certificate; Pre Phd, Certificate: Public Policy, Advanced Computer Literacy, Certificate: Negotiation Skills	Non-Executive Member
Ms. S Dyantyi	Board Member	01 November 2022	Finance	BCom in Accounting, Post Grad Diploma in Public Management	EC Provincial Treasury
Mr. B Makambi	Board Member	20 July 2022	Transport Management and Public Administration	Bachelor of Public Administrations Honors, BTech in Public Management, BTech in Transport Management, National Diploma in Transport Management	EC Department of Transport

Board Charter

The Board is bound by a Charter, adherence to which is monitored on an ongoing basis. During the reporting period, the Interim Board established the following governance structures:

- Audit and Risk Committee
- Human Resources and Remuneration Committee
- Operations and Finance Committee

The appointed full-term Board established the following governance structures to strengthen oversight of financial and operational reporting processes, namely:

- Governance Committee
- Audit and Risk Committee
- Finance and Investment Committee
- Operations and Engineering Committee
- Human Resources and Remuneration Committee

Board Committees

Five independent committees support the Board's efficacy by improving decision-making, meet oversight responsibilities, and ensuring the integrity of both financial and non-financial controls. Committees, headed by non-executive members, convene prior to Board meetings to examine issues and reach suitable resolutions. The recommendation of these meetings are then put into effect for Board approval.

Governance Committee

The Governance Committee evaluates the Corporation's governance practices, recommending changes to the Board, ensuring compliance with King IV Code of Good Corporate Governance Practices and Conduct, international standards, and local best practices.

Audit and Risk Committee

This is a statutory Committee provided for in accordance with section 77 of the PFMA. It aids the Board in safeguarding assets, operating adequate systems, and evaluate the accuracy in financial the reporting, while also discussing business risks and control issues.

Finance and Investment Committee

The Finance and Investment Committee aids in MTC's finance and investment policies, strategies, and plans, provides governance direction, advises management on opportunities, considers all significant tenders within its delegation, and makes recommendations to the Board for approval and award.

Operations and Engineering Committee

The Operations and Engineering Committee aids in MTC's operations and engineering strategies, provides governance direction, and monitors progress in achieving core operations.

Human Resources and Remuneration Committee

The Committee oversees human resource and labour-related matters in personnel, corporate services, communication, administration, and marketing, recommending succession planning, reviewing non bargain personnel remuneration, and guiding employment equity.

Remuneration of Board Members

Board members receive a fee for attending and contributing to official meetings. The rates are aligned with the Shareholder-approved Board Fee Structure and kilometres travelled are reimbursed in terms of the MTC Subsistence and Travel Policy. MTC does not remunerate the Shareholder representative, or any member employed by the State. Kindly refer to Note 28: Members' Emoluments on the Annual Financial Statements for the actual fees paid to the Board during the period under review, which are detailed under Part F of this report.

Board Meetings

During the year under review, members attended and participated in the Board and Committee meetings as shown below:

Erstwhile Interim Board: 01 April 2024 – 13 December 2024

Board Member Name	Designation	Board/Committee Membership	Board (7)	Human Resources & Remuneration (1)	Audit & Risk (3)	Operations & Finance (8)	Other (6)
Adv. P Mayapi	Board Chair	Board Chair; HRRC Member	7	2	-	-	5
Ms. N Matikinca	Deputy Chair	Board Deputy Chair; HRRC Chair; ARC Member	7	3	2	4	6
Ms. R Daaminds	Board Member	HRRC Member, ARC Member	7	2	2	-	4
Ms. M Ndlangisa-Nodada	Board Member	OPSFIN Member	1	-	-	-	0
Ms. S Dyantyi	Board Member	ARC Member; OPSFIN Member	7	-	2	6	4
Adv. J Korkie	Board Member	OPSFIN Chair; ARC Member	7	-	3	8	2
Mr. B Makambi	Board Member	OPSFIN Member	7	-	-	6	4
Mr. M Dondashe	Board	ARC Member, OPSFIN Member	6	-	1	-	4

Board 1 February 2025 – 31 March 2025

Board Member Name	Designation	Board / Committee Membership	Board	Human Resources & Remuneration (1)	Audit & Risk (3)	Operations & Engineering (1)	Finance and Investment (1)	Governance (1)
Mr X Malamlela	Chairperson	Governance Committee (Chair), HR & Remuneration Committee	1	0	-	-	-	-
Ms N Matikinca	Deputy Chair	Governance Committee, HR & Remuneration Committee, Operations & Engineering (Chair)	1	1	-	1	-	1
Ms N Ntshanga	Board Member	Governance Committee, Finance & Investment Committee (Chair)	1	-	-	-	1	1
Adv. P Mayapi	Board Member	Governance Committee, Operations & Engineering, ARC Committee	1	-	0	1	-	1
Ms N Mnconywa	Board Member	HR & Remuneration Committee, Finance & Investment Committee, ARC Committee	1	1	0	-	1	-
Mr M Dimaza	Board Member	HR & Remuneration Committee, Finance & Investment Committee, Operations & Engineering	1	1	-	1	1	-
Ms Abrahams	Board Member	Governance Committee, HR & Remuneration Committee (Chair)	1	1	-	-	-	1
Ms S Dyantyi	Board Member	Finance & Investment Committee, Operations & Engineering	1	-	-	1	1	-
Mr B Makambi	Board Member	Finance & Investment Committee, Operations & Engineering	1	-	-	1	1	-

RISK MANAGEMENT

Over the past year, MTC has implemented its Risk Management Framework to guide the integration of risk management practices across the Corporation.

Additionally, the annual risk assessment was conducted, with support from the Department of Transport Risk Office, to determine MTC's risk profile. While the Corporation does not yet have a dedicated Risk Management Committee, it remains committed to establishing one in the 2025/26 financial year.

The Audit and Risk Committee (ARC) provides guidance to the Corporation on risk management and independently evaluates the effectiveness of the risk management system. The ARC reviews risk management reports quarterly and offers insights into MTC's risk landscape. These insights inform MTC's risk management strategies and provide assurance to the Board on risk-related matters.

The Corporation has recognised the benefits of implementing a formal risk management process. Operational and financial improvements have been observed, indicating the success of current practices. Notable progress has been made in mitigating ICT risks, resulting in a more robust and unified ICT framework. While improvements are evident, there remains a critical need to enhance training and awareness to foster a culture of risk management at both strategic and operational levels.

INTERNAL AUDIT AND THE AUDIT AND RISK COMMITTEE

Key activities and objectives of the Internal Audit function

The objective of the Internal Audit function is to provide independent and objective assurance and consulting services that add value and enhance the organisation's operations. It focuses on ensuring the adequacy and effectiveness of risk management, internal controls, and governance processes.

Effective from March 2023, the Internal Audit function has been fully outsourced to SNG Grant Thornton, which has direct access to the Audit and Risk Committee and reports administratively to the Chief Executive Officer.

Key activities included conducting comprehensive audits across various departments, evaluating the effectiveness of internal controls, and ensuring regulatory compliance, in line with the approved Internal Audit Plan. The primary objective was to improve operational efficiency, mitigate risks, and promote a culture of continuous improvement.

Through risk-based audit planning, the team focused on high-risk areas and provided actionable recommendations to strengthen governance and improve the overall control environment. Regular follow-ups on audit findings ensured the timely implementation of corrective actions, thereby supporting the organisation's strategic objectives.

Audit and Risk Committee Composition

Name	Qualifications	Internal or external	Date appointed	Date Resigned	Meetings held/ attended (0)
Mr Y Rini	CA(SA), CRM, IAQA	External	01-Apr-25	N/A	0
Ms P Mangoma	BCompt Accounting Sciences, BCom Hons, CIA, Masters in Business & Public Management	External	01-Apr-25	N/A	0
Adv Mayapi	B Juris, LLB, Admitted Advocate of the High Court of South Africa, ND Transportation	External	01-Apr-25	N/A	0
Ms N Mnconywa	Master of Business Administration (MBA), Bachelor of Business Administration - Management Information Systems, Certificate: Corporate Governance, Certificate: Business Research, Certificate: Strategic Risk Management, Certificate: Project Management, Certificate: Tax Administration	External	01-Apr-25	N/A	0
Ms Dukuza	BProc Degree 2002: Certificate in Labour Relations Management; Master of Business Administration	External	01-Apr-25	N/A	0

Name	Qualifications	Internal or external	Date appointed	Date Resigned	Meetings held/ attended (0)
Ms. N Mnconywa	Masters in Accounting Science (MCom) (UP); BCom Honours (UKZN); BCom (UFH); Chartered Accountant (SAICA); Registered Auditor (IRBA); Certified Director (IODSA).	External	1 Jan 2021	31 December 2024	2
Ms. W Dukuza	BProc Degree 2002: Certificate in Labour Relations Management (UNISA); Master of Business Administration	External	1 Jan 2021		3
Mr. A Latchu	Sc Degree. BSc IT Management Degree & Honours Degree, Diploma in Networking. Microsoft Certified Systems Engineer (MCSE). Microsoft Certified Solutions Developer (MCSD). Microsoft Certified Systems Administrator (MCSA). Microsoft Certified Database Administrator (MCDBA). Mining and Minerals Business and Technology Certification from University of Johannesburg	External	1 Jan 2021		3
Ms. S Dyantyi	BCom in Accounting (UKZN), Post Grad Diploma in Public Management (UNW)	External	1 Nov 2022		3
Ms. N Matikinca	ND: Building Surveying (CPUT), BSc Pest Management (WSU)	External	12 June 2023	31 May 2024	0
Adv. J Korkie	Advanced Certificate Governance and Leadership (Wits), Advance Diploma Labour Law (UJ), LLB (UFH), Dip Education (Dower College)	External	12 June 2023		3

COMPLIANCE WITH LAWS AND REGULATIONS

The MTC complies with legislation as detailed in its Corporate Plan, covering areas such as public finance management, road traffic and transport regulations, occupational health, and staff wellness. During the year under review, MTC strived to comply with all applicable legislation, with the exception of the non-compliance matters raised in the audit report.

FRAUD AND CORRUPTION

The Corporation considers fraud risk and controls as an objective of internal control activities. Fraud is perceived as a potential internal control failure. The Corporation deems fraud risk monitoring a positive cost due to the benefit of protecting revenue and/or recouping losses. MTC is committed to mitigating the risk of fraud and has an Anti-Fraud Policy approved by the Board, which guides its fraud risk management initiatives. The concepts incorporated in the Anti-Fraud Policy were developed to detect and prevent fraud and to implement effectively and consistently the policies and objectives set by management. The policy conveys the expectations of the Board and executive management regarding fraud risk and control.

MINIMISING CONFLICT OF INTEREST

Board members are required to complete and sign an annual declaration of interest form to declare potential conflicts with the business of MTC. This practice is also an agenda item before meetings commence, where all members are requested to declare any potential conflict of interest against agenda items. Where members have a conflict, they are recused from the meeting.

There were no identified cases of conflict of interest during the year under review.

CODE OF CONDUCT AND BUSINESS ETHICS

MTC's Code of Conduct Policy ensures that its business is conducted in the interests of MTC and conforms with the South African Constitution, legislation, and regulations governing MTC activities and business practices. The code of conduct is applicable to all employees.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety (OHS) remains a priority for MTC, ensuring continuous monitoring and implementation of strategies to eliminate recognized hazards by creating awareness and educating employees about OHS issues. This, in turn, provides assurance to employees, users, and visitors that MTC offices are safe, with the risk of injury minimised.

MTC has made statutory appointments to assist in ensuring the safety of employees at all depots. Training sessions are conducted regularly to ensure that OHS officers are up to date with legislation, roles, and responsibilities.

Compliance with OHS regulations is strictly enforced, and regular inspections, assessments, and maintenance are conducted to ensure the sustenance of a safe and healthy environment. Plans are in place to improve safety measures in accordance with SANS 10400.

COMPANY SECRETARY

There is a company secretary appointed who advises the Board on governance protocols, obligations, and compliance with legislation. The company secretary coordinates and provides full support to the Board and its committees and is an outsourced function.

SOCIAL RESPONSIBILITY

The Corporation acknowledges the necessity and significance of reinvesting in the communities it serves through diverse Corporate Social Investment initiatives. As part of its long-standing commitment to giving back, MTC ensures that the most vulnerable members of our society—such as the elderly and the young—have access to reasonably priced transportation by offering them discounted fares. MTC's Corporate Social Investment Program also benefited a number of recipients throughout the reporting year. These recipients received sponsorships in the form of financial support or bus services.

REPORT OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE

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

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The ARC reports that it has complied with its responsibilities arising from the PFMA and Treasury Regulation 3.1.13. The ARC also confirms that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The oversight responsibility includes the following areas:

- Effectiveness of internal controls
- External audit function
- Internal audit function
- Finance function
- IT governance
- Compliance with laws and regulations
- Risk management
- Fraud hotline review

THE EFFECTIVENESS OF INTERNAL CONTROL

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Corporation revealed certain weaknesses, which were then raised with the Corporation.

The following internal audit work was completed during the year under review:

- Quarterly performance reports
- Quarterly finance reports
- Annual Financial Statements Review
- Annual Performance Report Review
- HR and Payroll Review
- Fleet Management Review
- Ad hoc - Preliminary Investigation

The following were areas of concern:

- Controls on certain areas of HR and payroll required improvement.
- Controls around fleet management were partially adequate and partially effective. The control challenges around fleet have been escalated to the Accounting Authority for intervention as a matter of urgency. This was due to the intervention and support required from the Executive Authority.

QUARTERLY REPORTING

The Corporation has submitted quarterly reports to the Executive Authority.

EVALUATION OF FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT

The Committee has reviewed the annual financial statements and the annual performance report prepared by the Corporation.

EXTERNAL AUDITOR'S REPORT

The Committee has reviewed the Corporation's implementation of audit improvement plan for audit issues raised in the prior year and are satisfied that the matters have been adequately resolved except for the following:

- Resourcing of the Supply Management Team to ensure compliance with procurement and contract management, and
- Record keeping.

The Audit and Risk Committee concurs and accepts the conclusion of the external auditor on the annual financial statements. The non-compliance matters relating to Asset Management and Expenditure Management have been brought to the attention of management and the Committee will continue to monitor progress on their resolution. The Committee is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.

Mr Yamkela Rini
Chairperson of the Audit Committee
Mayibuye Transport Corporation
Date: 29 August 2025

B-BBEE Compliance Performance Information

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion (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	N/A
Developing and implementing a preferential procurement policy?	Yes	Procurement Policy and Compliance report
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	No	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	N/A

Part D: Human Resource Management

Introduction

The Human Resources Division serves as an internal enabling function, providing support to other programmes in managing human resources. It also offers strategic guidance on the effective utilisation of people as a business asset. Key functions include recruitment, administration of conditions of service, labour relations, integrated wellness management, and human capital development.

Highlights

193
employees in total.

80/20%
male to female composition

100 employees
trained under the Workplace Skills Plan.

9 employees
received study assistance.

14 TVET
interns and 10 graduate interns (via TETA funding) placed during the year..

Age Profile: Majority of staff fall within the 30–49 years age bracket.

Disability Representation: 1% of staff identified as persons with disabilities.

Through collaboration with TVET colleges in the Eastern Cape, the Corporation enrolled 14 interns in its internship programme, to support the completion of their studies. Additionally, during the review period, the Corporation enrolled ten (10) graduate interns through TETA funding to provide experiential training. The programme aims to equip young people with practical experience to improve their employability. MTC takes pride in contributing to the country's socio-economic development by creating job opportunities for the youth.

Employees receive psycho-social support through Wellness Programmes, which address health and welfare concerns. The Employee Health and Wellness Programme adopts a holistic approach, focusing on risk management, occupational health and safety, productivity, and overall well-being—for both employees and their families.

Workforce planning involves aligning the demand for skills with their availability in the labour market while addressing transformation and equity objectives. MTC acknowledges the need to transform the organisation to reflect diversity across various job categories and levels. Strategies for effective manpower planning include:

- Recruitment from the open labour market
- Targeted training and recruitment of female bus drivers
- Collaboration with TVET Colleges to facilitate internship completion and experiential training
- Partnership with the Automotive Industry Development Centre (AIDC) to support Artisan Recognition of Prior Learning
- A bursary scheme to upskill employees in line with corporate needs

The 2024/2025 financial year marked the Corporation's second year of implementing the organisational structure approved by the Board during the 2022/2023 financial period. As the structure was put into operation, several inefficiencies and operational constraints became evident. In response, management proposed adjustments to the Board to better align the structure with the organisation's evolving priorities and operational needs. The revised framework enabled the Corporation to deliver services more efficiently and effectively. Additionally, the rollout of the five-year Human Resources Plan laid a strong foundation for enhanced service delivery and operational performance.

The Human Resources Division oversees the Performance Management and Development System (PMDS), which includes performance contracting, continuous assessment, and formal review. PMDS is designed to maximise employee contributions toward both individual and organisational objectives. It ensures each employee receives an annual, objective performance appraisal and facilitates early identification of underperformance or behavioural issues. Managers and supervisors play a pivotal role in the implementation of PMDS, which is essential for enhancing performance and improving service delivery.

EMPLOYEE WELLNESS PROGRAMMES

The MTC Employee Wellness Programme aims to enhance staff health and well-being. It includes preventative care, work-life balance, social wellness, a substance abuse programme, mental and emotional wellness initiatives, financial wellness education, planning, and counselling. Preventative care is especially important, as all bus drivers undergo annual medical screenings to ensure safe and reliable public transport services.

Achievements

- The MTC successfully transitioned its systems from on-premises server infrastructure to a cloud-based platform, thereby advancing its digital transformation efforts.
- **Fourteen TVET students** completed their experiential training and internships by the end of July 2024.
- **Ten graduate interns** were enrolled through TETA funding for experiential training during the review period.
- The corporation implemented several revitalisation projects at its depots to promote a healthier and safer work environment, contributing to improved job satisfaction and staff morale.
- The Corporation appointed a Chief Operations Officer (COO) during the financial year to provide strategic leadership to the core department and ensure operational efficiency and effectiveness.
- **Nine staff members** benefitted from the internally funded study assistance programme.
- By the end of Quarter 4 of the reporting year, **80% of the interventions** outlined in the approved five-year Integrated HR Plan had been achieved.
- The MTC continues to invest in employee development through training, development programmes, and career advancement opportunities.

AREAS OF IMPROVEMENT

The Corporation faces significant challenges in the transport sector, including intense competition for skilled personnel and difficulty meeting employment equity targets. Key issues include attracting and retaining experienced staff, particularly people with disabilities and individuals from underrepresented racial groups such as White and Indian communities.

Recommended Actions:

- Launch targeted recruitment and retention initiatives, including partnerships with educational institutions and professional bodies.
- Enhance diversity and inclusion efforts through outreach, inclusive hiring practices, and bias-awareness training.
- Implement monitoring and reporting mechanisms to track progress toward equity and workforce goals.

Addressing these areas will strengthen the workforce, improve operational effectiveness, and position the Corporation as an employer of choice.

FUTURE HR PLANS

The Corporation is undertaking several initiatives to enhance human capital and system efficiencies to better fulfil its mandate. Key interventions include:

- Digitalisation of systems to improve operational efficiency
- Enhanced artisan training and development
- Promotion of gender and disability equity and transformation
- Serving as a host employer to provide development opportunities for unemployed graduates
- Incentive programmes to support staff retention
- Ongoing study assistance to facilitate staff upskilling
- Recruitment of bus drivers

Additionally, future plans include the implementation of organisational culture transformation programmes and the execution of approved recommendations from the Health and Safety Risk Assessment and Audit.

Human Resource Oversight Statistics

Personnel related expenditure

Personnel Cost by programme/ activity/ objective

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)
Office of the CEO	16 903	7 866	47%	5	1 573
Corporate Services	41 259	10 650	26%	9	1 183
Finance	20 198	14 581	72%	19	767
Operations	90 075	46 652	52%	160	292
TOTAL	**168 435**	**79 749**	**47%**	**193**	**413**

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	9 797	12%	4	2 449
Senior Management	4 175	5%	4	1 044
Professional qualified	6 715	8%	22	305
Skilled	33 607	42%	74	454
Semi-skilled	19 528	24%	37	528
Unskilled	5 927	7%	52	114
TOTAL	**79 749**	**100%**	**193**	**413**

Performance Rewards

There were no performance rewards paid during the 2024/2025 financial period.

Training Costs

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Corporate Services	7 866	77	1.0%	10	8
Operations	10 650	703	6.6%	75	9
Office of the CEO	14 581	79	0.5%	4	20
Finance	46 652	333	0.7%	11	30

Employment and vacancies

Programme/activity/objective	203/2024 No. of Employees	2023/2024 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Office of the CEO	5	6	5	1	0,16
Corporate Services	15	16	19	2	0,13
Finance	7	12	9	3	0,25
Operations	63	144	160	21	0,15
TOTAL	90	178	193	27	0,15

*The approved organisational structure provides for 178 positions, however currently there is a total of 193 warm bodies within the employ of MTC resulting in 15 being additional to the staff establishment.

Training Costs

Programme/activity/objective	2023/2024 No. of Employees	2023/2024 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Top Management	3	4	4	0	0
Senior Management	4	5	3	1	0,2
Professional qualified	21	13	22	0	0
Skilled	78	74	74	48	0,64
Semi-skilled	40	29	38	13	0,45
Unskilled	53	53	52	23	0,43
TOTAL	199	178	193	85	0,48

Critical vacancies:

The position of the COO was filled during the year under review.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	1	0	4
Senior Management	4	0	1	3
Professional qualified	21	3	2	22
Skilled	78	0	4	74
Semi-skilled	40	0	2	38
Unskilled	53	0	1	52
Total	**199**	**4**	**10**	**193**

At the end of the 2023/24 financial year, the Corporation's staff count stood at 199 employees. In the 2024/25 financial year there was a reduction in staff numbers with the Corporation reporting 193 employees. During this period, four new appointments were made, and there were 10 terminations.

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	2	0,2
Resignation	5	0,5
Dismissal	1	0,1
Retirement	2	0,2
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	**10**	**1**

The table above depicts the reasons for staff leaving that constitutes 1%.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	1
Dismissal	1
TOTAL	**3**

Equity Targets and Employment Equity Status

Status and Progress to Date

The Corporation has faced challenges in meeting some of its Employment Equity targets due to factors beyond its control. These include the province's demographic makeup and difficulties in attracting candidates from certain racial groups.

No coloured females were appointed to technical skills positions as targeted. However, three African females were appointed during the year under review. Unfortunately, no suitable candidates with disabilities responded to the advertisement. In response, the Corporation reached out to organisations working with people with disabilities to assist in accessing this group of potential employees.

Female representation remains low across the Corporation, which is a key concern for employment equity. Despite this, some progress has been made—particularly at the top management level, where gender balance was achieved with two women and two men appointed.

MALE

	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	0	0	0	0
Senior Management	2	0	1	0	0	0	0	0
Professional qualified	9	0	0	0	0	0	0	0
Skilled	65	0	0	0	0	0	0	0
Semi-skilled	12	0	1	0	0	0	0	0
Unskilled	35	0	0	0	0	0	0	0
TOTAL	**125**	**0**	**2**	**0**	**0**	**0**	**0**	**0**

FEMALE

	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	9	0	0	0	0	0	0	0
Skilled	12	2	0	1	0	0	1	0
Semi-skilled	26	0	0	0	0	0	0	0
Unskilled	17	0	1	0	0	0	0	0
TOTAL	**66**	**2**	**1**	**1**	**0**	**0**	**1**	**0**

DISABLED STAFF

	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	0	0	0	1	0	0	0	0
Skilled	0	0	0	1	0	0	0	0
Semi-skilled	1	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**1**	**0**	**1**	**2**	**0**	**0**	**0**	**0**

Part E: PFMA Compliance Report

Irregular, Fruitless and Wasteful Expenditure and Material Losses

Irregular expenditure

a) Reconciliation of irregular expenditure

Name	2023/2024 R'000	2024/2025 R'000
Opening balance	71 298	46 898
Adjustment to opening balance	-320	0
Opening balance as restated	70 978	0
Add: Irregular expenditure confirmed	17 548	3 365
Less: Irregular expenditure condoned	41 628	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	46 898	50 263

Reconciling notes

Name	2023/2024 R'000	2024/2025 R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	17 548	3 365
Total	17 548	3 365

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description [3]	2023/2024 R'000	2024/2025 R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	12 759	16 124
Total	12 759	16 124

c) Details of irregular expenditure condoned

Description	2023/2024 R'000	2024/2025 R'000
Irregular expenditure condoned	41 628	0
Total	41 628	0

[1] Transfer to receivables
[2] Record amounts in the year in which it was incurred
[3] Group similar items

d) Details of irregular expenditure removed - (not condoned)

Description	2023/2024 R'000	2024/2025 R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) Details of irregular expenditure recoverable

Description	2023/2024 R'000	2024/2025 R'000
Irregular expenditure recoverable	0	0
Total	0	0

There was value for money for all irregular expenditure incurred as disclosed.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2023/2024 R'000	2024/2025 R'000
Irregular expenditure written off	0	0
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

The Corporation was not involved in any inter-institutional arrangements during the review period; therefore, this does not apply.

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)[4]

The Corporation was not involved in any inter-institutional arrangements during the review period; therefore, this does not apply.

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
The irregular expenditure relating to repairs and maintenance is still under investigation.

Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024 R'000	2024/2025 R'000
Opening balance	2 754	2 754
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
Closing balance	2 754	2 754

Reconciling notes

Description	2023/2024 R'000	2024/2025 R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	2 597	0
Total	2 597	0

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/2024 R'000	2024/2025 R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	2 754	2 754
Total	2 754	2 754

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024 R'000	2024/2025 R'000
Fruitless and wasteful expenditure recoverable	0	0
Total	0	0

Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023
Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024 R'000	2024/2025 R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
None.

Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))
a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024 R'000	2024/2025 R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

b) Details of other material losses

There were no material losses recorded by the Corporation for the year under review.

c) Other material losses recoverable

This is not applicable as there were no material losses recorded by the Corporation for the year under review.

d) Other material losses not recoverable and written off

This is not applicable as there were no material losses recorded by the Corporation for the year under review.

[8]Group similar items

Late and/or Non-Payment of Suppliers

Nature of losses	Number of invoices	Consolidated Value R'000
Valid invoices received	865	R79 457
Invoices paid within 30 days or agreed period	864	R79 457
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	1	R2 509

The long outstanding invoice relates to a dispute between the supplier and the corporation. The supplier billed the corporation for services not received, as the supplier was in breach of contract.

Supply Chain Management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
Reeston depot air compressor repairs	Mprioz PTY Ltd	Deviation	Not Applicable	R38
Private hire inspection services	Tick-tech PTY Ltd	Deviation	Not Applicable	R 1 311
Tyre management services	Eastern Cape Tryes	Deviation	Not Applicable	R 446
Travel and accommodation	For you travel	Deviation	Not Applicable	R158
Training	OS holdings	Deviation	Not Applicable	R 301
Bus 149 repairs	Hino	Deviation	Not Applicable	R13
Data analysis training	Nouvel business solutions	Deviation	Not Applicable	R158
Training of workshop personnel	VW South Africa	Deviation	Not Applicable	R34
Plumbing in the depots	Thowamvu Trading	Deviation	Not Applicable	R79
Procurement of a used diff unit for a bus.	Border Towing	Deviation	Not Applicable	R 28
Procurement of the Vincent office	Sthathu Funding PTY Ltd	Deviation	Not Applicable	R1 423
Total				R 4 091

Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Provision of security services for a period of 36 months	Tyeks Security Services	Expansion	MTC2020/21/03	R14 845	0	R3 756
Total				R14 845	0	R3 756

Part F: Financial Information

Report of the auditor-general to Eastern Cape Provincial Legislature on Eastern Cape Development Corporation

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the financial statements of the Mayibuye Transport Corporation set out on pages 89 to 131, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, 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 Mayibuye Transport Corporation as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of General Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and Division of Revenue Act 24 of 2024 (Dora).

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.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting authority is responsible for assessing the public 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

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 6, forms part of my auditor's report.

Report on the annual performance report

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

11. I selected the following material performance indicators related to Programme 2: 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.

- Percentage adherence to road safety regulatory compliance requirements on operational buses
- Percentage of operated routes against allocated routes

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

13. I performed procedures to test whether:

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

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

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

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.

18. The table that follows provide 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 38 to 46.

Targets achieved: 50%
Budget spent: 66%

Key indicator not achieved	Planned target	Reported achievement
Percentage of operated routes against allocated routes	85%	82%

Report on compliance with legislation

19. 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.

20. 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.

21. 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.

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

Asset Management

23. Significant assets were acquired without approval by the executive authority, in contravention of section 54(2)(d) of the PFMA.

Expenditure management

24. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 32 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by the auditee not adhering to the procurement process outlined in their policy and without an approved deviation and their SCM policy.

Consequence management

25. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

Other information in the annual report

26. The accounting authority is responsible for the other information included in the annual report the audit committee's 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 programme 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 material findings on compliance with legislation included in this report.

32. The entity does not have adequate internal controls in place to review and monitor compliance with all applicable laws and regulations.

Auditor- General

East London
31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Section, regulation or paragraph
Public Finance Management Act No. 1 of 1999	Section 50(3)(b); 51(1)(a)(ii); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 52(b); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(d); 66(5); 67
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1; 31.1.2(c); 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment to National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.2
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1()
Preferential Procurement Regulations, 2022	Paragraph 4.1;4.2,4.3,4.4,5.1,5.2,5.3, 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1;4.2,5.1; 5.3, 5.6; 5.7, 6.1, 6.2; 6.3, 6.6; 6.8; 7.1, 7.2, 7.3, 7.6; 7.8;82;85;9.1;10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Mayibuye Transport Corporation is Schedule 3D Provincial Government Business Enterprise providing subsidised public transport, governed by the Public Finance Management Act 1 of 1999 as amended
Physical address:	Mr. B Makambi Adv. P Mayapi Ms. N Matikinca (Deputy chairperson) Ex-Officio Member: Ms. PN Roboji Mr. X Malamlela (Board Chairperson) Ms. N Abrahams - Ntantiso Ms. N Mnconywa Mr. M Dimaza Ex- Officio Member: Ms. A Mhlambi-Nqikashe Ms. N Ntshanga Ms. S Dyantyi
Registered office	11 Surrey Road Vincent Park East London Eastern Cape 524
Bankers	Standard Bank of South Africa Limited
Auditors	Auditor-General South Africa (Eastern Cape)
Secretary	Baruch Memoirs (Pty) Ltd

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Board Members' Responsibilities and Approval

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

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

Ms. P.N Roboji
Ex-Officio Member:
Chief Executive Officer

Mr. X Malamlela
Board Chairperson

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

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

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

The members have reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Eastern Cape Department of Transport for continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the members are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's financial statements. The financial statements have been examined by the entity's external auditors and their report is presented on page ??.

The financial statements set out on page 89 - 131 which have been prepared on the going concern basis, were approved by the members on 31 May 2025 and were signed on its behalf by:

BOARD MEMBERS' REPORT

The members submit their report for the year ended 31 March 2025.

1. Nature of business

Main business and operations

The entity is engaged in Mayibuye Transport Corporation is schedule 3D Provincial Government Business Enterprise providing subsidised public transport, governed by the Public Finance Management Act 1 of 1999 as amended and operates principally in South Africa.

2. Going concern

We draw attention to the fact that at 31 March 2025, the entity had an accumulated (deficit) of R (130 380 228) and that the entity's total assets exceed its total liabilities by R 117 975 847.

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

The entity continues to have vacancies on key personnel and having acting positions for lengthy period. The entity has made plans to be able to continue to operate, by appointing acting personnel.

The ability of the entity to continue as a going concern is dependent on a number of factors which negatively impact going concern as detailed above. The most significant of these factors is that the entity continue to rely on funding by government into the foreseeable future.

3. Subsequent events

The members are not aware of any matter or circumstance arising since the end of the financial year other than information disclosed in the financial statements except for impairment made on receivables that were signed after 31 March 2025 but before reporting of the financial statements.

4. Members' interest in contracts

During the financial year, no material contracts were entered into with members of the entity who had an interest and which significantly affected the business of the financial year.

5. Accounting policies

The financial statements have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP), issued by the Accounting Standards Board,as the prescribed framework by National Treasury.

6. Share capital / contributed capital

There were no changes in the authorised or issued share capital of the entity during the year under review.

Members

Name	Nationality	Changes
Mr. B Makambi	South African	
Adv. P Mayapi	South African	
Ms. N Matikinca (Deputy chairperson)	South African	Resigned Tuesday, 31 December 2024
Ms. R Daaminds	South African	Resigned Tuesday, 31 December 2024
Ms. B Nodada-Ndlangisa	South African	Resigned Tuesday, 31 December 2024
Adv. J Korkie	South African	

Members

Name	Nationality	Changes
Ex-Officio Member:		
Ms. PN Roboji	South African	
Mr. X Malamlela (Board Chairperson)	South African	Appointed Monday, 03 February 2025
Ms. N Abrahams - Ntantiso	South African	Appointed Monday, 03 February 2025
Ms. N Mnconywa	South African	Appointed Monday, 03 February 2025
Mr. M Dimaza	South African	Appointed Monday, 03 February 2025
Ex- Officio Member:		
Ms. A Mhlambi-Nqikashe	South African	
Ms. N Ntshanga	South African	Appointed Monday, 03 February 2025
Ms. S Dyantyi	South African	

8. Secretary

The secretary of the entity is Baruch Memoirs (Pty) Ltd of:

Business address	Baruch Memoirs (Pty) Ltd 3 Gonubie Glen 2 Dikkop Avenue Gonubie, East London 5247
Postal address	11 Surrey Road Vincent Park East London 5247

9. Auditors

Auditor General of South Africa will continue in office for the next financial period.

The financial statements set out on page 89 - 131, which have been prepared on the going concern basis, were approved by the members on 31 May 2025 and were signed on its behalf by:

Ms. PN Roboji
Ex-Officio Member:
Chief Executive Officer

Mr X Malamlela
Board Chairperson

Statement of Financial Position as at 31 March 2025

	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	7	4 191 505	1 776 237
Receivables from exchange transactions	5	125 848	1 002 402
Receivables from non-exchange transactions	6	707 076	923 839
Cash and cash equivalents	4	38 462 879	22 441 675
		43 487 308	**26 144 153**
Non-Current Assets			
Property, plant and equipment	8	89 338 099	89 998 430
Intangible assets	9	1 665 734	1 665 734
		91 003 833	**91 664 164**
Total Assets		**134 491 141**	**117 808 317**
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	15 044 383	17 885 747
Payables from non-exchange transactions	11	565 490	565 490
Unspent conditional grants and receipts	34	905 421	905 421
		16 515 294	**19 356 658**
Total Liabilities		**16 515 294**	**19 356 658**
Net Assets		**117 975 847**	**98 451 659**
Share capital / contributed capital	12	248 356 075	248 356 075
Accumulated surplus /(Deficit)		(130 380 228)	(149 904 416)
Total Net Assets		**117 975 847**	**98 451 659**

Statement of Financial Performance

	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Private hire	16	1 622 407	2 392 997
Passenger fare	16	20 765 587	19 987 418
Other income	14	173 954	362 199
Interest received - investment	13	2 192 905	1 655 116
Total revenue from exchange transactions		24 754 853	24 397 730
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	15	164 333 724	155 556 328
Total revenue	16	189 088 577	179 954 058
Expenditure			
Employee costs	17	(79 748 636)	(78 454 488)
Operating expenses	18	(39 509 119)	(41 198 836)
Depreciation and amortisation	8	(11 534 565)	(11 758 637)
Lease rentals on operating lease	19	(1 692 250)	(1 248 270)
Bad debt written off & impaired	6	(469 746)	(3 265 702)
Administrative expenses	20	(33 606 016)	(33 484 211)
Total expenditure		(166 560 332)	(169 410 144)
(Loss) gain on disposal of assets and liabilities	21	(3 735 931)	197 796
Gain/(loss) on disposed/lost assets	21	-	272 821
Other adjusting asset movements - Gain/(loss)	8	731 870	(399 262)
		(3 004 061)	71 355
Surplus for the year		19 524 184	10 615 269

Mayibuye Transport Corporation
Financial Statements for the year ended 31 March 2025

Statement of Changes in Net Assets

	Share capital / contributed capital	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2023			
Changes in net assets	248 356 075	(160 519 685)	87 836 390
(Deficit)Surplus for the year	-	10 615 269	10 615 269
Total changes	-	10 615 269	10 615 269
Opening balance as previously reported	248 356 075	(149 508 456)	98 847 619
Adjustments/Reconciliation			
Correction of errors 33	-	(395 956)	(395 956)
Restated* Balance at 01 April 2024 as restated*	248 356 075	(149 904 412)	98 451 663
Changes in net assets (Deficit)/Surplus for the year	-	19 524 184	19 524 184
Total changes	-	19 524 184	19 524 184
Balance at 31 March 2025	248 356 075	(130 380 228)	117 975 847
Note(s)	12		

* See Note 33

Cash Flow Statement

	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		23 327 062	24 176 002
Grants		164 333 724	155 378 000
Interest income		2 345 933	1 502 088
Other receipts		173 954	362 199
		190 180 673	181 418 289
Payments			
Employee costs		(81 002 200)	(78 454 488)
Suppliers		(79 278 978)	(78 375 436)
		(160 281 178)	(156 829 924)
Net cash flows from operating activities	22	29 899 495	24 588 365
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(13 878 291)	(17 264 773)
Proceeds from sale of property, plant and equipment	8	-	932 938
Net cash flows of discontinued operations		-	1 979 001
Net cash flows from investing activities		(13 878 291)	(14 352 834)
Net increase/(decrease) in cash and cash equivalents		16 021 204	10 235 531
Cash and cash equivalents at the beginning of the year		22 441 675	12 206 144
Cash and cash equivalents at the end of the year	4	38 462 879	22 441 675

The accounting policies on pages 13 to 28 and the notes on pages 29 to 52 form an integral part of the financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	-	-	-	-	-	
Private Hire	1 866 814	-	1 866 814	1 622 407	(244 407)	
Passenger Fare	28 995 582	(8 400 000)	20 595 582	20 765 587	170 005	
Total revenue from exchange transactions	30 862 396	(8 400 000)	22 462 396	22 387 994	(74 402)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	163 567 000	-	163 567 000	163 567 000	-	
Total revenue	194 429 396	(8 400 000)	186 029 396	185 954 994	(74 402)	
Expenditure						
Personnel	(84 570 397)	1 433 000	(83 137 397)	(79 748 636)	3 388 761	note 35
Operating expenses	(40 944 633)	1 769 000	(39 175 633)	(39 509 119)	(333 486)	
Lease rentals on operating lease	(1 259 505)	-	(1 259 505)	(1 692 250)	(432 745)	
Administrative expenses	(36 396 861)	1 067 000	(35 329 861)	(33 606 016)	1 723 845	Note 35
Total expenditure	(163 171 396)	4 269 000	(158 902 396)	(154 556 021)	4 346 375	
Surplus before taxation	31 258 000	(4 131 000)	27 127 000	31 398 973	4 271 973	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	31 258 000	(4 131 000)	27 127 000	31 398 973	4 271 973	
Reconciliation						
Basis difference						
Teta Grant Received				766 724		
Other income				173 954		
Interest received				2 192 905		
Depreciation & Amortisation				(11 534 561)		
Debt impairment				(469 746)		
(Loss)/gain on disposal of assets				(3 735 931)		
Other adjusting asset movements				731 870		
Actual Amount in the Statement of Financial Performance				19 524 188		

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Non-Current Assets						
Property, plant and equipment	31 027 247	(2 091 000)	28 936 247	10 013 883	(18 922 364)	note 35
Total Assets	31 027 247	(2 091 000)	28 936 247	10 013 883	(18 922 364)	
Net Assets	31 027 247	(2 091 000)	28 936 247	10 013 883	(18 922 364)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus /(Deficit)	-	(2 091 000)	(2 091 000)	-	2 091 000	note 36

Significant Accounting Policies

	2025	2024

1. Presentation of Financial Statements

The 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 (Act 1 of 1999).

These 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.

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

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

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of 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.

In determining the said materiality and significance value as 1% - 2 % on gross revenue, total assets, The MTC also took cognisance of the following factors:

1. Nature of the MTC
2. Statutory requirements laid down on the MTC.
3. The control and inherent risk of the MTC.

The MTC receives its funding from the Department of Transport and is listed in the Public Finance Management Act (PFMA) as a Schedule 3D Public Entity. The MTC accordingly decided to give preference to a lower level of materiality and significance (i.e. closer to the lower level of the acceptable percentage range) due to it being so closely governed by various acts and public accountability responsibility it has to stakeholders.
In assessing the control risk of the MTC, and concluding that a materiality and significance level of 1%- 2% of total revenue, total assets should be used

1.4 Significant judgements and sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entities's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed.

The key assumptions, estimates and judgements concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year are discussed below.

The residual values and estimated useful lives of property, plant and equipment were assessed and found to be reasonable. Residual values of property, plant and equipment are determined with reference to market related prices of property, plant and equipment in a similar conditions.

1.4 Significant judgements and sources of estimation uncertainty

Impairment testing

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. 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 of tangible assets are inherently uncertain and could materially change over time.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

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 10 - of the financial statements.

Contingent liabilities/Assets

Contingencies recognised in the current year required estimates and judgements, refer to note 26 of the financial statements.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures and impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

1.5 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.

1.5 Property, plant and equipment (continued)

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

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Property, plant and equipment excluding Land are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Land is not depreciated as it is deemed to have an indefinite useful life.

Property, plant and equipment excluding Land is carried at cost less accumulated depreciation and any impairment losses. The Land is only carried at cost.

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

Item	Depreciation method	Average useful life
Buildings	Straight-line	5 to 25
Plant and machinery	Straight-line	Useful life of buses- Body; Buses Chasis; Engine etc.
Furniture and fixtures	Straight-line	3 to 8
Motor vehicles	Straight-line	3 to 10
Office equipment	Straight-line	3 to 12
Furniture and Fixtures	Straight-line	3 to 12
Computer software	Straight-line	5 to 25
Buses - Body	Straight-line	7 to 15
Community	Straight-line	5 to 30
Other property, plant and equipment	Straight-line	5 to 10
Lease equipment	Straight-line	3 to 8
Buses - Chasis, Engine etc	Straight-line	7 to 15

The depreciable amount of an asset is allocated on a systematic 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.

Significant Accounting Policies

	2025	2024

1.5 Property, plant and equipment (continued)

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.

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

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

1.6 Intangible assets

An asset is identifiable if it either:
- 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.

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

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.

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	Indefinite

1.7 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.

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

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

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

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

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1.7 Financial instruments (continued)

There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

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

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

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

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

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

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

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

Classification

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

Class	Category
Other financial assets	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

1.7 Tax

Tax expenses

No provision has been made for taxation as the corporation is a tax exempt institution in terms of section 10(1)(a) of the Income Tax Act No. 58 of 1962.

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1.8 Leases

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

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

Operating leases - lessee

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

1.9 Inventories

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

Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.10 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventory gains/losses might arise as a result of fluctuations in the unit prices of the inventory costs. When they arise they will be recognised as either income/expense in the Statement of Financial Performance.

1.11 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

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1.12 Non-current assets held for sale

Cash generating assets - are assets managed with the objective of generating a commercial return.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale measured at the lower of their carrying amount and fair value less costs to sell. A non-current asset is not depreciated while it is classified as held for sale.

1.13 Impairment of 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 used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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

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

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

1.13 Impairment of cash-generating assets (continued)

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

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

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

[Specify judgements made]

1.14 Share capital / contributed capital

Share Capital is a contribution by the executive authority of capital. This is authorised for issue in the Government gazette.

1.15 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 as a result 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.

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1.15 Employee benefits (continued)

Classification of plans

A binding arrangement is an arrangement that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract. It includes rights from contracts or other legal rights.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

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.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Multi-employer plans are defined contribution plans (other than state plans) or defined benefit plans (other than state plans) that: (a) pool the assets contributed by various entities that are not under common control; and (b) use those assets

to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.

State plans are plans established by legislation that operate as if they are multiemployer plans for all entities in economic categories laid down in legislation.

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity 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.

(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and

(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

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

Post-employment benefits: Distinction between defined contribution plans and defined benefit plans

Post-employment benefits: Defined contribution plans

Recognition and measurement

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:

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1.15 Employee benefits (continued)

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the 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

(b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are be discounted using the discount rate as specified.

Post-employment benefits: Defined benefit plans

Termination benefits

Recognition

The entity recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of GRAP 19 and involves the payment of termination benefits.

Measurement

The entity measures termination benefits on initial recognition, and measures and recognise subsequent changes, in accordance with the nature of the employee benefit, provided that if the termination benefits are an enhancement to post-employment benefits, the entity applies the requirements for post-employment benefits. Otherwise:

(a) If the termination benefits are expected to be settled wholly before twelve months after the end of the reporting period in which the termination benefit is recognised, the entity applies the requirements for short-term employee benefits.

(b) If the termination benefits are not expected to be settled wholly before twelve months after the end of the reporting period, the entity applies the requirements for other long-term employee benefits.

1.16 Provisions and contingencies

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

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

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 of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the 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 (deficit).

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

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1.17 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:

- Contracts should be non-cancelable or only cancelable 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.

The Corporation also disclose approved but not yet contracted commitments that are non-cancelable, this is where institution has committed itself into a transaction through constructive obligation as defined and contracts under RT.

1.18 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.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non- contractual) arrangement (see the accounting policy on Statutory Receivables).

Rendering of 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.

Interest, royalties and dividends

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.

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1.18 Revenue from exchange transactions (continued)

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate

method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.19 Revenue from non-exchange transactions

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

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

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

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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

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1.19 Revenue from non-exchange transactions (continued)

Recognition

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

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

Measurement

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

When, as a result 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, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.19 Turnover

1.21 Government grants

Government grants are recognised as revenue when:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- to the extent that there has been compliance with any restrictions and conditions associated with the grant

1.22 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Comparative figures

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

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).

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1.26 Irregular expenditure

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register.

In such an instance, no further action is also required with the exception of updating the note to the financial statements.

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

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded

appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law.

Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements.

The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.27 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisation's (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 is prepared on a cash basis and presented by functional classification linked to performance outcome objectives.

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 financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the financial statements. Refer to 35

1.28 Related parties

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

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

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

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.

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1.28 Related parties (continued)

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

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

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 financial statements.

1.29 Events after reporting date

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

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

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

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

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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 104 (amended): Financial Instruments	01 April 2025	• Impact is currently being Assessed

2.2 Standards and interpretations not relevant

GRAP 18 - Segment definition

A segment is an activity of an entity :

(a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);

(b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

(c) for which separate financial information is available. Terms defined in other Standards of GRAP are used in this Standard with the same meaning as in those other Standards.

The mandate of the Corporation is to provide public transport service. This is the only activity that the Corporation is pushing towards. In providing this service it has administration offices that support the mandate, Finance to ensure the money's collected are banked, Human Resource to ensure the employment of drivers and support staff and the Office for Oversight for reporting since this is a Public Entity reporting to the Department of Transport and Treasury.

These support units as explained cannot be separated as activities within Corporation as the activity is one of providing public transport services.

The four (4) Depots that Corporation owns are just areas to keep buses closer to their servicing routes, these are not allocated their revenue or expenditure to operate but Revenue is all centralised.

There is no performance information that is monitored that is separate from the main mandate of the Corporation.

There are no separate financial results that are regularly reviewed. There is no distinction between the financial statements of the Corporation and revenue from buses. Therefore, this requirement is also not met.

3. Risk management Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors.

Market risk

3. Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Price risk

The entity has no equity investments which are publicly traded and therefore is not exposed to price risk.

Significant Accounting Policies

	Note(s)	2025	2024

4. Cash and cash equivalents

Cash and cash equivalents consist of:			
Bank balances		38 462 879	22 441 675

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 March 2025	31 March 2024		31 March 2025	31 March 2024	Difference 2025
FNB - Ewallet Cash	-	190	-	-	190	-
Standard Bank KWT - Current account	2 679 866	3 762 221	-	2 817 236	3 820 236	137 370
Standard Bank - Call accoun	35 621 247	18 621 248	-	35 621 247	18 621 248	-
Petty cash	24 396	-	-	24 396	-	-
Total	**38 325 509**	**22 383 659**	**-**	**38 462 879**	**22 441 674**	**137 370**

The difference of R137 370 in 2024/25 and R58 015 for 2023/24 is due to deposits not yet presented at the bank.

5. Receivables from exchange transactions

Trade debtors	549 987	1 004 182
Staff Study Loans	45 607	45 606
Provision for impairment	(469 746)	(47 386)
	125 848	1 002 402

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(47 386)	(1 711 370)
Provision for impairment	(469 746)	(47 386)
Amounts written off as uncollectible	47 386	1 711 370
	(469 746)	(47 386)

Debtors to the amount of R47 386 were written off as irrecoverable at year end.

The debtors in this category were assessed for impairment and the disclosed amount was assessed as recoverable excluding debtors under 180 days or more of R469 746 which were impaired.

Debtors Aging	180 days or More	90 days or More	30 days or more	Current	Total
Receivables from Exchange Transactions	479 000	-	-	116 594	595 594
Provision for impairment	(469 746)	-	-	-	(469 746)
	9 254	-	-	116 594	125 848

6. Receivables from non-exchange transactions

Sundry debtors	194 960	320 728
Other debtors	345 697	240 509
Prepayments	166 419	362 602
	707 076	923 839

Reconciliation of provision for impairment of receivables from non-exchange transactions

Significant Accounting Policies

	Note(s)	2025	2024

6. Receivables from non-exchange transactions (continued)

Opening balance od debt previously written off	-	1 506 946
Amounts written off as uncollectible	-	(1 506 946)
	-	-

Debtors Aging	180 days or More	90 days or More	30 days or More	Current	Total
Receivables from Non - Exchange Transactions	501 687	22 045	-	183 344	707 076

7. Inventories

Inventories	4 191 505	1 776 237

Inventory adjustments recognised by the Corporation

Inventory loss adjustment	282 240	502 664

Inventory movement reconciliation

Opening balance of year	1 776 237	2 144 086
Additions	15 503 041	5 323 113
Consumption	(12 805 533)	(5 188 298)
Inventory loss adjustment	(282 240)	(502 664)
	4 191 505	1 776 237

Breakdown of the Inventory balance at year end	2025	2024
Diesel	962 162	-
Tyres	914 758	368 509
Consumables (Spares, stationery)	2 235 345	1 211 260
Lubricants	79 240	196 468
	4 191 505	1 776 237

In the current year the Corporation started keeping the diesel in the depots.

Significant Accounting Policies

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
Land	3 877 745	-	3 877 745	3 877 745	-	3 877 745
Buildings	33 368 374	(17 584 228)	15 784 146	29 780 029	(16 438 191)	13 341 838
WIP - Revenue system	790 510	-	790 510	-	-	-
Workshop Equipment	2 317 604	(264 212)	2 053 392	2 119 402	(1 799 409)	319 993
Ancillary vehicles	5 195 430	(1 781 384)	3 414 046	2 397 336	(1 440 083)	957 253
Office equipment	6 444 233	(3 622 206)	2 822 027	6 883 490	(4 544 958)	2 338 532
Office Furniture	1 713 303	(1 141 208)	572 095	2 396 231	(1 895 499)	500 732
Property fencing	1 833 929	(1 038 985)	794 944	1 507 469	(1 023 455)	484 014
Buses	118 841 019	(62 799 729)	56 041 290	122 577 704	(55 550 415)	67 027 289
Internal Roads	1 577 575	(1 577 574)	1	1 577 575	(1 577 574)	1
Operating equipment	3 654 246	(466 343)	3 187 903	11 687 570	(10 536 537)	1 151 033
Total	**179 613 968**	**(90 275 869)**	**89 338 099**	**184 804 551**	**(94 806 121)**	**89 998 430**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Land	3 877 745	-	-	-	-	3 877 745
Buildings	13 341 838	3 588 344	-	-	(1 146 036)	15 784 146
WIP - Property Improvements	-	790 510	-	-	-	790 510
Workshop equipment	319 993	1 959 527	(175)	-	(225 953)	2 053 392
Ancillary vehicles	957 253	2 798 094	-	-	(341 301)	3 414 046
Office equipment	2 338 532	1 114 415	(81 678)	(4 657)	(544 585)	2 822 027
Office furniture	500 732	250 317	(9 048)	1	(169 907)	572 095
Property fencing	484 014	519 635	(166 571)	-	(42 134)	794 944
Buses	67 027 289	-	(3 216 899)	736 526	(8 505 626)	56 041 290

Mayibuye Transport Corporation

Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

8. Property, plant and equipment (continued)

Internal roads	1	-	-	-	-	1
Operating equipment	1 151 033	2 857 449	(261 560)	-	(559 019)	3 187 903
	89 998 430	**13 878 291**	**(3 735 931)**	**731 870**	**(11 534 561)**	**89 338 099**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Land	3 877 745	-	-	-	-	3 877 745
Buildings	14 372 035	11 015	-	-	(1 041 212)	13 341 838
Workshop Equipment	340 989	74 706	-	-	(95 702)	319 993
Ancillary vehicles	1 061 874	-	-	-	(104 621)	957 253
Office equipment	2 173 323	754 047	(25 530)	(86 663)	(476 645)	2 338 532
Office furniture	510 803	167 575	-	(29 030)	(148 616)	500 732
Property fencing	328 576	191 966	-	-	(36 528)	484 014
Buses	61 595 176	15 953 989	(709 612)	(297 073)	(9 515 191)	67 027 289
Internal roads	1	-	-	-	-	1
Operating equipment	1 366 177	111 475	-	13 504	(340 123)	1 151 033
	85 626 699	**17 264 773**	**(735 142)**	**(399 262)**	**(11 758 638)**	**89 998 430**

Other information

Expenditure incurred to repair and maintain property, plant and equipment

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

Repairs & maintenance	9 416 257	4 595 006

A fixed asset register containing the detail of information as disclosed in note 8 above is available for inspection within the entity.

Plant and Equipment has been assessed for impairment in the current financial year, different categories of assets have been assessed for impairment, the assessment confirmed no impairment.
Internal Road of the institution are currently are sitting at carrying amount of R1 and there is no economic value that can be attached to these assets due to their current condition.

Significant Accounting Policies

	Note(s)	2025	2024

9. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 665 734	-	1 665 734	1 665 734	-	1 665 734

Reconciliation of intangible assets - 2025

	Opening balance	Total
Computer software, other	1 665 734	1 665 734

Reconciliation of intangible assets – 2024

	Opening balance	Total
Computer software, other	1 665 734	1 665 734

Other information

Intangible assets have been determined to have indefinite useful lives as the software programmes are utilized until such time as a decision is taken to replace the system. Annual licence fees are paid to keep the programmes updated.
Intangible assets will be fully impaired when a decision is taken to no longer use the system, a new system is implemented and the old system is no longer used.

10. Payables from exchange transactions

	2025	2024
Trade payables	5 196 035	5 722 621
Payments received in advanced - contract in process	420 447	425 899
Accrued leave pay	5 395 538	5 417 282

Significant Accounting Policies

	Note(s)	2025	2024

10. Payables from exchange transactions (continued)

	2025	2024
Accrued bonus	1 751 628	1 628 679
Accrued workmens compensation	1 222 964	1 368 598
Provision for Future Expenses	1 932	1 531 689
Other accrued expenses	1 055 839	1 790 979
	15 044 383	**17 885 747**

Accruals as presented relates to all third party payments e.g.(Provident Fund, UIF etc.) accrued but not yet paid as at year end and those suppliers for services rendered at year end but not yet paid.

11. Payables from non-exchange transactions

	2025	2024
Deposits by Indwe Risk Services	565 490	565 490

The deposit received of R565,490 is still under investigations of what they are relating as at year end.

12. Share capital / contributed capital

	2025	2024
Authorised		
Ordinary shares of R1	250 000 000	250 000 000
Issued		
Ordinary	248 356 075	248 356 075

100% of the shares are held by the Eastern Cape Department of Transport and the corporation has one class of ordinary shares which carry no right to the Provincial Administration. The corporation has one class of ordinary shares which carry no right to fixed income. The authorised share capital was not increased during the current financial year.

13. Investment revenue

	2025	2024
Interest revenue		
Bank	2 192 905	1 655 116

Significant Accounting Policies

	Note(s)	2025	2024

14. Other income

Sundry income	152 954	303 699
Advertising	21 000	58 500
	173 954	362 199

15. Government grants and subsidies

Operating grants		
Grant in Aid	163 567 000	155 556 328
Teta grant	766 724	-
	164 333 724	155 556 328

Conditional and Unconditional grant

Included in above are the following grants and subsidies received:

The Corporation get it's grant for the operations from its parent Eastern Cape Department of Transport (DOT).

DOT is the sole shareholder of the Corporation and the Corporation acts as the service delivery arm of the Department. The Department provides the grant-in-aid and the Corporation report on its activities.

During the year DOT provided the Corporation with Grant in aid for the operations and a Grant that had a specific condition.

The Corporation only get the grant on reimbursement of monies incurred for the training of the employees and internship program this is as per contract signed by the Corporation with TETA.

Conditional amounts not yet spent in full by the Corporation for the current year and allocated, amounts to **R905 421** for 2024/25 financial year which is the same as the previous year, as there has been no movement in conditional grants.

Conditional grants opening balance	905 421	1 083 749
Unconditional grants received	163 567 000	150 378 000
Conditional grants received	-	5 000 000
Unspent Conditional grant	(905 421)	(905 421)
	163 567 000	155 556 328

Description	Grant received in previous years	Grant Utilised in previous years	Grant received 2025	Grant Utilised 2025	Total
Covid 19	4 474 300	(3 568 879)	-	-	905 421

Significant Accounting Policies

	2025	2024

15. Government grants and subsidies (continued)

Grant reconciliation		
Balance unspent at beginning of year	905 421	1 083 749
Conditions met - transferred to revenue	-	(178 328)
	905 421	905 421

Conditions still to be met - remain liabilities (see note 34).

16. Revenue

Private hire	1 622 407	2 392 997
Passenger fare	20 765 587	19 987 418
Other income	173 954	362 199
Interest received - investment	2 192 905	1 655 116
Government grants & subsidies	164 333 724	155 556 328
	189 088 577	179 954 058

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

Private hire	1 622 407	2 392 997
Passenger fare	20 765 587	19 987 418
Other income	173 954	362 199
Interest received - investment	2 192 905	1 655 116
	24 754 853	24 397 730

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

Transfer revenue		
Government grants & subsidies	164 333 724	155 556 328

17. Employee related costs

Basic	58 697 951	57 416 128
Medical aid - company contributions	4 982 621	4 915 519
UIF	388 494	395 188
Workman's Compensation	1 222 964	1 338 875
SDL	652 682	630 913
Leave pay provision charge	400 672	1 196 714
Defined contribution plans	7 688 270	7 367 658
Overtime payments	1 591 899	1 356 128
13th Cheque	3 324 629	3 101 857
Car allowance	493 500	382 000
Housing benefits and allowances	3 992	3 992
Bargaining council levy	58 028	58 234
Other allowance	242 934	291 282
	79 748 636	78 454 488

Significant Accounting Policies

	2025	2024

18. Operating expenses

	2025	2024
Fuel	16 107 958	22 133 091
Tyres	2 923 956	3 942 936
Licences and permits	2 210 302	2 110 106
Fines and penalities	1 170	520
Repairs and maintenance	9 420 282	4 595 006
Consumables (lubricants and grease)	1 527 887	609 244
Motor vehicle expenses	202 111	133 454
Inventory loss adjustment	282 240	502 664
Other operating expenses	2 128 649	2 805 649
Fleet management	104 748	302 298
Insurance	4 599 816	4 063 868
	39 509 119	41 198 836

19. Lease rentals on operating lease

	2025	2024
Premises and Copiers		
Contractual amounts	1 692 250	1 248 270

Operating lease payments represent rentals payable by the entity for certain of its office properties and copiers. Leases have specified periods as per their contracts.

Premises Rental

The Corporation renewed the lease contract on 1 March 2025 to 28 February 2026.

Copiers rental

In the financial year under review the Corporation entered into a three year contract.

Mayibuye Transport Corporation
Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

20. Administrative expenses

	2025	2024
Auditors remuneration	3 649 602	4 504 029
Computer expenses	207 439	58 227
Consulting and professional fees	1 963 526	2 843 434
Recruitment costs	234 941	270 899
Printing and stationery	241 002	173 795
Security expenses	7 679 256	6 033 869
Telephone, cellphone and postage	1 902 009	1 202 358
Training cost	1 192 012	283 841
Subsistence, Travel and accommodation	1 871 735	1 500 190
Water and Electricity	2 208 922	2 716 951
Legal expenses	4 108 336	5 939 070
Internal audit	688 108	795 617
Board members fees and expenses	2 150 298	2 259 245
Other expenses	5 508 830	4 902 686
	33 606 016	33 484 211

21. Loss on disposal of assets

	2025	2024
Property, plant and equipment	(3 735 931)	197 796
Gain/Loss of Non Current Assets held for sale	-	272 821
	(3 735 931)	470 617

The loss on disposal is due to two buses that were burnt in Queenstown Depot and scrapped assets.

22. Cash generated from operations

	2025	2024
Surplus	19 524 184	10 615 269
Adjustments for:	11 534 565	11 758 637
Depreciation and amortisation		
Gain on disposal of assets and liabilities	3 735 931	(197 796)
Gain on disposal os Assets Held for Sale	-	(272 821)
Impairment loss	(731 870)	399 262
Bad debt written off & impairment	469 746	3 265 702
Changes in working capital:		
Inventories	(2 415 268)	367 849
Receivables from exchange transactions	876 554	1 457 291
Movement on debtors impaired and written off	(469 746)	(3 265 702)
Other receivables from non-exchange transactions	216 763	1 408 915
Payables from exchange transactions	(2 841 364)	(769 913)
Unspent conditional grants and receipts	-	(178 328)
	29 899 495	24 588 365

Significant Accounting Policies

	2025	2024

23. Auditors' remuneration

	2025	2024
Fees	3 649 602	4 504 029

24. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At cost	Total
Trade and other receivables from exchange transactions	125 848	125 848
Receivables from non-exchange transactions	707 076	707 076
Cash and cash equivalents	38 462 879	38 462 879
	39 295 803	39 295 803

Financial liabilities

	At cost	Total
Trade and other payables from exchange transactions	5 616 483	5 616 483
Payable from on-exchange transactions	565 490	565 490
	6 181 973	6 181 973

Significant Accounting Policies

	2025	2024

24. Financial instruments disclosure (continued) 2024

Financial assets

	At cost	Total
Trade and other receivables from exchange transactions	1 002 402	1 002 402
Receivables from non-exchange transactions	923 839	923 839
Cash and cash equivalents	22 441 675	22 441 675
	24 367 916	24 367 916

Financial liabilities

	At cost	Total
Trade and other payables from exchange transactions	6 245 265	6 245 265
Payable from on-exchange transactions	565 490	565 490
	6 810 755	6 810 755

25. Commitments

Authorised capital expenditure

	2025	2024
Already contracted for but not provided for		
• Property, plant and equipment	28 615 490	6 218 996
Total capital commitments		
Already contracted for but not provided for	28 615 490	6 218 996
Authorised operational expenditure		
Already contracted for but not provided for		
• Operational Commitments	2 098 625	-
Total operational commitments		
Already contracted for but not provided for	2 098 625	-
Total commitments		
Total commitments		
Authorised capital expenditure	28 615 490	6 218 996
Authorised operational expenditure	2 098 625	-
	30 714 115	6 218 996

Commitments relate to purchase of buses that will be delivered in the 2025/26 financial year. Operational commitments are orders for procurement of goods based on the current year budget but receipt will be received after year end.

Significant Accounting Policies

	2025	2024

25. Commitments (continued)

Operating leases - as lessee (expense)

	2025	2024
Minimum lease payments due		
1.28.1 within one year	1 126 283	1 118 665

Operating lease payments represent rentals payable by the entity for certain of its office properties. The Contract starts on 1 March 2025 to 28 Feberuary 2026. There is an option to renue for additional two years.

Rental expenses relating to operating leases	2025	2024
- within one year	218 556	1 248 270
- in second to fifth year inclusive	346 048	-
	564 604	1 248 270

Operating lease payments represent rentals payable by the entity for office copiers. The contract started in November 2024 to 31 October 2027.

26. Contingencies

Contingent liabilities

During the reporting period, there were matters arising due to labour matter pending with CCMA and breach of contract by the Corporation service providers.
Other contingent matters that were raised in the previous years were no longer applicable in the current year under review as cases were either subsequently closed and others had CMMA rulings which confirms for closing of the cases.

2025	Estimated claim	Nature	Referred to	Total contingent liabilities
MTC / Kubapay – Breach of contract	2 700 000	Breach of contract	Mbabane Attorneys	2 700 000
Gazi / MTC –claim of outstanding salary payment	1 000 000	Salary adjustment	Mbabane Attorneys	1 000 000
Mazibuko/MTC -Unfair suspension	579 157			579 157
K. Goci/MTC - Constructive dismisal	500 000			500 000
	4 779 157			4 779 157

2024	Estimated claim	Nature	Referred to	Total contingent liabilities
MTC/Kubapay - Breach of contract	2 700 000	Breach of contract	Mbabane Attorneys	2 700 000
Gazi / MTC – claim of outstanding salary payment	1 000 000	Salary adjustment	Mbabane Attorneys	1 000 000
K. Goci/MTC - Constructive dismisal	500 000	Constructive dismisal	Mbabane Attorneys	500 000
	4 200 000			4 200 000

Significant Accounting Policies

	2025	2024

27. Related parties

Relationships			
Members	Refer to members' report note 7&28		
Members of key management	Refer to note 28		
Related party transactions			
Grant aid received			
Eastern Cape Department of Transport		163 567 000	155 378 000
Eastern Cape Department of Transport			
Private Hire revenue/debtor		160 899	377 196

Eastern Cape Department of Transport - The Department is the sole shareholder of the Corporation and the Corporation acts as the service delivery arm of the Department. The Department provides the grant-in-aid and the Corporation report on its activities.

Board members - Refer to note 28 for details of transactions with board members. The Board is appointed by the Executive Authority and fulfils a governance and oversight role.

Key management personnel - Refer to note 27 for detail of transactions with key personnel. Management is responsible for the day-to-day operations of the Corporation.

Significant Accounting Policies

	2025	2024

27. Related parties (continued)

Remuneration of management Board members

Senior management 2025

Name	Basic salary	Car Allowance	Cash Allowance	Bonus	Reimbursement KM'S and other	Back Pay	Other benefits received	Total
CEO: Ms. PN Roboji	1 941 770	180 000	773 005	-	72 093	109 439	440 687	3 516 994
CFO: A Mhlambi - Nqikashe	1 325 926	-	585 209 114	230	7 873	74 730	239 048	2 347 016
COO: M Jobela	792 139	105 000	163 366 66	634	29 956	12 445	190 772	1 360 312
CSE: L Mazibuko	1 092 331	-	427 905	-	4 133	61 564	261 689	1 847 622
	5 152 166	285 000	1 949 485 180	864	114 055	258 178 1	132 196	9 071 944

2024

Name	Basic salary	Car Allowance	Cash Allowance	Reimbursement KM'S and other	Back Pay	Other benefits received	Total
CEO: Ms. PN Roboji	1 805 311	180 000	702 817	46 288	733 717	417 565	3 885 698
CFO: A Mhlambi - Nqikashe	1 232 744	-	541 448	13 540	83 237	336 453	2 207 422
CSE: L Mazibuko	1 015 566	-	427 906	23 740	66 377	269 161	1 802 750
	4 053 621	180 000	1 672 171	83 568	883 331	1 023 179	7 895 870

Other Benefits received relate to UIF, SDL, Medical aid, Provident fund and other benefits.

Significant Accounting Policies

	2025	2024

27. Related parties (continued)

Mr. Seboni did not act as the Corporation Chief Operations Officer, but acted as Divisional Manager Operations. This therefore should not have been included under Senior Manager remuneration discloure, hence and amount of R388 838 exluded in the comparive disclosure. The amount of R2000 allocated to him for basic salary, car allowance and cash allowance was disclosed in error.

The acting allowance of R2000 for the CFO was disclosed in error and has therefore been corrected.

28. Members' emoluments

Members

2025

	Emoluments	Other benefits*	Total
Adv. P Mayapi	247 000	12 740	259 740
Ms. N Matikinca (Deputy chairperson)	237 500	4 099	241 599
Ms. R Daaminds	150 500	10 166	160 666
Ms. B Nodada-Ndlangisa	9 500	-	9 500
Adv. J Korkie	167 500	1 619	169 119
Mr. M Dondashe	116 000	1 405	117 405
Mr. X Malamlela (Board Chairperson)	80 500	1 006	81 506
Mr. M Dimaza	68 500	7 580	76 080
Ms. N Mnconywa	59 000	752	59 752
Ms. N Abraham-Ntantiso	60 500	8 135	68 635
Ms. N Ntshanga	60 500	1 516	62 016
	1 257 000	49 018	1 306 018

2024

	Emoluments	Other benefits*	Total
Adv. P Mayapi (Board Chairperson)	328 500	13 014	341 514
Ms. N Matikinca (Deputy chairperson)	262 000	8 219	270 219
Ms. R Daaminds	166 500	58 166	224 666
Ms. B Nodada-Ndlangisa	168 500	36 761	205 261
Adv. J Korkie	185 500	8 490	193 990
Mrs. P Nazo-Makatala (Board Chairperson)	56 000	5 324	61 324
Mrs. N Mbokoma	58 500	1 880	60 380
Ms. L Mpepo	58 500	1 051	59 551
Adv. PV Msiwa	19 500	-	19 500
Ms. N Ntshanga	27 000	-	27 000
	1 330 500	132 905	1 463 405

* Other benefits comprise re-imbursive travel allowance and subsistence.

Significant Accounting Policies

	2025	2024

29. Audit committee

Fees for attending the meetings.

2025	Meetings	Travel	Total
Ms N. Mnconywa CA(SA) (Chairperson)	178 000	4 030	182 030
Adv. Mayapi	9 500	-	9 500
Ms. B Nodada-Ndlangisa	7 500	-	7 500
Mr. M Dondashe	17 000	583	17 583
Matikinca N	39 500	-	39 500
Ms. R Daaminds	17 000	-	17 000
Mrs W. Dukuza	66 000	-	66 000
Mr A. Latchu	66 000	-	66 000
Adv. J Korkie	19 000	-	19 000
	419 500	4 613	424 113

2024	Meeting	Travel	Total
Ms N. Mnconywa CA(SA) (Chairperson)	256 500	-	256 500
Mrs. N Mbokoma	18 500	-	18 500
Ms. N Ntshanga	18 000	74	18 074
Mrs W. Dukuza	83 000	-	83 000
Ms. N Matikinca	41 500	154	41 654
Ms. L Mpepo	83 000	-	83 000
Mr A. Latchu	90 500	-	90 500
	591 000	228	591 228

30. Going concern

We draw attention to the fact that at 31 March 2025, the entity had an accumulated (deficit) of R(130 380 228) and that the entity's total assets exceed total liabilities by R117 975 847.

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

The ability of the entity to continue as a going concern is dependent on a number of factors which negatively impact going concern as detailed above. The most significant of these factors is that the entity continue relying on funding by government into the foreseeable future.

Significant Accounting Policies

	2025	2024

31. Events after the reporting date

The board members are not aware of any matters or circumstances arising since the end of the financial year that have not been taken into account in this set of financial statements other than those disclosed in the financial statements in relation impairment of receivables which was signed after 31March but before submission of the financial statements.

32. Irregular, Fruitless and Wasteful Expenditure

	2025	2024
Irregular Expenditure - current year and prior year adjustment	3 365 493	17 547 492

- Irregular expenditure incurred of R3 365 493 for 2024/25 finanacial year was mainly due to extension of contracts beyond provisions of the legislation.

33. Prior-year adjustments

Statement of financial position 2024

	Note	As previously reported	Correction of error	Restated
Property, Plant and Equipment	8	90 394 390	(395 959)	89 998 431

Statement of financial performance 2024

	Note	As previously reported	Correction of error	Restated
Depreciation and amortisation	8	(11 761 941)	3 303	(11 758 638)
Other adjusting asset movements	8	-	(399 262)	(399 262)
Surplus for the year		**(11 761 941)**	**(395 959)**	**(12 157 900)**

The adjustments as presented in the table above resulted from a reconciliation between the asset register and the accounting system resulting to a reduction in assets to the value of R577 961. The adjustment to depreciation is as a result of prior year error in depreciation that has been corrected in the current year.

34. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

	2025	2024
Unspent conditional grants and receipts		
Covid 19 Grant	905 421	905 421
Movement during the year		
Balance at the beginning of the year	905 421	1 083 749
Income recognition during the year	-	(178 328)
	905 421	**905 421**

See note 15 for reconciliation of grants from the Corporation parent Eastern Cape Department of Transport.

Significant Accounting Policies

	2025	2024

35. Budget differences

Material differences between budget and actual amounts

Explanations between budget and actual amounts is for material balances as per the materiality framework of MTC as outlined in the Corporate Plan.

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The financial statements for the Corporation are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The budget comparison will only focus on amounts that cash budget allocation to them..

Changes from the approved budget to the final budget

The only adjustment to the budget relates to the grant to assist the restructuring process. The variances are as explained in the table below.

Component	Variance Amount	Reason for Variance
Employee Cost	3 388 761	There are vacant positions that were not filled during the year owing to the pending restructuring process, amd positions that were not filled due to not attracting suitable skills from the market.
Administrative expenses	1 723 845	The underspending is due to underspending in subsistance and travel allowance, internal audit fees and consulting fees.
Property,plant & Equipment	(18 922 364)	The underspending in capital expenditure is to late delivery of buses that were ordered before year end. These buses will be delivered in the new financial year.
	(13 809 758)	

ABBREVIATIONS

AFC	Automated Fare Collection System
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AOP	Annual Operational Plan
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
CCSSO	Chief Corporate Service Support Officer
CRRIS	Cost Reduction and Revenue Increase Strategies
CSI	Corporate Social Investment
CTPA	Corporations Transitional Provisions Act 12 of 1995
ECDoT	Eastern Cape Department of Transport
FAS	Financial Accrual System
GRAP	Generally Recognised Accounting Practices
HDI	Historically Disadvantaged Individuals
HRD	Human Resource Development
HRM	Human Resource Management
IA	Internal Audit
IAS	International Accounting Standard
IaaS	Infrastructure-as-a-Service
ICT	Information Communication Technology
IT	Information Technology
MEC	Member of Executive Council
MTC	Mayibuye Transport Corporation
MTEF	Medium Term Expenditure Framework
MTTR	Mean Time to Recovery
NDP	National Development Plan
NLTA	National Land Transport Act 5 of 2009
OHSA	Occupational Health and Safety Act (No.85 of 1993)
PFMA	Public Finance Management Act, Act 1 of 1999
PAA	Public Audit Act of South Africa 2004 (Act No. 25 of 2004)
PGDP	Provincial Growth and Development Plan
PrDP	Professional Driving Permit
SANS	South African National Standards
SCOPA	Standing Committee on Public Accounts
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
TETA	Transport Education Training Authority
TR	Treasury Regulations
TVET	Technical and Vocational Education and Training
SCM	Supply Chain Management
WSP	Workplace Skills Plan

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