



VOTE 2



FREE STATE LEGISLATURE

ANNUAL REPORT 2024/25



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WELCOME



TABLE OF CONTENTS

	Contents	PAGE
	PART A: GENERAL INFORMATION	06
	Foreword by the Speaker	07
1	Annual Report Submission by the Secretary to the Legislature	08
2	Legislature's General Information	10
3	List of Abbreviations/acronyms	11
4	Report of the Accounting Officer	13
4.1	Overview of the operations of the Legislature	13
4.2	Overview of the financial results of the Legislature	13
4.2.1	Programme expenditure	14
4.2.2	Virements/Roll overs	14
4.2.3	Discontinued activities	14
4.2.4	New or proposed activities	14
4.2.5	Supply Chain Management	14
4.2.6	Gifts and donations in kind from non-related parties	15
4.2.7	Exemptions and deviations received from National Treasury	15
4.2.8	Events after the reporting date	15
4.2.9	Others	15
4.3	Statement of responsibility and confirmation of accuracy of the Annual Report	16
4.4	Strategic overview	17
4.5	Legislative and other mandates	18
4.6	Organisational structure	20
4.7	Political landscape of the Free State Legislature	20
4.8	Determination of Whips of Political Parties	21
4.9	Official Opposition	21
4.10	Remuneration of Elected Officials	21
4.11	Members of the Provincial Legislature	22
4.12	Premier and Members of the Executive Council	23
4.13	Permanent Delegates to the National Council of Provinces (NCOP)	23

TABLE OF CONTENTS CONTINUED

		Contents	PAGE
		PART B: PERFORMANCE INFORMATION	24
5		Voted Funds	25
	5.1	Aim of Vote	25
	5.2	Service delivery environment	26
	5.3	Organisational environment	26
	5.4	Key policy developments and legislation changes	27
	5.5	Strategic outcome oriented goals	27
		Performance information by programme	27
	5.7	Strategic objectives, performance indicators, planned targets and actual achievements	28
		Programme 1: Institutional Leadership	29
		Programme 2: Core Business	42
		Programme 3: International Relations	47
		Programme 4: Members and Political Party Support	48
		Statutory - Direct Charge - Members Remuneration	50
		PART C: GOVERNANCE	
6		Governance	51
	6	Report of the Audit Committee	52
	6.1	Audit Committee Members and Attendance	52
	6.2	Audit Committee Responsibility	52
	6.3	The effectiveness of internal controls	52
	6.4	In-year management and monthly/quarterly reports	53
	6.5	Evaluation of financial statements	53
	6.6	Auditor General Report	53
	6.7	Appreciation	54

Table of Contents

		PAGE
PART D: HUMAN RESOURCES		
	Human Resources	55
7.1	Introduction	56
7.2	Human Resources oversight statistics	56
7.3	Personnel related expenditure	56
7.4	Employment and vacancies	58
7.5	Filling of senior management posts	59
7.6	Job evaluation	60
7.7	Employment changes	63
7.8	Employment equity	64
7.9	Signing of performance agreements by SMS members	70
7.10	Leave utilization	71
7.11	HIV/AIDS & health programmes	73
7.12	Labour relations	77
7.13	Skills development	78
7.14	Utilization of consultants	84
7.15	Injury on Duty	85
PART E: FINANCIAL INFORMATION		
8	Report of the Auditor General	90
	Statement of Financial Position	99
	Statement of Financial Performance	100
	Statement of Change in Net Assets	101
	Cash Flow Statement	102
	Statement of Comparison of Budget and Actual Amounts	103
	Accounting Policies	105
	Notes to the Annual Financial Statements	131

PART A

GENERAL INFORMATION



Foreword by The Speaker of the Legislature

On behalf of the Presiding Officers, I am honored to present the Annual Report of the Free State Legislature to the people of the Free State. The Annual Report of the Free State Legislature for the 2024/2025 financial year provides for an overview of the Legislature's implementation of its core constitutional obligations as well as outcomes reported in the annual performance and financial statements chapters. The constitutional obligations form the basis of the Legislature's strategic focus, namely an informed citizenry that participates meaningfully in the programmes of the Legislature and the enhanced accountability of the executive arm of the provincial government.



The reported period also earmarks the first year of the Seventh Legislative Term, it is thus important that we focus on our performance, not only for the year under review, but holistically, to ensure that we draw lessons from the past and ensure that a new path for the Legislature of the future is consolidated with sustainable goals and objectives.

We do so with the understanding of the important responsibilities the Legislature is vested with; strengthening good governance and fiduciary compliance, discharging of mandates by leadership and management within the ambit of the law and in line with good governance practices, processes and policies. Good governance is the cornerstone of our institution as it ensures transparency and accountability. The outcome of a third consecutive clean audit can be viewed as a collective effort by both political, administration's dedication as well as our governance structures.

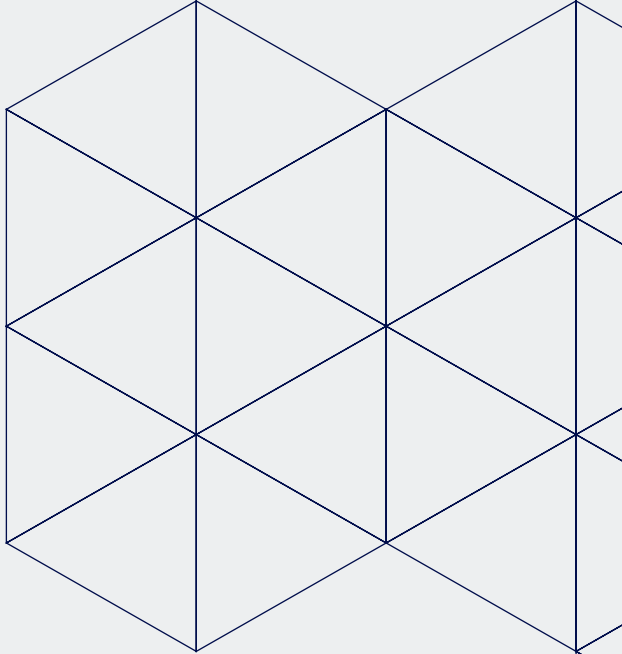
Good governance is the cornerstone of our institution as it ensures transparency and accountability

Future planning for the remainder of the Seventh term and beyond is to build a credible Legislature which should be respected by the Executive, strengthening oversight by increasing capacity in monitoring, evaluation, internal control measures and expanding on our citizen service to the people of the Free State Province.

We, as Presiding Officers would like to express our profound appreciation to Members of the Legislature, the Secretary to the Legislature and his management team and all employees of the Legislature for their support during the year under review.

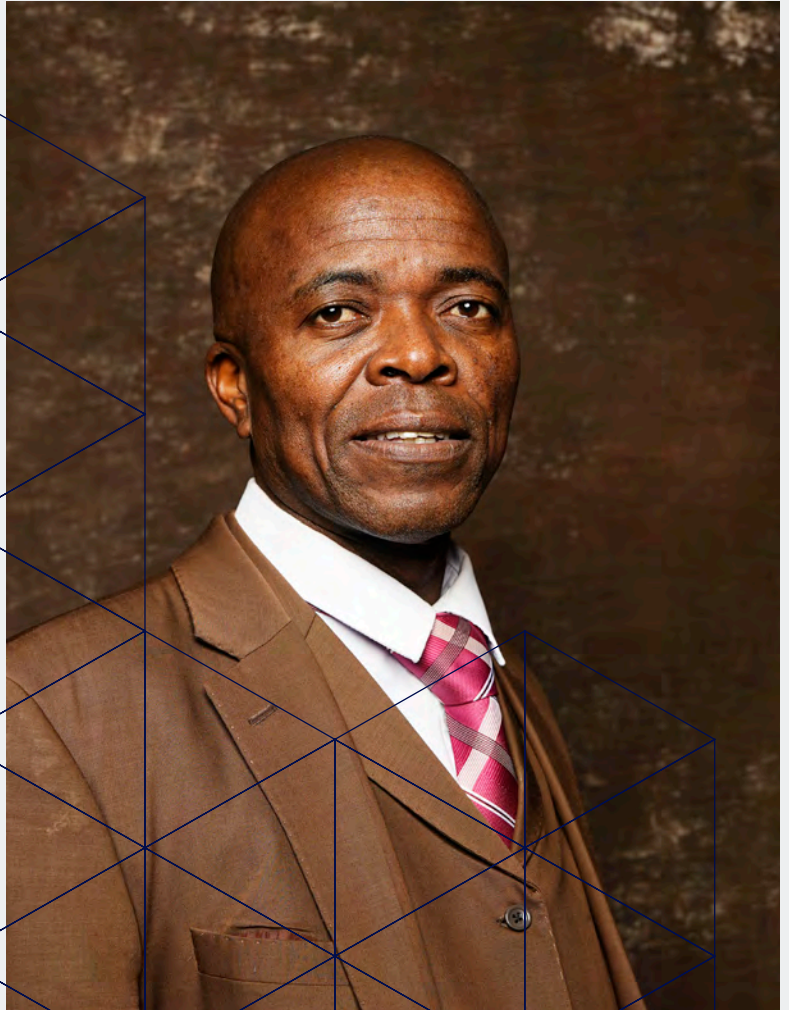

**Speaker of the
Legislature**

1. Annual Report Submission by the Secretary to the Legislature



MR. S MABALANE

*Acting Secretary
to the Legislature*



**FREE STATE
ANNUAL REPORT**
2024/25
(SUBMISSION)

SUBMISSION:

To: Hon. M.A Dukwana

Speaker of the
Free State Legislature

I have the honour of submitting the Annual Report of the Free State Legislature for the period 1 April 2024 to 31 March 2025.

A handwritten signature in black ink, appearing to read 'S. Mabalane', written over a horizontal line.

Mr. S. MABALANE
Acting Secretary to the Legislature

31 May 2025



GENERAL INFORMATION

2. Legislature's General Information

Free State Legislature's contact Information



PHYSICAL ADDRESS

41 Charlotte
Maxeke Street
Bloemfontein
9301



POSTAL ADDRESS

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Bloemfontein
9301



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SOCIAL MEDIA PRESENCE



Free State
Legislature



@fslegislature



@Free State
Legislature

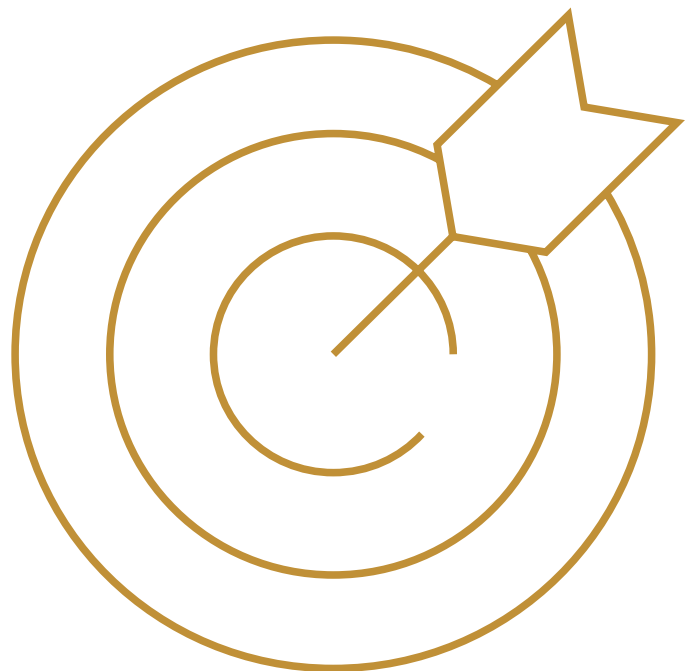


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freestatelegislature

3. LIST OF ABBREVIATIONS

AO	Accounting Officer
AGSA	Auditor-General of South Africa
AFS	Annual Financial Statements
APP	Annual Performance Plan
CFO	Chief Financial Officer
DORA	Division of Revenue Act
EA	Executive Authority
HR	Human Resources
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act (Act 10 of 2009)
NCOP	National Council of Provinces
SCOPA	Standing Committee on Public Accounts and Finance
TAC	Tablings, Announcemnet and Committees (Programme of the Legislature)

REPORT OF THE ACCOUNTING OFFICER



4. Report of the Accounting Officer

The Report by the Accounting Officer to the Executive Authority, the Speaker of the Legislature, and to the Free State Legislature for the Annual Financial Statements for the financial year ending 31 March 2025 provides an overview of the performance and challenges of the Free State Legislature during the year under review.

4.1 Overview of the operations of the Legislature

The tabling of this Report comes at the first year of the seventh term of the democratically elected Legislature which gave rise to the renewal of a legislative sector's mandate of fulfilling its constitutional mandate. It is through these elections that the sector was enabled to adjust to various challenges including the recent amendments to the Electoral Act, 1998 (No. 73 of 1998) which, among others, directed for alignment of the new electoral laws constitutional requirement of proportional representation, enabling for the institutionalisation and expression of the electoral will of the people. The amendments to the Electoral Act 73, of 1998 is done to ensure that Members are empowered to can champion their causes and serve their interests for the next five years.

The process is deemed critical in paving the way for the development of an effective governance measures and for initiations of processes of setting clear priorities and establishing mechanism for monitoring and adaptation to the Free State Legislature's Strategic Plan 2024 - 2029. It is through the planned processes for finalization of the Strategic Plans, done in terms of the FMPPLA, 2009 (Act No. 10 of 2009), which directs that, *"within six months after an election of the National / Provincial Legislature, or by another date determined by Parliament, the Accounting Officer must prepare and present to the Executive Authority a draft Strategic Plan for Parliament's Administration"*.

The Legislature remains awake to its core constitutional mandate of continuing to conduct Sectoral parliaments through meaningful engagements with our communities, assuring for an added value through public participation & education programmes that appreciates the digital transformation in view of fundamentally bringing change on how our business processes operates, our public interaction, and the creation of value adding programmes and efficiency to the organization.

4.2 Overview of the financial results of the Legislature

The constitutional mandate of the Legislature is to perform oversight over the Executive and make laws through facilitating public involvement in its activities. The 2024-25 marks the first year of the Seventh Term of the Legislature. The Strategic Plan for the Seventh Term encapsulates the vision of an activist Legislature that champions democracy by translating it into an effective strategy and operational practices.

4.2.1 Programme Expenditure

2023-24				2024-25		
Programme name	Final Appropriation	Actual Expenditure	(Over) Under Expenditure	Final Appropriation	Actual Expenditure	(Over) Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	200,555	199,488	1,067	195,259	192,350	2,910
Facilities and Benefits for Members & Political Parties	65,227	65,276	(49)	60,448	59,919	529
Parliamentary Services	50,901	50,894	7	49,997	50,473	(477)
Statutory – Members Remuneration	29,007	27,417	1,590	42,007	45,202	(3,195)
Total	345,690	343,075	2,615	347,711	347,944	(233)

In overall, an achievement of 97,41% was obtained against the Legislature's performance indicators. Financial reporting on the report of the Accounting Officer, report of Performance Information will be in accordance with modified cash reporting. The Legislature's Vote still forms part of the Provincial Government's budget process of the Free State; whereby appropriated funds are determined on a modified cash basis. Due to this fact, the Legislature still must report through its in-year reports and ultimately to support the Provincial Government of the Free State in its role to present a consolidated set of statements. The financial reporting however, in terms of the Financial Management of Parliament and Provincial Legislatures, 2009 (Act 10 of 2009), will be in accordance with General Recognized Accounting Principles (GRAP), with specific reference to financial information captured on Part E of this Annual Report. The Seventh Legislature made progress to provide an enabling environment for effective and efficient services rendered. Voted funds of R347,711 million were appropriated and the Legislature recorded a 100% spending. The financial position of the Legislature can therefore be reported as sound.

4.2.2 Virements/ roll overs

No virements to be reported upon.

4.2.3 Discontinued Activities

No activities can be reported as discontinued.

4.2.4 New or proposed activities

Activities were performed as per Legislature programme.

4.2.5 Supply Chain Management (SCM)

The role of supply chain management in specification of goods and services through either tenders or bidding process to the receipt and delivery of the goods and services has been maintained. Contract management resides with SCM and record of all contractual commitments was maintained by SCM. Facilitation of assets, acquisition and disposal were also performed.

FREE STATE

4.2.6 Gifts and donations received in kind from non-related parties

No gifts were received.

4.2.7 Exemptions and deviations received from the National Treasury

None recorded.

4.2.8 Events after the reporting date

Withdrawal of the national Appropriation Bill and sanction of a disciplinary inquiry against the former Secretary to the Legislature.

4.2.9 Discontinued activities

None

APPROVAL

The annual financial statements set out on page 97 to 161 have been approved.



Steven Mabalane
Acting Secretary to the Legislature

LEGISLATURE

4.3 Statement of responsibility and confirmation of the accuracy of the Annual Report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

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

The Annual Financial Statements have been prepared in accordance with the standard of Generally Recognised Accounting Practice (GRAP) and the relevant frameworks and guidelines issued by the National Treasury.

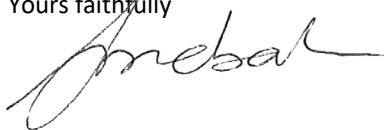
I am responsible for the preparation of the annual financial statements and for the findings made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that 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.

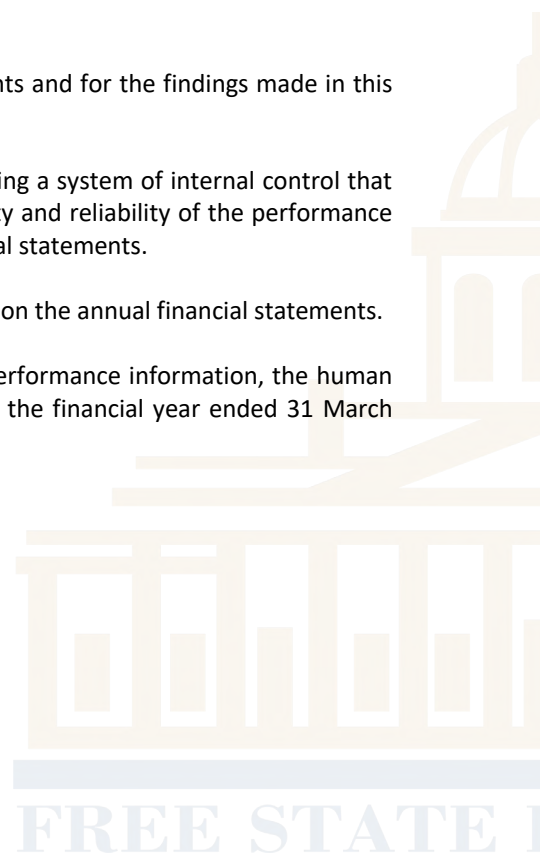
In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Legislature for the financial year ended 31 March 2025.

Yours faithfully



Steven Mabalane
Acting Secretary to the Legislature

31 May 2025



4.4 Strategic Overview

The elections were held on the 29 May 2024. In terms of FMPPLA Chapter 3 Section 14.

(1) Within six months after an election of the National Assembly, or by another date determined by Parliament, the Accounting Officer must prepare and present to the Executive Authority a draft strategic plan for Parliament's administration.

(2) The strategic plan for Parliament's administration must—

- (a) cover the following five years or other period determined by Parliament;
- (b) specify the priorities of Parliament's administration for the period of the plan;
- (c) include objectives and outcomes for each programme of Parliament;
- (d) include multi-year projections of all revenue and expenditure; and
- (e) include performance measures and indicators for assessing the administration's performance in implementing the strategic plan.

On the Annual Performance Plan, FMPPLA states on Section 15(2) The annual performance plan must—

- (b) indicate any changes to Parliament's priorities as set out in the strategic plan prepared in terms of section 14;

Vision

"Promotion of good governance that serves the interest of Free Staters."

Mission

To ensure good governance through law making, public participation and oversight.

Values

The work of the Free State Legislature is conducted on a platform of a formalized set of values. These values are a set of beliefs that guide the management of the Free State Legislature, it is the foundation of policies that provide guidance in the implementation of services and projects.

- Integrity
- Loyalty
- Fairness

- Empowerment
- Innovation
- Commitment
- Productivity
- Batho Pele
- Accountability
- Transparency
- Respect
- Diversity
- Leadership
- Ethics

4.5 Legislative and other mandates

4.5.1 Constitutional mandate

Section 10 (1) of the Constitution of the Republic of South Africa, 1996, provides that: “The legislative authority of a province is vested in its provincial legislature. Section 114(1) and (2) of the Constitution provide further for the powers of a Provincial Legislature to include; (a) the consideration, passing, amendment or rejection of bills; (b) to initiate or prepare legislation, except money bills; (c) to ensure that all provincial executive organs of state in the province are accountable to it and (d) to maintain oversight of the exercise of provincial executive authority in the province, including the implementation of legislation and any provincial organ of state.

Section 118 (1) and (2) of the Constitution requires the Legislature to:

Facilitate public involvement in the legislative and other processes of the legislature and its committees;

Conduct its business in an open manner, and hold its sittings, and those of its committees, in public, but reasonable measures may be taken:

- To regulate public access, including access of the media, to the legislature and its committees; and
- To provide for the searching of any person and, where appropriate, the refusal of entry to, or the removal of, any person.

Subsection 118(2) provides that a provincial legislature may not exclude the public, including the media, from a sitting of a committee unless it is reasonable and justifiable to do so in an open and democratic society.

4.5.2 Legislative and other Mandates

Policy mandates

The Legislature has developed a range of policies pertaining to elected representatives, political parties, staff and various institutional practices in order to guide and regulate the daily implementation of services and projects.

In respect of such policies, the review highlighted the need to ensure that existing shortcomings and weaknesses are identified and that key legislation and good governance frameworks, such as King reports on governance and good business practices, are incorporated into the existing policy framework.

Executive Authority

Section 3 (2) of FMPPLA states: “in such application, a reference in the Act to (c) the Speaker of the National Assembly or the Chairperson of the National Council of Provinces must be construed as a reference to the Speaker of the Provincial Legislature concerned.”

Political Parties

The Policy on Funding of Political Parties represented in the Free State Legislature that provides for financial and administrative support through office and Constituent grants.

Administrative policies of the Legislature

A range of institutional policies in support of the Administration are applied.

- Legislation covering establishment and composition of Legislature as well as matters relating to elected representatives and political parties and matters incidental thereto
- Legislation addressing financial and administrative management, including the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009).

Organisational Environment

The organizational environment of the Free State Legislature is structured to support its constitutional mandate as the primary legislative body of the Free State province in South Africa.

Overview of its key components:

Functions and Mandate

- **Legislative Powers:** The Free State Legislature has authority to pass, amend or reject laws.
- **Oversight and Accountability:** It oversees the provincial government and public entities and ensures accountability by the Premier and Members of the Executive, in line with section 125 of the Constitution.
- **Public Participation:** The Free State Legislature facilitates public participation, debate and engagement in law-making and planning.

Administrative Support

- **Annual Performance Plans, Annual Reports and Strategic Plans:** The Legislature publishes annual performance plans and annual reports detailing its activities and strategic plans.
- **Financial Management:** Serve to manage the Legislature's Budget through implementation of expenditure in line with FMPPLA and internal policies.

Overall, the Free State Legislature operates within a framework designed to promote democracy, good governance, and public participation, while ensuring accountability and oversight of the provincial government.

- The Free State Legislature's approved organisational structure has a total of **195** positions, and the details are as follows:
 - Filled posts = **157** (81%)
 - Unfilled posts = **38** (19%)
- Out of a total number of **157** employed staff members we have 76 males and 81 females in our structure:
- It is further composed of key elements that define how an organization is structured, including work specialization, departmentalization, chain of command, span of control and it is constituted as follows:
 - 15 - fixed term contract employees in the Office of the Speaker
 - 5 - contract employees who will be permanently appointed from 16 April 2025
 - **137- Permanent employees in the FSL staff establishment**

4.6 Organizational Structure

The Presiding Officers of the Legislature:

The Speaker to the Legislature is Hon MA Dukwana

The Deputy Speaker is Hon NL Ndungana

The Chair of Chairs is Hon TP Meeko

The Secretariat Officials:

The Acting Secretary to the Legislature is Mr. Steven Mabalane

The Acting Deputy Secretary is Ms Connie Sefo

The Chief Financial Officer is Mr. Q Hugo

4.7 Political Landscape of the Free State Legislature

Political Parties represented in the Legislature.

The seat allocation in the Legislature

Political Party	No of Seats
African National Congress	16
Democratic Alliance	7
Economic Freedom Fighters	4
Freedom Front Plus	1
ACT	1
MK	1

4.8 Determination of Whips to Political Parties

The Multi-party Whips' committee performs the functions and responsibilities assigned to it by the Standing Rules and Orders and such functions relate to both administrative and procedural matters. The Whips are also assigned specific functions by the respective political parties that may relate to Members' discipline, constituency offices and the administration of funds allocated to political parties in terms of the Policy on Funding of Political Parties in the Legislature.

The formula for the allocation of Whips to political parties were not reviewed or amended during the financial year under review.

The following Members served as Whips for their respective political parties as of 31 March 2025:

▪ Chief Whip (ANC and Legislature)	Hon. MD Khoabane
▪ DA	Hon. DE Janse van Vuuren
▪ EFF	Hon. MJ Msimanga
▪ FF+	Hon. AB Cloete
▪ ACT	Hon. MJ Mkhabela
▪ MK	Hon. MJ Foko

4.9 Official Opposition

The Democratic Alliance holds 7 seats in the Legislature and is the Official Opposition.

4.10 Remuneration of Elected Representatives

The remuneration of political representatives is determined by the Independent Commission for the Remuneration of Public Office-bearers that submits its recommendation annually to the President. Salary increases were affected only for specific categories of Members of the Legislature for the 2024/25 financial year. Reference to Government Gazette 50757, number 169 of 5 June 2024 as well as Provincial Gazette number 23 of 18 June 2024.

4.11 Members of the Provincial Legislature as of 31 March 2025

[Excluding Premier and Members of Executive Council]

Member	Political Party	Portfolio
Hon MA Dukuwana	ANC	Speaker
Hon NL Ndungana	ANC	Deputy Speaker
Hon TP Meeko	ANC	Chairperson of Chairpersons of Committees
Hon MD Khoabane	ANC	Chief Whip Chairperson: Public Accounts and Finance
Hon AB Cloete	FF+	Chairperson: Cooperative Governance, Traditional Affairs, Office of the Premier, Legislature and Police Leader: Minority Party
Hon ZL Sigwebela	ANC	Chairperson: Agriculture, Rural Economic Development, Small Business, Sport, Arts & Culture
Hon DE Janse Van Vuuren	DA	Chairperson: Public Works, Infrastructure, Roads, Roads, Transport and Human Settlements Whip : Official Opposition
Hon M.I Liphoko	EFF	Chairperson: Education, Health, and Social Development
Hon NJ Garekoe	ANC	Chairperson : Budget & Oversight Deputy Chief Whip - ANC
Hon R Jankielsohn	DA	Leader: Official Opposition
Hon W Pretorius	DA	Member
Hon D Leech	DA	Member
Hon JM Mokoena	DA	Chairperson : Petitions
Hon TD Masoeu	DA	Member
Hon DMC McKay	DA	Member
Hon MI Liphoko	EFF	Leader: Minority Party
Hon MJ Msimanga	EFF	Member
Hon LJ Nanyane	EFF	Member
Hon AM Tshabalala	EFF	Member
Hon MD Mkhabela	ACT	Leader: Minority Party

Member	Political Party	Portfolio
Hon MJ Foko	MK	Leader: Minority Party

4.12 Premier and Members of the executive Council

Member	Portfolio
Hon MJ Letsoha-Mathae	Premier
Hon TZ Mokoena	MEC: Human Settlements, Cooperative Governance and Traditional Affairs
Hon MK Makume	MEC: Treasury MEC: Economic Development, Small Business Development, Tourism and Environment Affairs
Hon JNI Mbalula	MEC: Community Safety, Roads, and Transport
Hon DK Mance	MEC: Public Works and Infrastructure
Hon MV Mahlatsi	MEC: Health
Hon MJ Maboya	MEC: Education
Hon EC Rockman	MEC: Agriculture and Rural Development
Hon NB Sifuba	MEC: Sport, Arts, Culture and Recreation
Hon NS Leeto	MEC: Social Development

4.13 Permanent Delegates to the National Council of Provinces as at 31 March 2025

Hon B Radebe	African National Congress (ANC)
Hon EP Noe	African National Congress (ANC)
Hon MG Dhlamini	African National Congress (ANC)
Hon IG Scheurkogel	Democratic Alliance (DA)
Hon M Makesini	Economic Freedom Fighters (EFF)
Hon T Breedt	Freedom Front Plus (FF+)

PART B

PERFORMANCE INFORMATION



PART B: PERFORMANCE INFORMATION**5. PERFORMANCE INFORMATION**

Executive Authority	Speaker
Administering Entity	Free State Legislature
Accounting Officer	Secretary to the Legislature

Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000
MCS	284,911	347,711	347,944	(233)

Executive Authority	Speaker
Administering Entity	Free State Legislature
Accounting Officer	Secretary to the Legislature

5.1 Aim of Vote

The aim of Vote 2: Provincial Legislature is multifaceted:

- Supporting Legislative Functions:** This Vote provides procedural and administrative support services essential for the Legislature to carry out its constitutional duties. These include the consideration of legislation, performing monitoring and oversight functions, ensuring accountability from the Executive Council, and facilitating public participation in legislative processes.
- Enabling Legislative Operations:** The Vote ensures that the House, its committees, and Members have access to necessary facilities. It also enables political parties represented in the Legislature to obtain administrative support services, thereby enhancing their ability to serve constituents effectively.
- Compensation and Remuneration:** Additionally, the Vote covers the remuneration of elected representatives and employees of the Legislature, ensuring that they are adequately compensated for their roles.

Overview of the Legislature’s Performance

5.2 Service delivery environment

The **Free State Legislature (FSL)** plays a crucial role in ensuring effective service delivery in the Free State Province through its constitutional mandate. Here's an overview of its service delivery environment:

Key Responsibilities and Functions

- **Law Making:** The FSL is responsible for making laws that are responsive to the needs of the people of the Free State. It considers, passes, amends, or rejects bills.
- **Oversight and Accountability:** The Legislature holds provincial and public entities between departments accountable for service delivery. It ensures that these departments and entities fulfill their promises and deliver on service priorities.
- **Public Participation:** The FSL facilitates public involvement in legislative processes through outreach programmes, public hearings and consultations, ensuring that populace' voices are heard.

Service Delivery Environment

- **Strategic Plan:** The Legislature operates under a strategic plan (2024-2029) aimed at enhancing its constitutional functions, including law-making, oversight, and public participation.
- **Financial Support:** The main source of funding for the Legislature's operations comes from the Provincial Treasury.
- **Organizational Structure:** The Speaker of the Legislature is the Executive Authority, while the Secretary to the Legislature serves as the Accounting Officer.

Overall, the Free State Legislature's service delivery environment is centered around fulfilling its constitutional mandate through law-making, oversight, and public engagement, while also addressing broader provincial challenges.

5.3. Organisational environment

The organisational environment of the Free State Legislature is structured to support its constitutional mandate as the primary legislative body of the Free State province in South Africa. Overview of its key components:

Functions and Mandate

- **Legislative Powers:** The Free State Legislature has the authority to pass amend and reject laws.
- **Oversight and Accountability:** It oversees the provincial government and ensures accountability by the Premier and the Executive Council.
- **Public Participation:** The Free State Legislature facilitates public debate and engagement in law-making processes.

Administrative Support

- **Annual Performance Plans, Annual Reports and Strategic Plans:** The Legislature publishes annual performance plans and annual reports detailing its activities and strategic plans.
- **Financial Management:** Serve to manage the provincial budget through appropriation bills.

Overall, the Free State Legislature operates within a framework designed to promote democracy, good governance, and public participation, while ensuring accountability and oversight of the provincial government.

- The Free State Legislature’s approved organisational structure has a total of **195** positions and the details are as follows:
 - Filled posts = **157** (81%)
 - Unfilled posts = **38** (19%)

- Out of a total number of **157** employed staff members we have **76 males** and **81 females** in our structure:
- It is further composed of key elements that define how an organization is structured, including work specialization, departmentalization, chain of command, span of control and it is constituted as follows:
- **15 - fixed term contract employees in the Office of the Speaker**
- **5 - contract employees who will be permanently appointed from 16 April 2025**
- **137- Permanent employees in the FSL staff establishment**

5.4 Key policy developments and legislative changes

The changes on the legislative and policy developments affected the Free State Province and the Legislative Sector resulted in the Free State Legislature making commitments to promoting good governance, economic development and engagement in the Free State.

Strategic Outcome Oriented Goals of the institution

Strategic Goal 1	Providing Leadership and strategic management in the Free State Legislature
Goal Statement	To ensure good governance through compliance with legislation and policies for effective and efficient institution through improvement of institutional governance and technologies, as well as the development of human capital.
Justification	Deepening parliamentary democracy, separation of powers and checks and balances is possible only with a competent administration built on skills and sound governance, policies and systems.
Links	Improvement of service delivery Maximising efficiency and value for money Customer satisfaction, responsiveness and all other Batho Pele principles
Strategic Goal 2	Support to Members and Political Parties
Goal Statement	To create conducive environment and increase the skills and provide resources to Members and Political Parties.
Justification	Members must be empowered to fulfil their responsibilities as such and political parties play an important role in the political representation
Links	Building a dynamic and vibrant democracy This will further strengthen engagement with constituents
Strategic Goal 3	Law making, conduct Oversight over the Provincial organs of the state and facilitate public involvement in the processes of the Free State Legislature and its Committees.
Goal Statement	Law making, enhance quality of oversight on the performance of the Provincial organs of state and facilitate public involvement.

Justification	Increasing the compliance of the Executive with the constitutional obligations of accountability and pursuing concrete results through the oversight process
Links	Accountability, openness and transparency are cardinal principles that permeate the constitution and underpin a society envisaged therein
Strategic Goal 4	To support the promotion of meaningful international relations.
Goal Statement	Meaningful international stakeholder relations
Justification	The constitution demands of the Legislature to conduct its business openly and to ensure that the people are involved in its process. It is in the context of this goal that the legislature will seek to promote and protect the rights and freedoms of its citizens.
Links	This goal is linked to the broader national goal of deepening participatory democracy and contribute to building a dynamic and vibrant democracy in the country

5.5 Performance Information by Programmes

The Annual Performance Plan 2024/25 provides the framework for reporting on performance. Quarterly reports are produced to assess the Free State Legislature's achievements and challenges. The Annual Report is grounded in the initial and revised Annual Performance Plan 2024/25 integrating the results of quarterly evaluations.

5.6 Strategic objectives, performance indicators, planned targets and actual achievements.

Revised APP 2024/25 listed 14 strategic objectives and 63 performance indicators, recorded an achievement rate of 98% on performance indicators

Programmes	Number of performance indicators	Achieved	Not achieved	Comment
Institutional Leadership and Administration	41	41	0	Achieved
Core Business	19	18	1	Achieved, except Communication Strategy review not achieved
International Relations	1	1	0	Achieved
Members and Political Parties Support	2	2	0	Achieved
Total	63	62	1	

Programme 1: Institutional Leadership and Administration

- a. Programme 1: Administration provides for the core political and administrative management of the institution through the Office of the Speaker and the Office of the Secretary whilst also delivering a support service to other programmes in the budget vote through the Finance and Corporate Services divisions. It facilitates the legislative and oversight functions through the programmes of the Household- and Portfolio Committees and provides for institutional support and corporate services.
- b. The sub-programme structure comprises of the following:
 - (i) The Office of the Speaker includes all activities of the Office of the Presiding Officers, including the funding of programmes and activities of Household – and Portfolio Committees.
 - (ii) The Office of the Secretary to the Legislature includes (1) Legal Services (2) Strategic Management Directorate, (3) Internal Audit unit, (4) Security Unit
 - (iii) The Finance Division includes the (1) Financial Management Directorate, (2) Supply Chain Management Directorate
 - (iv) The Corporate Services Division includes (1) the Human Resources Directorate (2) the Institutional Support Directorate (3) Hansaard (4) Public Participation and (5) Legislation and Oversight.

Programme Performance

The evaluation of performance is based on the number of performance indicators which have been achieved or not (fractions permitted). Programme 1: Institutional Leadership and Administration recorded overall achievement of its listed performance indicators.

Subprogramme	Number of performance indicators	Achieved	Not achieved	Comment
Office of the Speaker	4	4	0	Achieved
Office of the Secretary	13	13	0	Achieved
Finance & Supply Chain Management	14	14	0	Achieved
Human Capital Management and Institutional Support Service	10	10	0	Achieved
Total	41	41	0	Achieved

	2023/24			2024/25		
Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Institutional Leadership	25,517	26,227	(710)	180,611	178,511	2,100

Office of the Speaker

Direct support services are rendered to ensure that the Office is able to meet its objectives and requirements. These include political, administrative and operational matters. The sub-programme also provides for the activities of Household – and Portfolio Committees to ensure that both institutional governance priorities as well as key responsibilities for oversight and accountability are addressed. Facilitation and interaction with the Executive Council and local government are also accommodated in the office.

Programme 1: Institutional Leadership

Sub-programme: Office of the Speaker

Purpose: The purpose is to provide political leadership, and management support to ensure effective functioning of the Legislature and the Office of the Speaker respectively towards the fulfilment of the constitutional mandate including all activities of the Office of the Speaker.

Outcomes: Enhanced Accountability of Government: The Office of the Speaker supports the Legislature's oversight responsibility, ensuring that the executive accounts for its actions and delivers on its promises and obligations to the people of the province. This includes monitoring service delivery and ensuring that legislation does not negatively impact the province and its people.

Efficient Institutional Governance: The sub-programme contributes to the development of a world-class organization that is appropriately geared to fulfil its role and mandate. It recognizes the need to address current weaknesses and gaps within the institution and to implement interventions that enhance efficiency and quality.

Support for Legislative and Oversight Functions: The Office of the Speaker facilitates the legislative and oversight functions through the Household and Portfolio Committees, providing institutional support and corporate services.

Executive Leadership and Management: The sub-programme is responsible for executive leadership and management within the Legislature, including strategic and financial management functions, and ensuring effective interaction with the Executive Council and local government

Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations

Monitor macro-political and administrative direction and systems to the business of the Legislature through Quarterly and one divisional performance reports, quarterly expenditure to be submitted	4 Quarterly performance reports and Quarterly expenditure reports	Monitor macro-political and administrative direction and systems to the business of the Legislature through Quarterly and one divisional performance reports, quarterly expenditure to be submitted	Monitor macro political and administrative direction and systems supporting the business of the Legislature through the submission of: Quarterly performance reports; and Quarterly expenditure reports.	No Deviation	None
Number and timeframe of statutory reports received and processed	Two (2) budgets submissions received and processed	Two (2) budgets submissions received and processed	Two (2) budgets submissions received and processed	No Deviation	None
Strengthened divisional strategic and financial management functions and enhanced business systems of the Legislature through sound financial management, accountability, professional ethics and effective management of resources	Twelve (12) In-year reporting (monthly financial statements) submitted to the Executive Authority and Provincial Treasury	In-year reporting (monthly financial statements) must be submitted to the Executive Authority for consideration and comment.	In-year reporting (monthly financial statements) must be submitted to the Executive Authority for consideration and comment.	No Deviation	None
Enhancement of stakeholder partnerships with institutions supporting democracy (Chapter 9 & 10)	Five (5) Meetings were held with institutions supporting democracy (Chapter 9 and 10)	Develop working relations with institutions supporting democracy (Chapter 9 and 10) and other stakeholders	Three (3) Meetings were held with institutions supporting democracy (Chapter 9 and 10)	No Deviation	None

Office of the Secretary

- a. The Office of the Secretary bears responsibility for the overall effective and efficient management and administration of the Legislature. It is responsible for all aspects relating to the provision of support services,

i.e. corporate, financial, procedural and legal, to create an enabling environment in which the Legislature effective and efficiently executes its constitutional mandate and functions delivered through Legal Services, Strategy and Risk Management, Internal Audit, and Protection Services,

- b. Financial Management Service rendered through Finance Directorate and Supply Chain Management
- c. Corporate Management Service delivered through Human Capital Management and Institutional Support Services

Programme 1: Institutional Leadership

Sub-programme: Office of the Secretary

Purpose: The purpose is to provide overall effective and efficient management and administration of the Free State Legislature.

Outcomes: Efficient Strategic Management and Institutional Leadership

The Office of the Secretary supports the Legislature's strategic goal of developing an effective and efficient institution by improving institutional governance, policies, and systems, and by developing human resources.

This includes providing leadership, strategic management, and administrative support to ensure the Legislature can fulfil its constitutional mandate.

Enhanced Accountability and Oversight

The sub-programme facilitates oversight and accountability functions by supporting the Legislature's role in monitoring service delivery and ensuring that government accounts for its actions.

It provides procedural, corporate, financial, and legal support to create an enabling environment for the Legislature to execute its oversight responsibilities.

Improved Efficiency of Institutional Governance

The Office of the Secretary is instrumental in identifying and addressing weaknesses and gaps within the institution, implementing interventions to enhance efficiency and quality.

This includes managing internal audit functions, ensuring compliance with financial and legal standards, and supporting the Legislature's standing rules and procedures.

Facilitation of Public Participation and Education

The Public Participation and Education Unit within the Office of the Secretary supports the core function of facilitating public involvement in the Legislature's processes, thereby deepening participatory democracy

Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Number of Legislature Management Meetings held, and number of reports compiled.	Nine (9) Legislature Management Meetings held three (3) times a year and report compiled for each session	Number of Legislature Management Meetings held, and number of reports compiled.	Eleven (11) Legislature Management Meetings held, and number of reports compiled.	No deviations	None
Frequency of reports compiled on activities of corporate governance structures	Four (4) quarterly meetings held by each of the corporate governance structures	Frequency of reports compiled on activities of corporate governance structures.	Four (4) quarterly meetings held by each of the corporate governance structures	No deviations	None

Programme 1: Institutional Leadership**Sub Programme: Legal Service**

Purpose: The purpose is to provide administrative strategic direction and leadership within the Free State Legislature.

Outcomes: Providing administrative and strategic direction: The programme ensures that the Legislature is led efficiently and that its legal and administrative frameworks are robust and responsive.

Supporting law-making and oversight: By offering legal services, the sub-programme underpins the Legislature's constitutional mandate to facilitate law-making, conduct oversight over the Executive, and promote good governance.

Strengthening institutional governance: The Legal Service sub-programme helps to maintain integrity, accountability, and transparency—core values of the Legislature—and supports efficient institutional governance.

Achieving strategic outcomes: The programme contributes directly to the institutional outcome of developing and maintaining an effective, efficient, and well-governed Legislature, as articulated in the institution's strategic goals

Programme performance indicators	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Management of litigation on behalf of Free State Legislature	4 Quarterly reports compiled	Report on cases on litigation managed on behalf of the Free State Legislature.	4 x quarterly reports compiled	No Deviation	None
Drafting, editing and vetting of policies, legal opinions and agreements.	4 Quarterly reports compiled.	Report on drafted edited, vetted policies, legal opinions and agreements	4 x quarterly reports compiled	No deviation	None
Support corporate compliance through training and awareness on the Legal Services SOP, PAIA, PAJA and other relevant legislation.	4 Quarterly reports compiled.	Support corporate compliance through training and awareness on the Legal Services SOP, PAIA, PAJA and other relevant legislation.	1x quarterly reports compiled	No deviations	None

Strategy and Risk Management

Programme 1: Institutional Leadership

Sub-programme: Strategy & Risk Management

Purpose: To provide planning and performance monitoring and evaluation services and Risk Management in order to enhance institutional effectiveness in the achievement of the vision and constitutional mandate of the Legislature.

Outcomes: is to ensure that the Legislature operates as a well-managed, strategically focused, and risk-informed institution that delivers on its constitutional and legislative mandates. This is achieved through:

Effective planning and performance monitoring: Ensuring that the Legislature's activities are aligned with its strategic objectives and that progress is tracked and evaluated.

Robust risk management: Identifying, assessing, and mitigating risks to institutional effectiveness, thereby supporting sustainable service delivery and good governance.

Enhanced institutional effectiveness: Supporting the Legislature in achieving its vision and mission through informed decision-making, efficient resource allocation, and continuous improvement.

Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Timeframe for developed (5) five years Strategic Plan by 29 th November 2024	N/A	Development of a (5) five-year strategic plan by 29 th November 2024	A (5) year Strategic Plan developed by 29 th November 2024	No Deviation	None
Annual Performance Plans developed in line with five-year strategic plan. A revised Annual Performance Plan 2024/25 developed by the 29 th November 2024 and draft Annual Performance Plan 2025/26 developed by the 29 th November 2024.	1 X Annual Performance Plan developed in line with the five-year strategy.	Annual Performance Plans developed in line with five-year strategic plan. A revised Annual Performance Plan 2024/25 developed by 29 th November 2024 and draft Annual Performance Plan 2025/26 developed by 29 th November 2024.	A revised Annual Performance Plan 2024/25 developed by 29 th November 2024 and a draft Annual Performance Plan 2025/26 developed by 29 th November 2024	No Deviation	None
Number and frequency of institutional performance reports developed	One (1) mid-year and Four (4) Quarterly Performance Reports and (1) Annual Report compiled and submitted.	Number and frequency of institutional performance reports developed.	One (1) mid-year and Four (4) Quarterly Performance Reports and (1) Annual Report compiled and submitted.	No Deviation	None

Timeframe for the developed Risk Management Plan and number of reports developed	Four x Risk Management action plan developed	Timeframe for the developed Risk Management Plan and number of reports compiled.	One (1) Risk Management action plan developed and report compiled	No Deviation	None
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Internal Audit

Programme 1: Institutional Leadership Sub-programme: Internal Audit Purpose: To provide independent assurance that Free State Legislature Risk Management, Governance and Internal Control are operating optimal. Outcomes: Ensuring compliance, risk management, and optimal governance and internal control within the Legislature. More specifically, the Internal Audit Unit supports the Secretary to the Legislature by: Providing independent assurance that risk management, governance, and internal control processes are operating effectively and efficiently. Ensuring compliance with relevant provisions of the Finance Act and other applicable legislation, as well as standards and practices of the Institute of Internal Auditors. Promoting fraud and corruption prevention and ensuring that the Legislature receives maximum value from expended resources					
Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Internal audit charter and audit committee charter reviewed annually.	Internal audit charter and audit committee charter reviewed annually.	Three-year risk-based internal audit plan reviewed annually.	Three-year risk-based internal audit plan reviewed annually.	No Deviation	None
Three-year risk-based internal audit plan developed and reviewed annually.	Three-year risk-based internal audit plan developed and reviewed annually.	Timeframe for reviewed three-year risk-based audit plan and developed one-year operational plan	Three year risk-based audit plan reviewed and one year operational plan developed.	No deviation	None
Timeframe for the development of the one-year audit operational plan and number and frequency of reports compiled	One-year internal audit operation plan developed and four (4) quarterly internal audit progress reports compiled.	One-year audit operational plan developed and four (4) quarterly audit reports compiled	One-year audit operational plan developed and four (4) quarterly audit reports compiled	No deviation	None

Protection Services

Programme 1: Institutional Leadership Sub-programme: Protection Services Purpose: Provide internal and external protection and security services for the Legislature Outcomes: A safe and secure environment for the effective functioning of the Legislature. By providing internal and external protection and security services, this programme ensures: The safety of Members of the Legislature, staff, and visitors Protection of property and assets Uninterrupted legislative processes and activities This directly supports the Legislature's broader goal of maintaining an environment where legislative business can be conducted efficiently and without security threats.					
Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Reports on the implementation of the Protection Services programme and number of reports compiled	4 x Quarterly Reports compiled on the implemented Security programme.	Reports on the implementation of the Protection Services programme and number of reports compiled	4 x Quarterly Reports compiled on the implemented Security programme.	No deviation	None

FREE STATE

Finance

Programme 1: Institutional Leadership Sub Programme: Finance Purpose: The purpose of this sub- programme is to render financial management services. Outcomes: Effective and efficient institutional governance and administration. This is achieved by ensuring sound financial management and accountability, which underpins the Legislature's ability to fulfill its constitutional mandate, including oversight, law-making, and public participation. Supporting the Legislature's legislative and oversight functions through robust administrative and financial processes. Ensuring effective financial management systems that comply with legislation and support transparency and accountability. Enabling the institution to deliver on its mission and core business by maintaining efficient, modern financial operations and supporting other programmes within the Legislature					
Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Number of annual financial statements submitted by the statutory due date.	1	1	1	No deviation	None
Number of bi-annual financial statements submitted by the required due date	1	1	1	No deviation	None
Number of finalized Annual Estimates of Provincial Revenue and Expenditure submitted by the required due date	1	1	1	No deviation	None
Number of finalized Adjusted Estimates of Provincial Revenue and Expenditure submitted by the required due date	1	1	1	No deviation	None

Number of quarterly In Year Monitoring (IYM) narrative reports to track expenditure and identify early warning signals	12	12	12	No deviation	None
Proper Monitoring and control over financial assets of the institution (All Reconciliations completed before due date)	12	12	12	No deviation	None
Monthly Payroll maintenance	12	12	12	No deviation	None
Presentation of budget to Budget and Oversight Committee	New Indicator	1	1 Report presentation of Budget to Budget and Oversight Committee	No Deviation	New Indicator

Programme 1: Institutional Leadership**Sub Programme: Supply Chain Management**

Purpose: The Supply Chain Management directorate is to acquire goods and services in compliance with legislation and internal policies and, management of assets.

Outcomes: Efficient, compliant, and effective acquisition of goods and services in accordance with legislation and internal policies, as well as the proper management of assets.

It supports the broader institutional outcome of ensuring that the Legislature functions with integrity, accountability, and efficiency in its administrative and operational processes, specifically by:

Ensuring procurement and asset management processes are lawful, transparent, and cost-effective.

Supporting the Legislature's ability to deliver on its mandate through reliable supply chain services.

Contributing to good governance and compliance with relevant legislation and internal controls.

These efforts are reflected in institutional performance indicators such as:

Achieving seamless, efficient supply chain management processes.

Maintaining and improving management processes for demand, acquisition, logistics, disposal, and risk.

Supporting the Legislature's overall administrative and institutional objectives

Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Report on supplier's information update and compliance.	12 x Monthly Reports on Regular Supplier Information and compliance.	4 supplier database reports produced.	4 supplier database reports produced.	No deviation	None

Frequency of stock count performed, reconciled, and to be reported.	12 x Monthly warehouse counting reports compiled.	4 reports on stock counts.	4 reports on stock counts.	No deviation	None
Improve compliance within Procurement processes.	12 x monthly reports on requisition, disposal, transfers, verification (Inventory list)	4 Fruitless, Irregular and Deviation (FID) register, local content and contract register updated and reported.	4 Fruitless, Irregular and Deviation (FID) register, local content and contract register updated and reported.	No Deviation	None
Frequency and timeframe of supplier accounts reconciled and reported.	4 x Quarterly reconciled reports of supplier accounts management compiled.	4 reports on supplier's accounts reconciliation produced.	4 reports on supplier's accounts reconciliation produced.	No deviation	None
Assets verification performed.	4 x Quarterly regulations compliance Registers processed and submitted.	1 physical assets verification report.	1 physical assets verification report.	No deviation	None
Reporting on acquisitions, transfers, disposal registers.	New indicator.	4 Reports on acquisitions, transfers, disposal registers.	4 Reports on acquisitions, transfers, disposal registers.	No Deviation	New Indicator

Programme 1: Institutional Leadership and Administration**Sub Programme: Human Capital Management**

Purpose: The purpose is to provide people's systems, recruitment, culture, development, and retention on human capital.

Outcomes: The development of an effective, efficient, and well-managed institution through sound governance, robust policies, modern systems, and the advancement of human resources.

Ensuring efficient strategic management and institutional governance: This is achieved by strengthening management systems, policies, and the development of human capital.

Building a competent and diverse workforce: The Human Capital Management sub-programme supports recruitment, training, development, and retention of staff, helping to maintain a skilled and motivated workforce capable of delivering high-quality legislative and oversight services.

Enhancing service delivery and operational efficiency: By focusing on people's systems and culture, the sub-programme fosters an environment where staff are equipped and motivated to perform at high standards, directly supporting the Legislature's core functions

Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Develop and implement Human Capital Management Strategy and five-year FSL goals	Signed/Approved HRM plan document submitted.	Provide integrated HCM services.	Draft HCM Strategy and HCM Plan aligned to the Strategic Plan 2024-2029 developed	No Deviation	None
Developing and updating Labour Relations Programmes	Four (4) quarterly reports were developed and submitted on Labour Relations	Compliance to labour related legislation.	Four (4) quarterly reports were developed and submitted on Labour Relations	No deviation	None
Reporting on health and wellness programmes	Four (4) Quarterly reports compiled for develop Health and wellness programme and report were compiled.	Compliance with health and wellness legislation.	Four (4) quarterly reports were produced on promotion of health and wellness programmes and safety awareness	No deviation	None
Reporting on the implementation of training and development plan	Four (4) quarterly reports developed on the implementation of training and development plan including learning programmes	Compliance with training and development legislation.	Four (4) quarterly reports developed on the implementation of training and development plan including learning programmes	No deviation	None

Programme 1: Institutional Leadership**Sub Programme: Institutional Support Services**

Purpose: The purpose is to provide effective and efficient institutional support and information communication technology systems and tools in support of the legislature.

Outcomes: To ensuring that effective and efficient institutional support and ICT systems and tools are in place, which is critical for the Legislature to function optimally and deliver on its constitutional and strategic objectives

Improved efficiency of institutional governance

Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Ensure availability of ICT services.	Four (4) quarterly reports for ICT infrastructure availability reports.	Ensure availability of ICT services reports	Four (4) quarterly reports for maintained ICT infrastructure maintenance reports	No deviation	None
Ensure ICT infrastructure maintenance.	Four (4) quarterly reports for maintenance of ICT infrastructure compiled.	Ensure ICT infrastructure maintenance.	Four (4) quarterly reports ICT infrastructure availability reports.	No deviation	None
Ensure Information security management	12 Monthly ICT backup reports compiled.	Information security management	12 Monthly ICT backup reports compiled	No deviation	None
Ensure digitization and automation of business processes.	4 quarterly reports for digitisation and automated business process	Ensure digitization and automation of business processes.	4 quarterly reports for digitisation and automation of business process	No deviation	None
Provision of communication benefits and tools.	4 quarterly reports compiled.	Provision of communication benefits and tools.	4 quarterly reports compiled.	No deviation	None
Fleet management, office provision and maintenance.	4 quarterly reports compiled.	Fleet management, office provision and maintenance.	4 quarterly reports compiled.	No deviation	None

PROGRAMME 1: NOTE.

The Performance Information presented in this programme above is derived from an aligned Quarterly targets set out in the Annual Performance Plan 2024/25 financial year. Quarterly Performance Reports provide the basis for the Annual Performance Information reported herein, ensuring consistency and comparability and result.

Core Business

- a) Core Business is responsible for the rendering of support services in respect of the legislative, oversight and accountability functions of the House and its Committees. These services are rendered through the:
- i. Legislation and Oversight Directorate.
 - ii. Public Participation and Communication and Marketing Directorate, and
 - iii. Hansard Directorate

The evaluation of performance is based on the number (fractions permitted) of strategic objectives which have been achieved or not. Programme 2: Core Business achieved 95% of its listed performance indicators.

Programme	Number of Performance indicators	Achieved	Not achieved	Comment
Core Business	19	18	1	Achieved, except Communication Strategy review indicator not achieved

	2023/24			2024/25		
Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Core Business	43,764	43,948	(184)	64,645	64,313	332

Programme 2: Core Business**Sub Programme: Legislation and Oversight**

Purpose: To provide the rendering of overall procedural, research, secretarial, administrative, information and language support to the Free State Legislature to achieve its oversight and accountability functions over the provincial organs of state. The purpose is to provide professional and administrative support services to Committees and the House, and liaison function between the Free State Legislature and the NCOP for the fulfilment of the constitutional mandate of the Legislature.

Outcomes: Enhanced Accountability of Government: Focuses on ensuring that the Legislature, through its oversight responsibility, holds the executive accountable and monitors service delivery to ensure the government delivers on its promises and obligations to the people of the province. This is about scrutinizing government actions and ensuring legislation does not negatively impact the province or its people.

Effective Legislative Process:

The programme supports a legislative process that is constitutional, thorough, and participatory. It enables committees to engage with all aspects of draft legislation and facilitates public involvement through relevant processes, ensuring legislation forms an enabling framework for transformation, empowerment, and development of society.

Improved Efficiency of Institutional Governance:

By providing procedural, research, secretarial, administrative, information, and language support, the programme contributes to the Legislature becoming a world-class organization that is appropriately geared to fulfil its role and mandate. This includes understanding current weaknesses and gaps and implementing interventions to enhance efficiency and quality within the organization

Programme performance indicators	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Adoption of Oversight reports with House resolutions	New indicator.	Number of Oversight Reports Adopted	Three (3) Oversight Reports Adopted and considered.	No deviation	None
Consideration of responses to oversight (House) resolutions by committees	New indicator.	Percentage of responses to oversight house resolutions from the executive, legislature and public entities	52% responses received from the oversight house resolutions from the MECs	No deviation	None
Production of Question papers	New indicator.	Number of question papers produced, and responses received.	Two (2) Question papers produced.	No deviation	None
Adopted Number of Motions by the House	New indicator.	Percentage of Motions tabled and adopted by the House.	100% Adopted motions by the House.	No deviation	None
Adoption of Committee Reports on Petitions	New indicator.	Number of Adopted Committee Reports on Petitions	1 x Adopted Committee Report on Petitions	No deviation	None

Frequency for incorporating and updating of NCOP activities in the Free State Legislature Programmes as determined by the mandating procedures act of the provinces.	4 x NCOP activities were incorporated and updated in the Legislature programme and 4 x Quarterly reports produced.	Frequency for incorporating and updating of NCOP activities in the Free State Legislature Programmes as	NCOP activities in the Free State Legislature	No deviation	None
Number and timeframe of Mandates compiled for Portfolio Committees	4 Quarterly reports compiled on 16 mandates each conferred accordingly with the NCOP, within a day of relevant committee deliberations.	Number and timeframe of mandated compiled for portfolio Committees	Four (4) Quarterly reports compiled on (7) seven mandates for portfolio Committees	No deviation	None

Programme 2: Core Business

Sub Programme: Public Education, Participation, Communication and Marketing Services

Purpose: Increase public interest and awareness in the legislative and other processes through communication and effective constituency offices.

Outcomes: Increased Public Education and Participation: The programme aims to build an activist Legislature by increasing public interest and awareness in legislative and other processes through communication and effective constituency offices, thereby fostering greater public participation.

Enhanced Accountability of Government: By promoting public engagement, the Legislature ensures that the executive accounts for its actions and that government delivers on its promises, which is a core outcome for the institution.

Improved Communication and Marketing: The strategic objective is to ensure that citizens are well-informed and that awareness campaigns, partnerships with civil society, and mechanisms like public hearings are in place to facilitate participation

Programme performance indicators	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Number of public education and democracy workshops conducted Virtually and/or Hybrid	25 x Public Education and Democracy workshop conducted.	Number of public education and democracy workshops conducted Virtually and/or Hybrid	Eight (8) x Public Education and Democracy workshop conducted.	No deviation	None
Number of sectoral Parliaments conducted, and reports compiled virtually and or Hybrid	Two (2) Sectoral Parliaments conducted virtually and or/ hybrid and Two (2) Quarterly reports compiled.	Number of sectoral Parliaments conducted, and reports compiled virtually and or Hybrid	One (1) Sectoral Parliament on Disability Dialogue held.	No Deviation	None

Number and frequency of petitions processed, and reports compiled	Seven (7) Petitions processed each within 90 days of receipt and Two (2) Quarterly reports compiled.	Number and frequency of petitions processed, and reports compiled	Twenty (20) Petitions processed each within 90 days of receipt.	No deviation	None
Public and Media Relations Services	132 Public Media relations services, inclusive of 81 by branding and 61 promotional activities were provided and report produced.	Report on Public and Media Relations Services.	50 Public Media relations services.	No deviation	None
Annual review of the Communication and Marketing Strategy	Workshop involving key stakeholders not held and no report compiled.	Annual review of the Communication and Marketing Strategy.	Annual review of the Communication and Marketing Strategy. Not achieved.	Deviation	Approval for the activities was not granted for the 2024/25 financial year. Consequently, the planned workshop and the associated documentation could not proceed as scheduled.
Strategic marketing systems and activities planned and concluded	62 x website uploads, 21 x Facebook uploads, 2 x YouTube uploads done, & 4 x quarterly reports compiled.	Strategic marketing systems and activities planned and concluded	54 x website uploads, 83 x Facebook uploads, 39 x YouTube uploads done, & 4 x quarterly reports compiled.	No deviation	None
Internal and External communication services provided	104 photography, 61 videography live streaming, 93 designs completed, and four reports compiled.	Internal and external communication services provided	83 photography, 34 videography live streaming, 64 designs completed, and four reports compiled.	No deviation	None

Programme 2: Core Business**Sub Programme: Hansard**

Purpose: The purpose is to co-ordinate and facilitate the business of the House, and to provide Hansard, language and interpretation services in support of the core business of the Legislature.

Outcomes: To ensure the effective and efficient functioning of the Legislature by providing accurate records of legislative proceedings, facilitating communication, and supporting the core business of the House through Hansard, language, and interpretation services

Programme performance indicators	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Compilation of Hansard in digital and/ or hardcopy records.	22 x Hansard Records Compiled	Number and frequency of Hansard records Compiled.	22 x Hansard records compiled.	No deviation	None
Interpretation services are provided in any of the three official languages, and/or any official language, including sign language, during sittings, committees, public hearings, site visits, petitions, and public participation programmes of the Free State Legislature.	60 x Interpretation services rendered in three (3) official languages during sittings and committees of the Legislature.	Rendering of Interpretation services	34 x Interpretation services rendered .	No deviation	None
Translation services rendered in three (3) official languages in respect of official documentation of the Free State Legislature.	168 x Language Translation service rendered.	Rendering of Translation services.	129 x Language Translation service rendered.	No deviation	None
Transcription services are provided in any official floor language used during the debates, after sittings, committees public hearings, petitions as and when requested	131 x Language Transcription service rendered.	Rendering of Transcription services	69 x Language Transcription service rendered.	No deviation	None

Relationships maintained and improved through consistent engagement with stakeholders and event attendance.	Four (4) relevant language stakeholder events were attended and a report compiled.	Working relationships improved with relevant language stakeholders through consistent engagement and event attendance.	Four (4) events attended in improving work relationships with relevant language stakeholders.	No deviation	None
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PROGRAMME 2: NOTE.

The Performance Information presented in this programme above is derived from an aligned Quarterly targets set out in the Annual Performance Plan 2024/25 financial year. Quarterly Performance Reports provide the basis for the Annual Performance Information reported herein, ensuring consistency and comparability and result.

PROGRAMME 3: INTERNATIONAL RELATIONS

The purpose of this new programme is to increase representation and participation in the international sphere.

Programme Indicator	Number of Performance indicators	Achieved	Not achieved	Comment
International Relations	1	1	0	Achieved

Programme 3: International Relations

Purpose: To increase representation and participation in international sphere.

Outcomes: Improved efficiency of institutional governance—by building partnerships, sharing best practices, and increasing technical cooperation with international counterparts. This enhances the Legislature's capacity and effectiveness, aligning with the goal of becoming a world-class, globally engaged institution

Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Maintain and strengthen bilateral relations with most bicameral and unicameral Parliaments around the globe and in the continent.	Two (2) multilateral, committees and parliamentary engagements were held both on hybrid and virtual engagements and a Quarterly report prepared.	Number of reports prepared on Strengthening participation of the Legislature in international forums	4 x reports on strengthening participation of the Legislature on International Forum.	No Deviation	None

PROGRAMME 3 : NOTE.

The Performance Information presented in this programme above is derived from an aligned Quarterly targets set out in the Annual Performance Plan 2024/25 financial year. Quarterly Performance Reports provide the basis for the Annual Performance Information reported herein, ensuring consistency and comparability and result.

PROGRAMME 4: MEMBERS AND POLITICAL PARTIES SUPPORT

Facilities and Benefits to Members and political parties provide for the rendering of direct support services and facilities to elected representatives of the Free State Legislature as per the Policy on Payments, Facilities and Benefits of Members of the Legislature and grants payable in respect of the Policy on Funding of Political Parties.

- b) This programme structure provides for the rendering of services according to two key policy documents of the Legislature, namely.
- i). Policy on Facilities, Benefits and Payments to Members of the Legislature that provides for;
 - Accommodation and relocation
 - Communication Facilities
 - Travelling Facilities
 - Subsistence Allowances
 - Study aid
 - Remuneration
 - Facilities for Members with special needs
 - Accidents and death
- ii. Policy on funding of Political Parties represented in the Legislature that provides for;
 - a. Payment of Office Allocation to Political Parties (including research allowance) and
 - b. Payment of constituent Allowance to Political Parties represented in the Legislature.

Programme	Number of Performance indicators	Achieved	Not achieved	Comment
Members & Political Parties Support	2	2	0	Achieved

		2023/24		2024/25		
Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Members & Political Parties	65,227	65,276	(49)	60,448	59,919	529

Programme 4: Members and Political Parties Support

Purpose: To coordinate provision of facilities, capacity building and benefits to Members of the Free State Legislature and funding to political parties in compliance with the constitution and applicable legislation. Provide support to Members and Political Parties.

Outcomes: To ensure that members and political parties receive the necessary facilities, benefits, and support in compliance with constitutional and legislative requirements. This directly underpins the Legislature's function of enabling effective participation of elected representatives and political parties in legislative processes

Programme Indicator	Actual Achievement 2023/24	Planned target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Comment on Deviations
Enhancing support to members and Political Parties in accordance with Legislation and Policies.	Payments to all political parties in respect on constituent, wages, research, office and Political party grants were processed monthly and in terms of semester schedules.	Payments to political parties in according to timeframe, policies and legislation.	Payments to political parties in according to timeframe, policies and legislation were processed.	No deviation.	None
Number of reports compiled on services provided to Members	4 x quarterly reports on support services have been compiled and submitted.	Four (4) reports compiled on services provided to Members	Four (4) reports compiled on services provided to Members	No deviation	None

Statutory – Direct Charge – Members Remuneration

2023/2024				2024/2025		
Statutory – Direct Charge	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Members Remuneration	29,007	27,417	1,589	42,007	45,202	(3,195)

PROGRAMME 4 : NOTE.

The Performance Information presented in this programme above is derived from an aligned Quarterly targets set out in the Annual Performance Plan 2024/25 financial year. Quarterly Performance Reports provide the basis for the Annual Performance Information reported herein, ensuring consistency and comparability and result.

FREE STATE

PART C

GOVERNANCE



Part C: Governance

6. Report of the Audit Committee

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

6.1 Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and is required to meet four times per annum as per its approved terms of reference. The Audit Committee convened five times officially during the current financial year. One unofficial meeting between the Speaker of the Legislature (Executive Authority) and the Members of the Audit Committee without management present, was also held.

Name	Internal/ External	No of Meetings Attended
Ms. M. Hlalele (Chairperson)	External	4 Ordinary meeting and 6 Special meeting
Adv. N.M. Litabe	External	4 Ordinary meeting and 6 Special meeting
Mr. AT. Thito	External	4 Ordinary meeting and 5 Special meeting
Dr. T. Sethibe	External	2 Ordinary meeting and 0 Special meeting
Ms. S. Mzizi	External	3 Ordinary meeting and 0 Special meeting

6.2 Audit Committee Responsibility

In accordance with Section 48(1)(a)(i) of the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), the Audit Committee confirms its compliance with all statutory responsibilities as prescribed. The Committee further attests to having adopted formal terms of reference as outlined in its Audit Committee Charter, has conducted its affairs in strict adherence to this charter, and has fulfilled all duties stipulated therein, with the exception of reviewing changes to accounting policies and practices.

6.3 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 Legislature revealed certain weaknesses, which were then raised with the Legislature.

The following Internal Audit work was completed during the year under review:

- Develop Internal Audit Strategic and Operational Plan for 2024-25.
- Review and updating of the following statutory Internal Audit documents:
 - Internal Audit Charter 2024-25,
 - Internal Audit Policy and Procedure Manual,
 - Internal Audit Quality Assurance and Improvement Programme,
 - FSL Strategic Risk Register 2024, and
 - Audit Committee Charter 2024-25.
- Quarterly update of the risk register - FSL Risk Assessment Report.

- Fraud Risk Assessment Report.
- Human Resource Management Internal Audit Report.
- Supply Chain Management Internal Audit Report.
- Audit of Predetermined Objectives for 2024-25 Q1-Q3.
- Protection Services Internal Audit Report.
- Legislation and Oversight Internal Audit Report.

The following were areas of concern:

- Portfolio of evidence to support performance information,
- Availability of source records for audit purposes, and
- FSL risk identification and assessment process.

6.4 In-Year Management and Monthly/Quarterly Report

The Legislature has reported, in terms of Sections 51 - 53 of the FMPPLA, monthly, quarterly, and mid-term to the Executive Authority.

6.5 Evaluation of Financial Statements

The Committee reviewed the Legislature's Financial Statements to be included in the Annual Report. The Committee considered the Auditor-General of South Africa's Management Report and Management's response related thereto as well as the final Audit Report.

The Committee reviewed and discussed with the Auditor-General and Management the audited Annual Financial Statements to be included in the Annual Report. The Committee satisfied itself that the AGSA is independent of the Legislature and has demonstrated a high level of professionalism and integrity in engaging with Management and the Committee during the audit.

The Committee concurs with and accepts the Auditor-General of South Africa's report on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements for 2024-25 should be accepted and read together with the report of the Auditor-General of South Africa.

6.6 Auditor-General's Report

We have reviewed the Legislature's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General

6.7 Appreciation

The Committee would like to express its appreciation to the Speaker of the FSL's (Executive Authority), Secretary (Accounting Officer), Management, Internal Audit, the AGSA and all other key role players for the robust and constructive engagements held in making this process a success.



Ms. Manana Hlalele
Chairperson of the Audit
Committee Free State Legislature
31 July 2025



PART D

HUMAN RESOURCES MANAGEMENT



7. Human Resources Management

7.1 Introduction

Provide commentary on the following:

- The status of human resources in the Legislature.
- Human resource priorities for the year under review and the impact of these.
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- Employee performance management.
- Employee wellness programmes.
- Highlight achievements and challenges faced by Legislature, as well as future human resource plans /goals.

7.2 Human Resources Oversight Statistics

The Legislature must provide the following key information on its human resources. All the financial amounts must agree with the amounts disclosed in the annual financial statements. Provide reasons for any variances.

Please note that it is very important to follow the format and standards prescribed, to enable collation and comparison of information. **If subheadings/tables are not applicable to the department, it should be stated that there is nothing to report on. Numbering of tables must not be changed and should be maintained as in the guidelines.**

Include any other tables for HR if considered necessary by the Legislature and required by any specific government oversight body. These additional tables must be included at the end of the standardized HR information.

7.3 Personnel related expenditure

The following tables summarize the final audited personnel related expenditure by programme and by salary bands. It provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 7.3.1 Personnel expenditure by programme for the period 1 April 2024 and 31 March 2025

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Programme 1	192 350	119 821	190	0	62	875
Programme 2	59 919	0	0	0	0	0
Programme 3	50 473	46 234	49	0	92	1 185
Total	302 742	166 055	239	0	55	949

Table 7.3.2 Personnel costs by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Contract	2 429	2	5	486
Lower skilled	13 801	8	28	493
Skilled	44 548	27	52	857
Highly skilled production	48 748	29	44	1 108
Highly skilled supervision	26 264	16	16	1 642
Senior and Top management	30 266	18	12	2 522
Total	166 055	100	157	1 058

Table 7.3.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025

Programme	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1	119 821	62	1 230	1	5 837	1	5 420	5
Programme 2	0	0	0	0	0	0	0	0
Programme 3	46 234	92	483	1	1 768	1	1 867	4
Total	166 065	55	1 713	1	7 605	1	7 287	4

Table 7.3.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Salaries		Overtime		Home Owners		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R' 000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled	14 168	89	97	1	761	5	729	5
Skilled	39 064	88	677	2	2 053	5	1 967	4
Highly skilled production	41 957	86	939	2	2 205	5	2 113	4
Highly skilled supervision	23 149	88	0	0	1 217	5	1 166	4
Senior management	26 043	86	0	0	1 369	5	1 312	4
Total	144 681	87	1 366	1	7 605	5	7 287	4

7.4 Employment and Vacancies

The tables in this section summarise the position regarding employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- salary band
- critical occupations (see definition in notes below).

The Legislature have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 7.4.1 Employment and vacancies by programme as on 31 March 2025

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	146	113	23	6
Programme 2	0	0	0	0
Programme 3	49	38	22	0
Total	195	151	23	6

Table 7.4.2 Employment and vacancies by salary band as on 31 March 2025

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled	37	28	24	5
Skilled	74	52	30	0
Highly skilled production	51	43	16	1
Highly skilled supervision	19	16	16	0
Senior management	14	12	14	0
Total	195	151	23	6

7.5 Filling of senior management posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 7.5.1 Senior management post information as on 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 23	1	1	100	0	0
Salary Level 21	1	1	100	0	0
Salary Level 20	1	1	100	0	0
Salary Level 19	1	1	100	0	0

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 18	4	4	100	0	0
Salary Level 17	6	4	67	2	33
Total	14	12	86	2	14

Table 7.5.2 Senior management post information as on 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 23	1	1	100	0	0
Salary Level 21	1	1	100	0	0
Salary Level 20	1	1	100	0	0
Salary Level 19	1	1	100	0	0
Salary Level 18	4	4	100	0	0
Salary Level 17	6	4	67	2	33
Total	14	12	86	2	14

*Table 7.5.3 Reasons for not having complied with the filling of funded vacant Senior management -
Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2024
and 31 March 2025*

Reasons for vacancies not advertised within six months
The post for Hansard Editor was not budgeted. The Chief Audit Executive was advertised and filled effectively
The appointed incumbents will resume the duties on the 01 st April 2025.

7.6 Job Evaluation

The executing authorities may evaluate or re-evaluate any job in his or her organization. All vacancies on salary levels 6 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 7.6.1 Job Evaluation by Salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled	37	0	0	0	0	0	0
Skilled	74	1	1	1	1	0	0
Highly skilled production	51	0	0	0	0	0	0
Highly skilled supervision	19	0	0	0	0	0	0
Senior management	14	1	7	1	7	0	0
Total	195	2	99	2	99	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 7.6.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2024 and 31 March 2025

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	1	0	0	0	1
Total	2	0	0	0	2
Comments: None.					

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 7.6.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2024 and 31 March 2025

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Manager/Records Management in the Office of the Secretary to the Legislature	01	13	16	The incumbent was appointed before the position was evaluated.
Manager in the Office of the Deputy Secretary	01	13	15	The incumbent was appointed before the position was evaluated.
Librarian	01	14	16 (even though it is not exactly aligned with the sub-level of 16)	The salary of the incumbent was higher before the job evaluation in 2012.
Sergeant-at-Arms	01	10	15 (even though it is not exactly aligned to the sub-level of 15)	The salary of the incumbent was higher before the job evaluation in 2012.
Payment Coordinator	01	12	14	The salary of the incumbent was higher before the job evaluation in 2012.
Total number of employees whose salaries exceeded the level determined by job evaluation				5
Percentage of total employed				3%

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 7.6.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 and 31 March 2025

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	1	2
Male	3	0	0	0	3
Total	4	0	0	1	5
Employees with a disability					0

7.7 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 7.7.1 Annual turnover rates by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of employees at beginning of period- 1 April 2024	Appointments \ and transfers into the Legislature	Terminations and transfers out of the Legislature	Turnover rate
Lower skilled	35	1	3	9
Skilled	54	7	7	13
Highly skilled production	43	6	7	16
Highly skilled supervision	18	1	2	11
Senior management	9	2	0	0
Total	159	17	19	12

Table 7.7.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025

Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
TOTAL	n/a	n/a	n/a	n/a

Table 7.7.3 Reasons why staff left the department for the period 1 April 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	1	5
Resignation	2	11
Expiry of contract	15	79
Dismissal – operational changes	0	0
Dismissal – misconduct	1	5
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other Public Service Departments	0	0
Other	0	0
Total	19	100

Table 7.7.4 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled	35	0	0	0	0
Skilled	54	0	0	0	0
Highly skilled production	43	0	0	0	0
Highly skilled supervision	18	0	0	0	0
Senior management	9	0	0	0	0
Total	159	0	0	0	0

7.8 Employment Equity

Table 7.8.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	7	0	0	1	3	0	0	1	12
Professionals	7	0	0	0	5	3	0	1	16
Technicians and associate professionals	24	0	0	1	17	0	0	2	45

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Clerks	21	0	0	1	24	2	0	2	50
Service and sales workers	17	0	0	0	16	1	0	0	34
Total	76	0	0	3	65	6	0	6	156
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 7.8.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	1	0	0	0	0	3
Senior Management	5	0	0	0	3	0	0	1	9
Professionally qualified and experienced specialists and mid-management	7	0	0	0	5	3	0	1	16

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	24	0	0	1	17	0	0	2	45
Semi-skilled and discretionary decision making	21	0	0	1	24	2	0	2	50
Unskilled and defined decision making	17	0	0	0	16	1	0	0	34
Total	76	0	0	3	65	7	0	6	157

Table 7.8.3 Recruitment for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	3	0	0	0	6
Semi-skilled and discretionary decision making	5	0	0	0	2	0	0	0	7
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Total	10	0	0	0	7	0	0	0	16
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 7.8.4 Promotions for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 7.8.5 Terminations for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	1	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	4	0	0	0	7
Semi-skilled and discretionary decision making	1	1	0	0	5	0	0	0	7
Unskilled and defined decision making	1	0	0	1	0	1	0	0	3
Total	6	1	0	2	9	1	0	0	19
Employees with Disabilities	1	0	0	0	0	0	0	0	1

Table 7.8.6 Skills development for the period 1 April 2024 to 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	2	0	0	0	0	0	0	0	2

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	4	0	0	0	2	1	0	0	7
Technicians and associate professionals	10	0	0	0	7	0	0	0	17
Clerks	8	0	0	0	9	0	0	0	17
Service and sales workers	0	0	0	0	1	1	0	0	2
Total	24	0	0	0	19	2	0	0	45
Employees with disabilities	1	0	0	0	0	0	0	0	1

7.9. Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 7.9.1 Signing of Performance Agreements by SMS members as on 31 May 2024

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Secretary to the Legislature Level 23	1	1	1	100
Deputy Secretary to the Legislature Level 21	1	1	1	100

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Chief Financial Officer Level 20	1	1	1	100
Director Level 19	1	1	1	100
Director Level 18	4	4	2	50
Director Level 17	6	4	3	75
Total	14	12	8	67

Table 7.9.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 April 2025

Reasons
The two incumbents were appointed towards the end of financial year.

Table 7.9.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 April 2024

Reasons
Not applicable

7.10 Leave utilization

The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 7.10.1 Sick leave for the period 1 April 2024 to 31 March 2025

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills	251	24	25	25	138	13
Skilled	365	35	31	31	198	12
Highly skilled production	255	25	30	30	143	19
Highly skilled supervision	122	10	10	1	66	74
Top and Senior management	63	6	4	4	34	133
Total	1 056	100	100	91	578	251

Table 7.10.2 Annual Leave for the period 1 April 2024 to 31 March 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled	406	28	217
Skilled Levels	637	40	339
Highly skilled production	397	37	217
Highly skilled supervision	179	15	97
Senior management	96	10	53
Total	1 715	130	923

Table 7.10.3 Capped leave for the period 1 December 2023 to 30 November 2024

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average number of days taken per employee as on 31 March 2025
Lower skilled	15	3	9	0
Skilled Levels	2	2	2	0
Highly skilled production	38	8	23	0
Highly skilled supervision	15	2	9	0
Senior management	0	0	0	0
Total	70	15	43	0

Table 7.10.4 Leave payouts for the period 1 April 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2024/25 due to non-utilisation of leave for the previous cycle	4 761	157	2 459
Capped leave payouts on termination of service for 2024/25	0	0	0
Current leave payout on termination of service for 2024/25	690	18	354
Total	5 451	175	2 813

7.11 HIV/AIDS & Health Promotion Programmes

Table 7.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	Not applicable

Table 7.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Questions	Yes	No	Details, if yes
1. Has the Legislature designated a member of the SMS to implement the provisions contained in Part VI of Chapter 1 of the Public Service Regulations, 2001? If so, provide his/her position.	✓		Ms. Dikomang Tshabalala: Director: Human Capital Management
2. Does the Legislature have a dedicated unit or has it designated specific staff member to promote health and wellness of your employees? If so, indicate the number of employees involved in this task and the annual budget that is available for this purpose?	✓		The Legislature has appointed 1 person responsible for implementing the Employee Health and Wellness Programme. There is no specific budget allocated for this programme. Budget for activities is taken from the overall HRM budget.

FREE STATE

Questions	Yes	No	Details, if yes
3. Has the Legislature introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate elements/services	✓		The FSL Employee and Wellness Programme focuses on the 3 pillars of Employee Health and Wellness Strategic Framework: 1.Occupational Health HIV/AIDS and TB Management Health and Productivity Management Reduction of burden of diseases in the workplace A Chronic diseases awareness campaign is conducted for employees The Legislature has introduced Wellness Wednesday where employees are encouraged to participate in a sport of their choice for 2 hours in the afternoon, to enhance the employee's quality of life 2.Quality of Work life SHERQ Management Safety in the workplace is emphasized. The Legislature has appointed 2 designated Safety Officers OHS Reps have been trained in fire safety, usage of evacuation- chair and First Aid. 3.Wellness Management Individual and group counselling are offered to employees as needed. For this current year we are still focusing on Mental Health Management
4. Has the Legislature established (a) committee(s) as contemplated in Part iv E.5 e of Chapter 1 of Public Service Regulations,2001? If so, please provide the names of members of the Committee and the stakeholders that the represent	✓		No committee has been established yet because FSL EAP Policy is still in its draft form

Questions	Yes	No	Details, if yes
5. Has the legislature reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.	✓		➤ Free State Legislature Policy on HIV/AIDS ➤ Draft EAP Policy
6. Has the legislature introduced measures to protect HIV-positive employees or those perceived to be HIV- positive from discrimination? If so, list key element of these measures.	✓		Adjustment of policies: E.g. Leave Policy-Special leave about an employee who suffers from terminal illness; time-off for Clinic appointments and changes in hours of work and in start/finish time. Labour Relations Act: Code of Good Practice; aspects on HIV/AIDS and Employment. Application of the Medical Aid Schemes Act no 131 of 1998.
7. Does the legislature encourage its employees to undergo Voluntary counseling and Testing? If so, list the results you have achieved	✓		The Wellness unit always encourages people to go for HIV/Aids Counseling and Testing (HCT) During National Recreation Day in 2024, a few employees went for voluntary testing. The number recorded for the Legislature was 6
8. Has the legislature developed measures to monitor and evaluate the impact of its health promotion programme? If so, list these measures.	✓		Attendance registers are kept during health promotion sessions to evaluate the impact of the programme and check the views of the participants on what should or can be added to improve the programme, during Employee Wellness Sessions.

7.12 Labour Relations

Table 7.12.1 Collective agreements for the period 1 April 2024 and 31 March 2025

Subject matter	Date
Wage settlement for 2024/25	29 th April 2024
Total costs working days lost	0
Amount recovered as a result of no work no pay (R"000)	0

Table 7.12.2 Grievances logged for the period 1 April 2024 and 31 March 2025

Grievances	Number	% of Total
Number of grievances resolved	2	50
Number of grievances not resolved	2	50
Total number of grievances lodged	4	100

Table 7.12.3 Disputes logged with Councils for the period 1 April 2024 and 31 March 2025

Disputes	Number	% of Total
Number of disputes upheld	2	40
Number of disputes dismissed	0	0
Total number of disputes lodged	5	100

7.13 Skills development

This section highlights the efforts of the department regarding skills development.

Table 7.13.1 Training needs identified for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short Courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	• Policy Development • Leadership and Communication Training • Facilities Management • Incident Investigation Level • Advanced excel	• ACFE Conference • EAPA conference 2025 • Tax/ SARS • Rdata	13
	Male	9	0	• CCMA Labour Law updates and amendments • Leadership and Communication Training	• ACFE Conference • Supply Chain Management Training	
Professionals	Female	8	0	• Advanced excel • Protocol and Etiquette • Digital and Social Media Marketing • Policy Development • Advanced word Processing • Leadership and Communication Training • Facilities Management • Supply Chain Management Training • Microsoft Cybersecurity Architect • Succession Planning and Leadership Development • Facilities Management	• African Languages Conference • African Tech Conference	15

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short Courses	Other forms of training	Total
	Male	7		• CCMA Labour Law updates and amendments • Digital and Social Media Marketing • Policy Development • Social Media for Government Communication • Media Monitoring Training • Advanced Word Processing • Leadership and Communication Training • Incident Investigation Level • Succession Planning and Leadership Development • Project Management • Incident Investigation Level • Strategic Management, Monitoring and Evaluation	• SABPP Trainings • African Languages Conference	
Technicians and associate professionals	Female	18	0	• Advanced excel • Protocol and Etiquette • CCMA Labour Law updates and amendments • Digital and Social Media Marketing • Policy Development • Social Media for Government Communication • Advanced Word Processing	• EAPA conference 2025 • IT Web Security Summit • ACFE Conference Rdata – PROMUN SYSTEM	37

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short Courses	Other forms of training	Total
	Male	19	0	• Advanced excel • Protocol and Etiquette • Digital and Social Media Marketing • Policy Development • Social Media for Government Communication • Digital Photography • Communication and Stakeholders Relations • Project Management • Legislature Capacity Building Program • Copy writing Training	• SABPP Trainings • African Tech Conference Rdata – PROMUN SYSTEM	
Clerks	Female	19	0	• Advanced excel • Protocol and Etiquette • CCMA Labour Law updates and amendments • Digital and Social Media Marketing • Advanced word Processing • Communication and Stakeholders Relations • Legislature Capacity Building Program • Supply Chain Management Training • Copy writing Training Editing	• Rdata – PROMUN SYSTEM • SAICA Conference and IIA Conference	39

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short Courses	Other forms of training	Total
	Male	20	0	- Advanced excel - Protocol and Etiquette - CCMA Labour Law updates and amendments - Microsoft Azure Administrator – 104T00 - Policy Development - Advanced word Processing - Digital Photography - Incident Investigation Level - MS power Platform Developer PL400	- IT Web Security Summit - ACFE Conference - African Tech Conference - Rdata – PROMUN SYSTEM	
Service and sales workers	Female	6	0	National Key Point Training	0	10
	Male	4	0	National Key Point Training	0	0
Sub Total	Female	55				
	Male	59				
Total		114	0			114

Table 7.13.2 Training provided for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnership	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	Legislative Process Training for Legal Practitioners, Procedural Practitioners, Managers, and Staff	- Salsa Development Seminar - ACFE Conference-Certified Fraud Conference	4
	Male	8	0	- Legislative Process Training for Legal Practitioners and Procedural Practitioners - Stakeholder Relationship Management and Training	- Salsa Development Seminar - ACFE Conference-Certified Fraud Conference	8
Professionals	Female	7	0	- Performance Information Management - Fuel, Fleet and Transport Management - Power platform Solutions Architect - Annual R data User Workshop- - Decorum	- GovTech Conference SITA - Salsa Development Seminar	7
	Male	9	0	- Performance Information Management - Security Management - Legislative Process Training for Legal Practitioner and Procedural Practitioners Managers and Staff	- Salsa Development Seminar - OHS Fire Training	9

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnership	Skills Programmes & other short courses	Other forms of training	Total
Technicians and associate professionals	Female	22	0	• Performance Information Management • Legislative Process Training for Legal Practitioner and Procedural Practitioners Managers and Staff • Decorum of the house	• Annual R data User Workshop • OHS Fire Training	22
	Male	22	0	• Performance Information Management • Decorum of the house	• Annual R data User Workshop • OHS Fire Training	22
Clerks	Female	31	0	• Performance Information Management • Records and Archives Management • Fuel, Fleet and Transport Management • Business Writing	• Annual R data User Workshop • OHS Fire Training	31
	Male	21		• GovTech Conference SITA • Performance Information Management • Records and Archives Management • Fuel, Fleet and Transport Management • Microsoft 365 Administration	• Annual R data User Workshop • OHS Fire Training • Decorum	

Occupational category	Gender	Number of employees as at 1 April 2024	Training provided within the reporting period			
			Learnership	Skills Programmes & other short courses	Other forms of training	Total
Service and sales workers	Female	18		• Fuel, Fleet and Transport Management	• 0	6
	Male	16		• Fuel, Fleet and Transport Management	• 0	
Sub Total	Female	82				
	Male	76				
Total		158				

7.14 Utilization of Consultants

Table 7.14.1 Report on consultant appointments using appropriated funds for the period 1 April 2024 and 31 March 2025

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
n/a	n/a	n/a	n/a

Table 7.14.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
n/a	n/a	n/a	n/a

Table 7.14.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
n/a	n/a	n/a	n/a

*Table 7.14.4 Analysis of consultant appointments using Donor funds, in terms of Historically**Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025*

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
n/a	n/a	n/a	n/a

7.15 Injury on duty

The following tables provide basic information on injury on duty.

Table 7.15.1 Injury on duty for the period 1 April 2024 and 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

7.16 Severance Packages

Table 7.16.1 Granting of employee initiated severance packages for the period 1 April 2024 and 31 March 2025

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0



PART E

FINANCIAL

INFORMATION



Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

General Information

Country of incorporation and domicile	Republic of South Africa
Nature of business and principal activities	The Free State Legislature is the legislative authority of the Free State Province. The constitutional mandate is to give effect to oversight and hold the Executive accountable and law-making through public involvement.
Registered office	41 Charlotte Maxeke street Bloemfontein 9301
Bankers	First National Bank
Auditors	Auditor-General of South Africa
Acting Secretary	S Mabalane



Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Index

	Page
Report of the Auditor General to the Free State Legislature on Vote 2	90
Accounting Authority's Responsibilities and Approval	98
Statement of Financial Position	99
Statement of Financial Performance	100
Statement of Changes in Net Assets	101
Cash Flow Statement	102
Statement of Comparison of Budget and Actual Amounts Significant Accounting	103 - 104
Policies	105 - 130
Notes to the Annual Financial Statements	131 - 161

Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
FMPPLA	Financial Management of Parliament and Provincial Legislature Act 2009

LEGISLATURE

Report of the auditor-general to the Free State Provincial Legislature on vote no. 2: Free State Legislature

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Free State Legislature set out on pages 97 to 161, 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 Free State Legislature as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislature Act 10 of 2009 (FMPPLA).

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 Legislature 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 officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the FMPPLA; and for such internal control as the accounting officer 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 officer is responsible for assessing the legislature'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 legislature 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 94, forms part of my auditor's report.

Report on the audit of 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 against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measure the legislature's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
Core business	42 - 47	To render support services in respect of the legislative oversight and accountability functions of the House and its committees.

12. I evaluated the reported performance information for the selected programmes 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 legislature's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
 - 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
 - there is adequate supporting evidence for the achievements reported
14. I performed the procedures for the purpose of reporting 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 core business programme.

Othe matter

16. I draw attention to the matter below.

Material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the core business. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

18. 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 officer is responsible for the legislature's compliance with legislation.
19. 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.
20. 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 legislature, 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.
21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported on in this auditor's report.
23. 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.
24. 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 programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

25. If, based on the work I have performed, I conclude that there is a material misstatement in this other information. I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

26. 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.

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

Auditor-General

Bloemfontein

30 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. 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

2. 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 programmes and on the legislature's compliance with selected requirements in key legislation

Financial statements

3. 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 legislature'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 legislature 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 legislature 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

4. I communicate with the accounting officer 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
5. I also provide the accounting officer 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

6. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Finance Management of Parliament and Provincial Legislature Act 10 of 2009	Section 7(b); 7(e); 14(1); 14(2)(a); 14(2)(b); Section 14(2)(c); 14(2)(d); 14(2)(e); 15(1); Section 15(2)(a); 15(2)(b); 15(2)(c); 15(2)(d); Section 20(5); 21(2); 33(2)(a); 33(2)(b); 33(2)(e); Section 35(1)(a); 35(1)(b); 36(a); 41(b); 44; 46; Section 52; 53(1); 53(1)(b); 53(1)(c); 56(1); Section 57(a); 67(2)(a); 67(2)(b); 68(2)(a); Section 68(2)(b)
Financial Management of Parliament Act – Supply Chain Management Regulations of 2015	Regulation 6(1)(c); 6(3)(e); 6(6); 6(6)(a)(i); Regulation 6(6)(a)(v); 6.7; 6(7)(a)(i); 6(7)(a)(ii); Regulation 6(8)(a)(ii); 6(8)(b)(ii); 6(8)(b)(iii); Regulation 6(8)(f)(iv); 6(9)(a)(i); 6(9)(a)(ii); Regulation 6(9)(a)(iii); 6(9)(a)(iv); 6(9)(a)(v); Regulation 6(11); 6(11)(b); 6(11)(d)(i); 6(11)(d)(ii); Regulation 6(11)(d)(iii); 6(11)(d)(iv); 6(11)(d)(v); Regulation 6(11)(d)(vi); 6(11)(e)(i); 6(11)(e)(ii); Regulation 6(11)(e)(iii); 6(11)(d)(vii); 7(8)(a); Regulation 7(9)(a)(vi); 7(9)(c)(i); 8; 8(1); 8(2); 9; Regulation 9(1)(c); 11(2); 11(2)(c); 11(3)
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation of 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation of 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Regulation 6.4; 6.6; 6.8; 7.1; 7.2; 7.4; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



LEGISLATURE

Free State Legislature
Annual Financial Statements
for the year ended March 31, 2025

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Accounting Authority's Responsibilities and Approval

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

The annual financial statements 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.

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

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

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

The Accounting Officer has reviewed the entity's cash flow forecast for the year to March 31, 2026 and, in the light of this review and the current financial position, he is 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 entity for continued funding of operations. The annual 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 accounting authority are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The annual financial statements set out on pages 4 to 66, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2025 and were signed on its behalf by:



S Mabalane
Acting Secretary to the Legislature

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Statement of Financial Position as at March 31, 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	38,297,489	40,868,740
Receivables from exchange transactions	4	1,194,359	1,919,599
Receivables from non-exchange transactions	5	3,026,082	56,284
Prepayments	6	1,497,215	1,008,806
Inventories	7	422,037	448,526
		44,437,182	44,301,955
Non-Current Assets			
Property, plant and equipment	8	13,729,137	11,341,166
Heritage assets	9	3,185,870	3,185,870
Intangible assets	10	94,088	117,619
		17,009,095	14,644,655
Total Assets		61,446,277	58,946,610
Liabilities			
Current Liabilities			
Finance lease obligation	40	-	74,721
Operating lease liability	11	-	1,233,176
Payables from exchange transactions	12	23,486,976	22,079,353
Payables from non-exchange transactions	13	10,849,351	162,967
Employee benefit obligation	14	1,140,000	23,318,484
Unspent conditional grants and receipts	18	-	169,129
		35,476,327	47,037,830
Non-Current Liabilities			
Employee benefit obligation	14	20,639,000	8,975,372
Total Liabilities		56,115,327	56,013,202
Net Assets		5,330,950	2,933,408
Accumulated surplus		5,330,950	2,933,408
Total Net Assets		5,330,950	2,933,408

* See Note 32

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Other income	15	1,593,116	560,500
Interest received	16	3,383,916	4,514,362
Total revenue from exchange transactions		4,977,032	5,074,862
Revenue from non-exchange transactions			
Taxation revenue			
Service in- kind	17	4,621,758	4,867,639
Transfer revenue			
Government grants & subsidies	18	334,613,537	314,045,217
Public contributions and donations	19	77,748	-
Total revenue from non-exchange transactions		339,313,043	318,912,856
Total revenue		344,290,075	323,987,718
Expenditure			
Employee related costs	20	(166,566,914)	(167,892,995)
Members remuneration	21	(29,717,973)	(27,552,810)
Transfers and subsidies	22	(56,046,728)	(60,819,444)
Depreciation and amortisation		(2,960,230)	(2,643,673)
Impairment of assets	41	-	(2,905)
Finance costs	23	(1,583,139)	(1,638,394)
Debt Impairment	24	(530,304)	-
Bad debts written off		(94,780)	-
Loss on disposal of assets and liabilities		(80,418)	(225,480)
Property Payments	25	(22,789,836)	(20,264,644)
General Expenses	26	(43,441,546)	(59,767,908)
Travel and subsistence	27	(12,532,905)	(20,050,840)
Total expenditure		(336,344,773)	(360,859,093)
Surplus (deficit) for the year from continuing operations		7,945,302	(36,871,375)
Actuarial gain/(loss)		(5,547,762)	694,000
Surplus (deficit) for the year		2,397,540	(36,177,375)

* See Note 32

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	39,133,654	39,133,654
Adjustments		
Prior year errors Note 32	(22,871)	(22,871)
Balance at April 1, 2023 as restated*	39,110,783	39,110,783
Changes in net assets		
Deficit for the year	(36,177,375)	(36,177,375)
Total changes	(36,177,375)	(36,177,375)
Restated* Balance at April 1, 2024	2,933,410	2,933,410
Changes in net assets		
Surplus for the year	2,397,540	2,397,540
Total changes	2,397,540	2,397,540
Balance at March 31, 2025	5,330,950	5,330,950

* See Note 32

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		929,037	560,500
Grants		331,418,326	315,635,000
Interest income		3,383,916	4,514,362
		<u>335,731,279</u>	<u>320,709,862</u>
Payments			
Employee costs		(167,164,742)	(155,609,329)
Members remuneration		(45,202,211)	(27,417,217)
Suppliers		(75,171,034)	(96,223,591)
Transfers and subsidies		(45,360,344)	(60,819,444)
		<u>(332,898,331)</u>	<u>(340,069,581)</u>
Net cash flows from operating activities	28	2,832,948	(19,359,719)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(6,052,162)	(3,027,728)
Proceeds from sale of property, plant and equipment	8	724,822	22,167
Purchase of other intangible assets	10	-	(2,129)
Net cash flows from investing activities		(5,327,340)	(3,007,690)
Cash flows from financing activities			
Finance lease payments		(76,860)	(226,086)
Net increase/(decrease) in cash and cash equivalents		(2,571,252)	(22,593,495)
Cash and cash equivalents at the beginning of the year		40,868,740	63,462,236
Cash and cash equivalents at the end of the year	3	38,297,488	40,868,741

The accounting policies on pages 10 to 35 and the notes on pages 36 to 66 form an integral part of the annual financial statements.

* See Note 32

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

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
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Other income	199,000	(199,000)	-	1,348,816	1,348,816	Note 30
Interest received	2,452,000	(2,452,000)	-	3,383,916	3,383,916	Note 30
Total revenue from exchange transactions	2,651,000	(2,651,000)	-	4,732,732	4,732,732	

Revenue from non-exchange transactions

Transfer revenue

Appropriation	284,911,000	62,800,000	347,711,000	331,418,326	(16,292,674)	Note 30
Total revenue	287,562,000	60,149,000	347,711,000	336,151,058	(11,559,942)	

Expenditure

Personnel	(168,634,000)	2,559,872	(166,074,128)	(166,054,894)	19,234	Note 30
Remuneration of members	(27,507,000)	(14,500,000)	(42,007,000)	(45,202,211)	(3,195,211)	Note 30
Transfer payments	(33,609,000)	(24,120,078)	(57,729,078)	(56,805,944)	923,134	Note 30
Payments for capital assets	(1,161,000)	(5,266,653)	(6,427,653)	(5,896,567)	531,086	Note 30
Goods and services	(54,000,000)	(21,473,141)	(75,473,141)	(73,985,680)	1,487,461	Note 30
Total expenditure	(284,911,000)	(62,800,000)	(347,711,000)	(347,945,296)	(234,296)	

Deficit before taxation	2,651,000	(2,651,000)	-	(11,794,238)	(11,794,238)	
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Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	2,651,000	(2,651,000)	-	(11,794,238)	(11,794,238)	
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Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

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
Figures in Rand						
Reconciliation						
Accumulated surplus (prior period)				346,743		Note 30
Operating lease accrual				1,233,176		Note 30
Finance leases				74,721		Note 30
Prepayments (Receivables)				18,584		Note 30
Unreconciling items (Prior year Bank)				(153,859)		Note 30
Bonus provision				(535,978)		Note 30
Payables Accruals				(182,828)		Note 30
Statutory appropriation				3,195,211		Note 30
Staff debt (receivable)				(17,562)		Note 30
Provision and accrued leave				(1,244,278)		Note 30
Capitalisation of PPE				6,052,162		Note 30
Salary Accruals				(891,144)		Note 30
GRAP 25 Employee benefit obligations				10,514,856		Note 30
Debt impairment				(530,304)		Note 30
Depreciation and amortisation				(2,960,230)		Note 30
Disposal of Property, plant and equipment				(805,239)		Note 30
Public contributions and donations				77,748		
Actual Amount in the Statement of Financial Performance				2,397,540		

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

Figures in Rand	Note(s)	2025	2024
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1. Significant account policies

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

1.1 Basis of preparation

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

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

These accounting policies are consistent with the previous period.

1.2 Going concern assumption

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

1.3 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the entity. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.4 Grants in aid

The entity transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the entity does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

1.5 Budget information

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

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

The annual financial statements and the budget are not on the same basis of accounting. The actual financial statement information is therefore presented on a comparable basis to the budget information. The comparison and reconciliation between the statement of financial performance and the budget for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.6 Significant judgements and sources of estimation uncertainty

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

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.6 Significant judgements and sources of estimation uncertainty (continued)

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Receivables

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

The impairment for receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to balances in the portfolio and scaled to the estimated loss emergence period.

The Prescription Act 68 of 1969 are used as a basis for long outstanding receivables. Eventhough the prescription period is legally three years, the historical patterns are also considered in calculating impairment on long outstanding receivables.

Impairment testing

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

Value in use of non-cash generating assets:

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and nature of the impairment.

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 14.

FREE STATE

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.6 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment and other assets

In the process of applying the Legislature's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

The useful life of assets is based on management's estimation. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful life, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful life and residual values of Assets:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine the useful life.
- The useful life determined with the compilation of the 2025 fixed asset register is based on a calculation of the past useful life from date of acquisition to year end 2025 plus the calculation of the remaining useful life based on a presentation on the condition and the useful life allocated to a new asset.
- For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Legislature's asset register;
- Cost of items with a similar nature in other Legislatures' asset registers, given that the other Legislatures have the same geographical setting as the Free State Legislature and that the other Legislatures' asset registers are considered to be accurate;
- Cost as supplied by suppliers or online information.

Post-retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of post retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 14.

Effective interest rate

The entity used the government bond rate to discount future cash flows.

Allowance for impairment

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

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.7 Property, plant and equipment

1.7.1 Initial Recognition

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 year. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded 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 the Legislature. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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.

Where an asset is acquired by the Legislature for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

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

Where an asset is acquired through a non-exchange transaction, any transaction cost incurred are recognised as part of the cost of the asset.

1.7.2 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Legislature replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.7.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful life of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful life are depreciated separately. The annual depreciation rates are based on the following estimated useful life in years:

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

Asset type	Years
Office Equipment	4-26
Lease Assets: Cell-phones	5-15
Lease Assets: Photocopiers	3
Furniture	5-28
Computer Equipment	1-25
Transport Assets	5-23

New assets bought during the year will be allocated the useful life as follows, but a remaining useful life will be allocated at the end of each reporting year:

Asset type	Years
Office Equipment	5
Lease Assets: Cell-phones	2
Lease Assets: Photocopiers	3
Furniture	10

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.7 Property, plant and equipment (continued)

Computer Equipment	4-5
Transport Assets	5

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error, depending on the specific circumstances.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

1.7.4 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8 Intangible assets

1.8.1 Initial Recognition

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

An asset meets the identifiable criterion in the definition of an intangible asset when it:

is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or

- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.
- 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.

The Legislature recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Legislature and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Legislature intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the Legislature has the resources to complete the project;
- it is probable that the Legislature will receive future economic benefits or service potential; and
- the Legislature can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for non-monetary assets 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, its deemed cost is the carrying amount of the asset(s) given up.

1.8.2. Subsequent Measurement - Cost Model

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.8 Intangible assets (continued)

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.8.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful life using the straight-line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful life are amortised separately. The estimated useful life, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful life:

Intangible Assets	Years
Computer Software	3-13

New assets bought during the year will be allocated the useful life as follows, but a remaining useful life will be allocated at the end of each reporting year:

Intangible Assets	Years
Computer Software	3

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error, depending on the specific circumstances.

1.8.4 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales' proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.9 Heritage assets

Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

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

A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

Subsequent measurement

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

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.9 Heritage assets (continued)

Depreciation and Impairment

Heritage assets are not depreciated.

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance. Subsequent to initial measurement heritage assets are carried at cost less any accumulated impairment losses.

Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.10 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.

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.

1.11 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).

Refer to note 36 for events identified.

1.12 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.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.13 Financial instruments

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

Classification

The Legislature 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

Receivables from exchange transactions
Receivables from non exchange transactions
Cash and Cash equivalents

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

The Legislature 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

Payables from exchange transactions
Payables from non-exchange transactions
Finance lease obligations

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost

Initial recognition

The Legislature recognises a financial asset or a financial liability in its Statement of Financial Position when the Legislature becomes a party to the contractual provisions of the instrument.

The Legislature recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The Legislature measures a financial asset and financial liability, other than those subsequently measures at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures all other financial assets and financial liabilities initially at fair value.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Annual Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.13 Financial instruments (continued)

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

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

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

Impairment and uncollectibility of financial assets

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

For amounts due to the Legislature, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost.

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

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

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial assets measured at cost.

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The Legislature derecognises financial assets using trade date accounting.

The Legislature derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the Legislature transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.13 Financial instruments (continued)

- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
- derecognises the asset; and
- recognises separately any rights and obligations created or retained in the transfer.

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

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

Financial liabilities

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

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

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

1.14 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Legislature. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Legislature uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Legislature recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.14 Leases (continued)

Finance leases - lessee

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

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

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

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

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

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 or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term.

1.15 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.

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 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.

1.16 Impairment of cash-generating assets

Cash-generating assets are assets held by the Legislature with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-oriented Legislature, it generates a commercial return.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.16 Impairment of cash-generating assets (continued)

Designation

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

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

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

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

Identification

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

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

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

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

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

Discount rate

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

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

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.16 Impairment of cash-generating assets (continued)

Cash-generating units

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

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

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

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

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

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

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

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

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

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

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.16 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.17 Impairment of non-cash-generating assets

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

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

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

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

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

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

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

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

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

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.17 Impairment of non-cash-generating assets (continued)

Designation

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

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

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

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

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

Identification

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

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

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

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

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

Depreciated replacement cost approach

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

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

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.17 Impairment of non-cash-generating assets (continued)

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

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

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

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

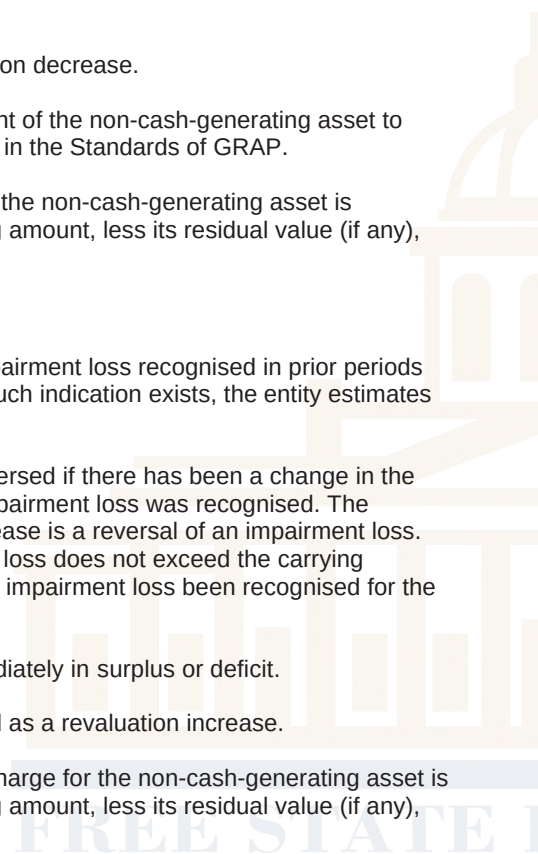
A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.



Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.18 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered a 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:

- 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; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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

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

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

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

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and 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 concerned.

Post-employment benefits: Defined contribution plans

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

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

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, 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
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.18 Employee benefits (continued)

Where contributions to a defined contribution plan do not fall due wholly within 12 months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

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

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises, because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.18 Employee benefits (continued)

- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses, which is recognised immediately;
- past service cost, which is recognised immediately;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the post-employment benefit obligations.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.18 Employee benefits (continued)

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

1.19 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.

FREE STATE

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.19 Provisions and contingencies (continued)

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

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

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability:

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.20 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.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

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

Interest, 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.

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

FREE STATE

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.21 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.

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.

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

Recognition

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

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

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

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.

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the Legislature's operations and/or service delivery objectives are recognised as revenue and as assets when it is probable that future economic benefits or service potential will flow to the Legislature and the fair value of the assets can be measured reliably.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.21 Revenue from non-exchange transactions (continued)

For services in-kind that are not significant to the Legislature's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the nature and type received during the reporting period are disclosed. Services in-kind are recognised as revenue and as assets.

1.22 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the entity is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

FREE STATE

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.22 Statutory receivables (continued)

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss 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, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an 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 is 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.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Significant Accounting Policies

1.23 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

1.24 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less.

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.

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

Fruitless and wasteful expenditure recoverable is to be recognised as a receivable in the Statement of Financial Position, until received or written off.

1.26 Irregular expenditure

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

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

All expenditure relating to irregular expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure recoverable is to be recognised as a receivable in the Statement of Financial Position, until received or written off.

1.27 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.

1.28 Prepayments and Advances

Prepayments and Advances are expenses incurred by an entity in connection with travel and subsistence which is expensed once proof are submitted from the Legislature officials.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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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 April 1, 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)		Unlikely there will be a material impact
GRAP 103 (as revised): Heritage Assets		Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	April 1, 2025	The most significant change relate to the calculation of impairment and disclosure of risk management. The impact will still be assessed. Unlikely there will be a material impact
IGRAP 22: Foreign Currency Transactions and Advance Consideration	April 1, 2025	Unlikely there will be a material impact

The effective date for GRAP 103: Heritage Assets has not yet been determined by the Minister. It is not expected to have an impact.

The ASB has proposed improvements to GRAP 1 in terms of going concern. The effective date for GRAP 1: Going concern improvements is yet to be determined, but not expected to have a significant impact as the improvements is to provide guidance on existing principles.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4,036	24
Bank balances	20,824,801	3,755,412
FNB Investment	17,468,652	37,113,304
	38,297,489	40,868,740

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2025	March 31, 2024	March 31, 2023
FNB BANK Corporate Services- Account 62113191796	20,824,800	3,755,412	15,012,843	20,824,801	3,755,412	15,012,843
FNB CALL ACCOUNT - Account Type - 62345381248	17,468,652	37,113,304	48,449,369	17,468,652	37,113,304	48,449,369
Petty Cash	4,036	24	24	4,036	24	24
Total	38,297,488	40,868,740	63,462,236	38,297,489	40,868,740	63,462,236

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
4. Receivables from exchange transactions		
Creditors with debit balances	198,837	190,911
Deposits paid to suppliers	654,320	654,320
Staff debt	341,202	600,348
Claims recoverable	-	471,520
PPE disposals receivable	-	2,500
	1,194,359	1,919,599

Trade and other receivables pledged as security

None of Receivables from exchange transactions were pledged as security.

Credit quality receivables from exchange transactions

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates:

Trade and other receivables past due but not impaired

The ageing of these Receivables exchange transactions is as follows

0 to 12 months	329,857	142,213
Older than 12 months	864,502	1,777,386

Prior year ageing of receivables adjusted to agree to the total receivables from exchange transactions.

Prior year ageing of receivables disclosed: R875 814.

The receivables from exchange transactions being staff debt are recoverable within 12 months from the FSL staff and political parties and not considered for impairment.

Amounts owing by suppliers are withheld from future invoices and not considered for impairment.

Refer to note 32 for detail explanation on prior period corrections performed.

Reconciliation of provision for impairment of trade and other receivables

Provision for impairment	474,020	-
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The creation and release of provision for impaired receivables have been included in debt impairment in surplus or deficit (note 24).

Claims recoverable and PPE disposal receivable are long outstanding and considered for impairment.

5. Receivables from non-exchange transactions

Recoverable expenditure	-	50,000
Statutory appropriation	3,026,082	-
Department of Public Works	-	6,284
	3,026,082	56,284

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Statutory appropriation	3,026,082	-
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Refer to note 18 for reconciliation performed.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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5. Receivables from non-exchange transactions (continued)

Financial asset receivables included in receivables from non-exchange transactions above	-	56,284
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Total receivables from non-exchange transactions	3,026,082	56,284
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Statutory receivables general information

Transaction(s) arising from statute

Statutory receivables arises from the statutory appropriation owed to the Legislature.

Determination of transaction amount

The amount is determined by the difference between statutory appropriation received during the year and amount paid to members (transferred to revenue).

Basis used to assess and test whether a statutory receivable is impaired

Statutory receivables are driven by legislation and therefore are not considered for impairment.

Discount rate applied to the estimated future cash flows

Discount rate is not applicable as statutory receivables are driven by legislation and therefore are not considered for impairment.

Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Receivables from non-exchange transactions past due not impaired

The ageing of amounts past due but not impaired is as follows:

0 to 12 months	3,082,366	-
Older than 12 months	-	56,284

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

Provision for impairment	56,284	-
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The creation and release of provision for impaired receivables have been included in debt impairment in surplus or deficit (note 24).

Recoverable expenditure and Department of Public Works revivable are long outstanding and considered for impairment.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
6. Prepayments		
At the beginning of the year	1,008,806	1,112,821
Advance	2,825,286	2,942,755
Repayments	(1,410,998)	(2,072,888)
Microsoft software licence paid in advance	(925,879)	(785,282)
Installation cost paid in advance	-	(188,600)
	1,497,215	1,008,806

Prepayments and Advances are expenses incurred by an entity in connection with travel and subsistence which is expensed once proof are submitted to the Legislature.

Prepayments and Advances also relates to expenses paid in advance for which the services have not yet been received.

Refer to note 32 for detail explanation on prior period corrections performed.

Balances classified as Receivables from exchange transactions

Prepayments	1,497,215	1,008,806
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The prior year disclosure was corrected by including expenses paid in advance.

Prepayments classified as receivables from exchange transactions previously disclosed: R82 927.

7. Inventories

Consumables	422,037	448,526
Inventories recognised as an expense during the year	511,115	598,258

Inventory pledged as security

None of the inventories were pledged as security.

8. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	6,942,261	(5,373,402)	1,568,859	6,835,367	(5,023,277)	1,812,090
Motor vehicles	8,755,872	(2,178,396)	6,577,476	6,779,225	(3,300,654)	3,478,571
Office equipment	8,017,411	(5,731,204)	2,286,207	7,786,594	(4,931,697)	2,854,897
IT equipment	9,098,924	(5,802,329)	3,296,595	8,185,520	(4,989,912)	3,195,608
Total	32,814,468	(19,085,331)	13,729,137	29,586,706	(18,245,540)	11,341,166

FREE STATE

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Work in progress Additions	Disposals	Transfers from WIP	Transfers to PPE	Depreciation	Total
Furniture and fixtures	1,812,090	108,145	-	(150)	-	-	(351,226)	1,568,859
Motor vehicles	3,478,571	4,532,611	-	(710,419)	-	-	(723,287)	6,577,476
Office equipment	2,854,897	244,510	11,612	(1,300)	68,613	(68,613)	(823,512)	2,286,207
IT equipment	3,195,608	1,233,031	-	(93,369)	-	-	(1,038,675)	3,296,595
	11,341,166	6,118,297	11,612	(805,238)	68,613	(68,613)	(2,936,700)	13,729,137

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Work in progress Additions	Disposals	Transfers received	Transfers	Depreciation	Impairment loss	Total
Furniture and fixtures	1,780,460	403,417	-	(3,134)	-	-	(368,653)	-	1,812,090
Motor vehicles	4,009,231	-	-	(137,557)	-	-	(393,103)	-	3,478,571
Office equipment	3,273,203	690,401	188,600	(11,862)	(2,393,847)	1,967,131	(855,824)	(2,905)	2,854,897
IT equipment	1,966,155	1,933,910	-	(92,978)	-	391,997	(1,003,476)	-	3,195,608
	11,029,049	3,027,728	188,600	(245,531)	(2,393,847)	2,359,128	(2,621,056)	(2,905)	11,341,166

Pledged as security

Hire Purchases and Leases are secured by property, plant and equipment - Note 40.

A register containing the information required by section 30 of FMPPLA is available for inspection at the registered office of the Legislature.

Assets subject to finance lease (Net carrying amount)

Office equipment	-	70,404
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Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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8. Property, plant and equipment (continued)

Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment

Office equipment	-	57,000
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Assets for the Modernisation of the Fourth Raadsaal project is installed and became available for use on 7th March 2024. No impairment loss is recognised as there is no lost service potential.

The remaining assets under WIP was installed and became available for use on the 6th June 2024.

Reconciliation of Work-in-Progress 2025

	Included within Other PPE	Total
Opening balance	57,000	57,000
Additions/capital expenditure	11,612	11,612
Transferred to completed items	(68,612)	(68,612)
	-	-

Reconciliation of Work-in-Progress 2024

	Included within Other PPE	Total
Opening balance	2,265,152	2,265,152
Additions/capital expenditure	188,600	188,600
Transferred to completed items	(2,359,129)	(2,359,129)
Transferred to Intangible assets	(34,719)	(34,719)
Impairment	(2,904)	(2,904)
	57,000	57,000

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

Vehicle Maintenance	540,690	383,867
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Effect of changes in accounting estimates on Property Plant and Equipment

The remaining useful life of all plant and equipment were recalculate based on the condition assessment performed. A percentage based on a NT guideline were allocated according to the condition and multiplied by the years allocated to the categories new useful life. In addition, the residual value of motor vehicles were estimated in 2024 to be R2 837 700. In the current period management estimated it to be R3 162 237. The residual values of motor vehicles are determined based on the assumption that the current condition of the vehicles will not change from the condition expected at the end of its useful life. The assumption is based on the consistency of historical conditions. Motor vehicles are disposed by either auctions or trade ins at current market values. Due to the uncertainty of the timing on the disposal of vehicles, the current lowest market price is used as the residual value as that indicates the most reliable value which will be received by the disposal of vehicles.

The effect of this revision of the depreciation charges for the current and future periods by:

	2025	2026	2027
Actual Depreciation	2,936,700	2,936,700	2,936,700
Effect on Depreciation	(41,239)	684,166	(26,282)
Depreciation expected	2,895,461	3,620,866	2,910,418

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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9. Heritage assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Antiques	3,319,550	(133,680)	3,185,870	3,319,550	(133,680)	3,185,870

Reconciliation of heritage assets 2025

	Opening balance	Total
Antiques at Fourth Raadsaal	3,185,870	3,185,870

Reconciliation of heritage assets 2024

	Opening balance	Total
Antiques at Fourth Raadsaal	3,185,870	3,185,870

10. 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	1,238,198	(1,144,110)	94,088	1,238,198	(1,120,579)	117,619

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software, other	117,619	(23,531)	94,088

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	105,503	36,848	(2,116)	(22,616)	117,619

11. Operating lease asset (liability)

Current liabilities	-	1,233,176
Balance at the beginning of the year	1,233,176	2,071,127
Movement during the year	(1,233,176)	(837,951)
	-	1,233,176

The lease is in respect of Southern Life Plaza being leased for a period until January 2025. Operating leases came to an end in the current financial year, the contracts are currently running on a month to month basis.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
12. Payables from exchange transactions		
Trade payables	1,289,425	2,500,618
Subsistence & Travelling Accruals	178,666	121,734
Salary suspense	275,832	193,369
Unallocated deposits	118,409	118,409
Accrued leave pay	5,027,882	4,416,964
Accrued bonus provision	4,664,058	4,128,079
Provision for leave	2,881,786	2,248,426
Accrued payroll expense	8,336,883	7,445,740
Social and Sport Club	714,035	808,136
Interdepartmental Claim - Police	-	97,878
	23,486,976	22,079,353

Prior year Social and Sport club combined as only one bank account is used for both Social and Sport club due to the Social and Sport club being similar in nature.

Social Club previously disclosed: R 348 601;

Sport Club previously disclosed: R459 535.

Refer to note 32 for detail explanation on prior period corrections performed.

13. Payables from non-exchange transactions

Political Parties	10,849,351	162,967
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Refer to note 32 for detail explanation on prior period corrections performed.

FREE STATE

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

14. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Reconciliation of employee benefit obligations 2025

	Opening balance	Movement	Total
Long service awards	12,191,856	(865,856)	11,326,000
Gratuity	7,031,000	(161,000)	6,870,000
Exit gratuity	13,071,000	(9,488,000)	3,583,000
	32,293,856	(10,514,856)	21,779,000

Reconciliation of employee benefit obligations 2024

	Opening balance	Movement	Total
Long service awards	-	12,191,856	12,191,856
Gratuity	5,766,000	1,265,000	7,031,000
Exit gratuity	12,561,000	510,000	13,071,000
	18,327,000	13,966,856	32,293,856

Current Liabilities

Long service awards	1,140,000	3,216,484
GRATUITY CURRENT	-	7,031,000
POL OFFICE BEARER GRAT CURRENT	-	13,071,000
	1,140,000	23,318,484

Non-Current Liabilities

Long service awards	10,186,000	8,975,372
GRATUITY	6,870,000	-
Exit gratuity	3,583,000	-
	20,639,000	8,975,372

Long service awards: Movements

Opening balance	12,191,856	-
Benefits paid	(3,420,000)	-
Net expense recognised	2,554,144	12,191,856
	11,326,000	12,191,856

Long service awards: Net expense recognised

Current-Service cost	1,204,144	12,191,856
Interest cost	971,000	-
Actuarial Loss/(Gains)	379,000	-
	2,554,144	12,191,856

The current service cost for the ensuing year is expected to be R1 132 300. The interest cost for the ensuing year is expected to be R1 064 800. The total projected expense for 2025/2026 is R2 197 100.

Gratuity: Movements

Opening balance	7,031,000	5,766,000
Benefits paid	(4,487,000)	-
Net expenses recognised	4,326,000	1,265,000
	6,870,000	7,031,000

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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14. Employee benefit obligations (continued)

Gratuity: Net expense recognised

Current-Service cost	143,000	847,000
Interest cost	428,000	567,000
Actuarial Loss/(Gains)	3,755,000	(149,000)
	4,326,000	1,265,000

The actuarial gain over the period was caused by the difference in the expected salary increase assumption and the actual increases that occurred over the valuation period.

The current service cost for the ensuing year is expected to be R572 000. The interest cost for the ensuing year is expected to be R584 000. The total projected expense for 2025/2026 is R1 156 000.

Exit gratuity: Movements

Opening balance	13,071,001	12,561,001
Benefits paid	(11,083,762)	-
Net expenses recognised	1,595,762	510,000
	3,583,001	13,071,001

Exit gratuity: Net expense recognised

Interest cost	182,000	1,055,000
Actuarial Loss/(Gains)	1,413,762	(545,000)
	1,595,762	510,000

The interest cost for the ensuing year is expected to be R305 000.

Long service awards

Nature of the liability

The employers LSA consist of an obligation (liability) to pay out a bonus in the year of the employee attaining the required service. The obligation is determined by calculating the present value of the possible long service bonus awards payable throughout the employee's service guided by FSL's LSA policy.

Per the policy the benefits payable are:

For 5 completed years of services, a 5% bonus of annual salary. For 10, 20, 25 years of service a 10% bonus of annual basic salary.

Valuation method

In accordance with the requirements of GRAP 25, the Projected Unit Credit method has been used to value the liabilities. The valuation has been made with reference to the Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 301, and meets the requirements of GRAP 25.

Valuation of Assets

The Long service award liability is not a funded arrangement. No assets has been set aside for LSA benefits that qualify as plan assets in terms of requirements of GRAP 25. As such we have ascribed a nil value to fair value of plan assets

Statistics on eligible employees

Number of participants	157	159
Average age (years)	46.74	46
Average past service (years)	13.3	12

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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14. Employee benefit obligations (continued)

Results of Valuation

Accrued liability

Total value of liabilities	11,326,000	12,191,856
Value of assets	-	-

Unfunded accrued liability	11,326,000	12,191,856
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Key actuarial assumptions used

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

Financial assumptions

Discount rate	9.90 %	9.26 %
Salary inflation	5.60 %	5.06 %

Methodology of setting the financial assumptions

The rate used to discount post-employment benefit obligations should be determined by reference to market yields at the reporting date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields (at the reporting date) on government bonds should be used. In our opinion, there is no deep market in corporate bonds in South Africa and as such we have set our recommended assumption with reference to the Nominal Bond Curve, as compiled by the Johannesburg Stock Exchange of South Africa and obtained from Inet Bridge, at the duration of the liabilities of 6 years. This converts into an effective yield of 9.90% as at 31 March 2025. In terms of the accounting standards historical yields are less important and we consequently consider it appropriate to use the discount rate 9.90% per annum.

Demographic Assumptions

Normal retirement age (years)	65	65
Withdrawal from service: age 20	15.00 %	15.00 %
Withdrawal from service: age 25	10.00 %	10.00 %
Withdrawal from service: age 30	7.00 %	7.00 %
Withdrawal from service: age 35	4.00 %	4.00 %
Withdrawal from service: age 40	2.00 %	2.00 %
Withdrawal from service: age 45 - 60	0.00 %	0.00 %

Pre-retirement mortality: Males and females: SA85-90.

The withdrawal of service is expected to be the same for females and males

Sensitivity analysis

The valuations results are sensitive to changes in the underlying assumptions. The effects of varying these assumptions are illustrated below.

	1% decrease	31 March 2025 Valuation basis	1% increase
Salary increase	10,669,000	11,326,000	12,044,000
Discount rate	11,982,000	11,326,000	10,734,000

There is a direct relationship between salary inflation and accrued liability since the benefits paid are related to the salaries of the members. As such an increase in salary inflation will lead to an increase in the accrued liability, whereas a decrease in salary inflation will lead to a decrease in the accrued liability.

There is a inverse relationship between the discount rate and the accrued liability. As such a decrease in the discount rate will lead to an increase in the accrued liability, whereas an increase in the discount rate will lead to a decrease in the accrued liability.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

14. Employee benefit obligations (continued)

Mortality

Effect of a 2-year change in the average retirement age on the total liability are illustrated below.

	1 year decrease	31 March 2025 Valuation basis	1 year increase
2-year change	11,372,000	11,326,000	11,275,000

Gratuity benefits

Nature of the liability

The Free State Legislature ("the Legislature") rewards members with gratuity benefit by remunerating them with a lump sum when the members retire according to the gratuity benefit policy published in the Government Gazette on 12 November 2008.

According to the Legislature's gratuity benefit policy published in the Government Gazette dated 12 November 2008, members of a Provincial Legislature who served more than 5 years and whose term of office has ended should be entitled to a once-off gratuity equal to 4 months' pensionable salary for every 5 years of service or a pro-rata part the 5-year period.

Valuation method

The Projected Unit Credit (PUC) method is used in calculations, as required by GRAP 25.

Valuation of Assets

No assets have been set aside to match the above mentioned liabilities. (no plan assets per GRAP 25).

Statistics on eligible retirees

Number of participants	20	16
Average age (years)	50.90	58.10
Average service (years)	5.70	6.70

Key actuarial assumptions used

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

Financial assumptions

Discount rate	8.50 %	8.94 %
Inflation rate	3.70 %	- %

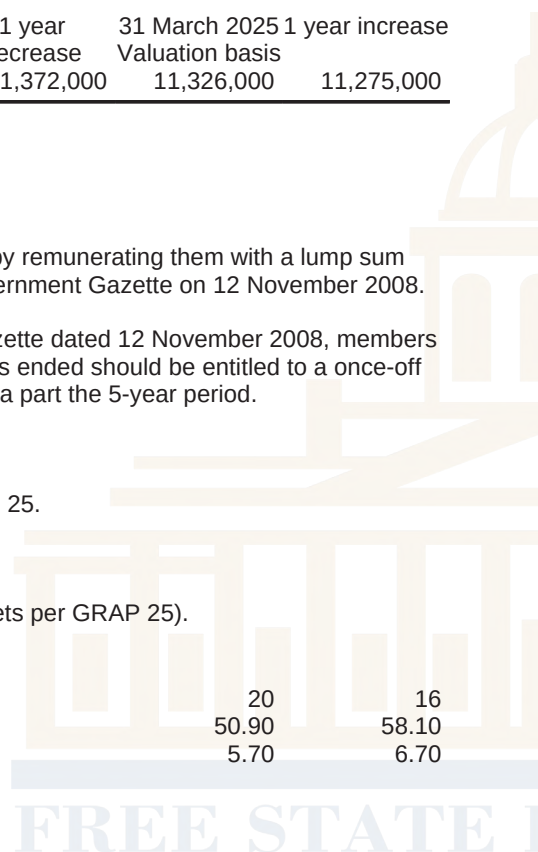
While not used explicitly in the valuation, we have assumed the underlying future rate of consumer price inflation (CPI) to be 3.70% per annum. This assumption is in line with the SA Government's Monetary Policy target of 3% to 6% per annum.

GRAP25 requires that the discount rate be set with regards to the market yield on government bonds at the reporting date. In countries where there is no deep market in such bonds, the market yields (at the reporting date) on government bonds should be used. In our opinion, there is no deep market in corporate bonds in South Africa and as such we have set our recommended assumption with reference to the Nominal Bond Curve, as compiled by the Johannesburg Stock Exchange of South Africa and obtained from Inet Bridge, at the duration of the liabilities of 2 years. This converts into an effective yield of 8.50% as at 31 March 2025. In terms of the accounting standards historical yields are less important and we consequently consider it appropriate to use the discount rate 8.50% per annum.

Demographic Assumptions

Normal retirement age:

The next national election date is assumed to be the date the employee's office ceases.



FREE STATE

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

14. Employee benefit obligations (continued)

Mortality:
SA85-90

Withdrawal and Early Retirement:

Age Group	Annual rate of Withdrawal Males	Annual rate of Withdrawal Females
20 - 24	16.0%	24.0%
25 - 29	12.0%	18.0%
30 - 34	10.0%	15.0%
35 - 39	8.0%	10.0%
40 - 44	6.0%	6.0%
45 - 49	4.0%	4.0%
50 - 54	2.0%	2.0%
55 - 59	2.0%	2.0%
60+	-	-

Sensitivity analysis

The valuations results are sensitive to changes in the underlying assumptions. The effects of varying these assumptions are illustrated below:

	1% decrease	31 March 2025 Valuation basis	1% increase
Discount rate	6,870,000	6,841,000	6,900,000

There is an inverse relationship between the discount rate and the accrued liability. As such a decrease in the discount rate will lead to an increase in the accrued liability, whereas an increase in the discount rate will lead to a decrease in the accrued liability.

Mortality

No mortality assumption is assumed as the next election date is assumed to be the date that the employee's office ceases.

Exit gratuity benefits

Nature of the liability

The Free State Legislature ("the Legislature") has a liability towards members in respect of the Political Office Bearers Gratuity Arrangement. We were requested to calculate the value of the Legislature's liability towards qualifying members, as prescribed in GRAP 25.

Prior to 7 May 2019 (previously thought to be 29 February 2016), all members who were political office bearers (as defined in the Fund's rules), received the Fund benefits outlined below upon ceasing to be a political office bearer.

The Basic Fund Credit comprising the retirement-funding contributions paid by the member (including any additional voluntary contributions) plus contributions paid by the employer on her/his behalf (including any transfer value received from another fund) plus net Fund returns.

The Additional Service Benefit, of 200% per year of qualifying service (up to a maximum of 10 years) multiplied by the member's Revalued Pensionable Salary as at date of leaving office. Qualifying service is all contributory service except for service as a diplomat.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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14. Employee benefit obligations (continued)

In case of a member who as completed more than one full term of office (or more than 5 years in office), the Equalisation Amount. This amount is calculated as the accumulated value of deemed employer contribution of 20% of the members pensionable salary over the member's full period of contributory service (but excluding any service as a diplomat), accumulated with Fund returns, but subject to a maximum of the difference between (a) an amount termed the Maximum Benefit and (b) the sum of (i) the members basic Fund Credit, being the accumulated value of the member's own ordinary contributions (but excluding any such contributions made after completing 15 years of qualifying service) and the State's ordinary retirement-funding contributions, and (ii) the member's Additional Service Benefit. The Equalisation Amount has a minimum of zero.

Valuation method

The Projected Unit Credit (PUC) method is used in calculations, as required by GRAP 25.

Valuation of Assets

No assets have been set aside to match the above mentioned liabilities. (no plan assets per GRAP 25).

Statistics on eligible retirees

Number of participants	3	9
Average age	52.78	62.70
Average service (years)	13.39	10.90

Key actuarial assumptions used

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

Financial assumptions

Discount	8.50 %	8.94 %
Inflation rate	3.70 %	-

While not used explicitly in the valuation, we have assumed the underlying future rate of consumer price inflation (CPI) to be 3.70% per annum. This assumption is in line with the SA Government's Monetary Policy target of 3% to 6% per annum.

The rate used to discount post-employment benefit obligations should be determined by reference to market yields at the reporting date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields (at the reporting date) on government bonds should be used. In our opinion, there is no deep market in corporate bonds in South Africa and as such we have set our recommended assumption with reference to the Nominal Bond Curve, as compiled by the Johannesburg Stock Exchange of South Africa and obtained from Inet Bridge, at the duration of the liabilities of 2 years. This converts into an effective yield of 8.50% as at 31 March 2025. In terms of the accounting standards historical yields are less important and we consequently consider it appropriate to use the discount rate 8.50% per annum.

Demographic Assumptions

Normal retirement age:

The next national election date is assumed to be the date the employee's office ceases.

Mortality:

SA85-90

Withdrawal and Early Retirement:

Age Group	Annual rate of Withdrawal Males	Annual rate of Withdrawal Females
20 - 24	16.0%	24.0%
25 - 29	12.0%	18.0%
30 - 34	10.0%	15.0%
35 - 39	8.0%	10.0%
40 - 44	6.0%	6.0%
45 - 49	4.0%	4.0%

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

14. Employee benefit obligations (continued)

50 - 54	2.0%	2.0%
55 - 59	1.0%	1.0%
60+	-	-

Sensitivity analysis

The Defined Benefit Obligation values are not dependent on the discount rate used in the GRAP 25 report. These amounts are based on assumptions used by the administrator to determine the benefit.

The valuations results are sensitive to changes in the underlying assumptions. The effects of varying these assumptions are illustrated below:

	1% decrease	31 March 2025 Valuation basis	1% increase
Discount rate	3,484,415	3,666,415	3,848,415

Mortality

No mortality assumption is assumed as the next national election date is assumed to be the date the employee' office ceases.

15. Other income

Insurance Claims and other income	1,593,116	560,500
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16. Interest received

Interest revenue		
Staff debt	4,696	19,846
Cheque Account	723,872	788,422
Investment Account	2,655,348	3,706,094
	3,383,916	4,514,362

17. Service in-kind

Department of Public Works - 4th Raadsaal	3,235,277	3,543,398
South African Police Services	1,386,481	1,324,241
	4,621,758	4,867,639

The Free State Legislature makes use of the Fourth Raadsaal building, which is the property of the Department of Public Works.

The service in kind relating to the Fourth Raadsaal building is based on the Rode's Report on Property Markets.

The South African police service provides national key point access control and protection services to the Free State Legislature. These services were provided for the entire reporting period

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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18. Government grants & subsidies

Operating grants

Annual Appropriation	289,411,326	286,628,000
Statutory Appropriation	45,202,211	27,417,217
	334,613,537	314,045,217

Statutory appropriation

Balance unspent at beginning of the year	169,129	-
Current-year receipts	42,007,000	29,007,000
Transferred to revenue	(45,202,212)	(27,417,217)
Received in respect of receivable recognised	-	(1,420,654)
Statutory Receivable/Unspent appropriation	(3,026,083)	169,129

Annual appropriation:

FSL used its retained revenue amounting to R16 292 674 in terms of Section 23(1) of Financial Management of Parliament and Provincial legislatures Act, 2009.

19. Public contributions and donations

Donated PPE	77,748	-
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Transfer of movable assets from the Office of the Premier to the Free State Legislature.

FREE STATE

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
20. Employee related costs		
Accrual Service bonus	535,978	442,041
Accrual leave expense	1,244,278	(307,392)
Acting allowances	399,009	561,727
Basic	105,809,582	97,506,152
Bonus	8,703,458	8,098,768
Car allowance	7,544,462	6,244,895
Cellphone allowance	812,845	805,519
Defined contribution plans	18,009,255	16,581,062
Employee benefit obligation - Current service cost	143,000	13,038,856
Head of department allowances	334,889	314,568
Housing benefits and allowances	7,031,791	6,517,957
Leave payments	5,475,318	4,649,486
Long-service awards	1,335,936	4,214,452
Medical aid - company contributions	7,093,187	6,659,203
Non-pensionable allowance	248,704	248,704
Overtime payments	1,427,311	1,967,293
UIF	332,358	335,820
Uniform allowance	85,553	13,884
	166,566,914	167,892,995

Refer to note 32 for detail explanation on prior period corrections performed.

Remuneration of the Secretary

Annual Remuneration	2,052,116	1,925,965
Car Allowance	663,588	622,800
Bonus	171,010	160,497
Contributions to UIF, Medical and Pension Funds	427,906	401,747
Cellphone Allowance	28,200	28,200
Housing Allowance	55,320	51,924
HOD allowance	334,041	313,665
Long service bonus and rebate	-	184,160
Leave payout	118,391	111,113
	3,850,572	3,800,071

Included leave payout for the prior year which was incorrectly omitted from the total remuneration as leave pay forms part of short term employee benefits as per GRAP 25.

Remuneration of Deputy Secretary

Annual Remuneration	1,611,273	568,053
Car Allowance	285,060	100,499
Cellphone allowance	24,600	9,241
Contributions to UIF, Medical and Pension Funds	297,186	104,071
Housing Allowance	50,710	-
Bonus	100,429	-
Leave Payout	43,380	-
	2,412,638	781,864

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
20. Employee related costs (continued)		
Remuneration of Chief Finance Officer		
Annual Remuneration	1,897,282	1,780,649
Car Allowance	570,144	535,092
Cellphone Allowance	24,600	24,600
Contributions to UIF, Medical and Pension Funds	366,952	344,535
Housing Allowance	55,320	51,924
Bonus	158,107	148,387
Long service: Bonus and Rebate	189,728	154,442
Leave payout	109,459	102,730
	3,371,592	3,142,359

Included leave payout for the prior year which was incorrectly omitted from the total remuneration as leave pay forms part of short term employee benefits as per GRAP 25.

Remuneration of Joint Management

Annual Remuneration	12,200,814	10,242,123
Car Allowance	3,518,662	2,906,750
Cellphone Allowance	164,063	107,080
Contributions to UIF, Medical and Pension Funds	2,326,196	2,038,515
Housing Allowance	377,880	311,544
Bonus	799,013	856,197
Acting Allowance	-	620,469
Long service: Bonus and Rebate	350,856	-
Leave payout	605,688	-
	20,343,172	17,082,678

21. Members remuneration

Basic Salary	15,428,735	14,204,346
Basic Backdated	49,625	256,514
Non-Pensionable allowance	4,439,103	3,341,797
Car Allowance	1,899,970	1,973,578
Public office beared allowance	2,400,000	2,335,000
Medical allowance	1,566,042	1,740,976
Political pension fund	3,934,499	3,700,599
	29,717,974	27,552,810

Exit Gratuity amounting to R15 570 762 was paid towards member during the year. Refer to note 14 for more detail.

Refer to note 32 for detail explanation on prior period corrections performed.

Refer to breakdown of members remuneration below:

Members remuneration paid	29,631,450	27,417,217
Accrual payroll expense	86,524	135,593
	29,717,974	27,552,810

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand

	2025	2024
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21. Members remuneration (continued)

Remuneration of the Speaker - NB Sifuba

Annual remuneration	321,215	1,175,614
Public office beared allowance	30,000	120,000
Medical and pension fund	98,623	368,388
Non pensionable allowances	135,520	495,355
	585,358	2,159,357

Speakers term ended - National Election May 2024.

Remuneration of the Speaker - MA Dukwana

Annual remuneration	887,583	-
Public office beared allowance	90,000	-
Medical and pension fund	321,541	-
Non pensionable allowances	332,431	-
	1,631,555	-

Honourable Speaker got elected at the first sitting after the national election dated 29 May 2024.

22. Transfers and subsidies

Constituency allowance	27,204,939	32,987,221
Office allowance	23,575,603	21,455,509
Study allowance	283,298	333,696
Research allowance	4,982,888	6,043,018
	56,046,728	60,819,444

Transfers and subsidies as disclosed for an amount of R56,046,728 (2024:R60,819,444) relates to transfers to political parties to enable the political parties to establish and maintain their own administrative infrastructure and general support services to members and party leadership. The expenditure vest with political parties and must be accounted for annually to the Legislature. In terms of Section 5.8 of the Policy on Funding of the Political Parties policy requires that the books and records of account of every represented political party must be audited by a public accountant and auditor registered and practicing as such in terms of the Public Accountants and Auditors Act 1991 (Act no 80 of 1991) within prescribed timeframe's.

23. Finance costs

Finance leases	2,139	16,394
Interest cost - Employee benefit obligation	1,581,000	1,622,000
	1,583,139	1,638,394

24. Debt impairment

Receivables from exchange transactions	474,020	-
Receivables from non-exchange transactions	56,284	-
	530,304	-

Refer to note 4 and 5.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
25. Property Payments		
Office rent	17,072,244	15,979,232
Garden services	98,400	101,000
Municipal services	5,619,192	4,184,412
	22,789,836	20,264,644
26. General expenses		
Advertising	5,586,517	6,847,125
Assets expensed	53,554	20,796
Audit fees	4,196,046	6,112,415
Bank charges	95,072	94,003
Catering	4,009,191	6,603,377
Cleaning	8,627	3,345
Communications	1,779,020	1,617,554
Computer expenses	-	250
Consulting and professional fees	9,647,770	7,890,557
Consumables	821,825	764,746
Donations-Speakers Activities	794,291	1,434,580
Events management	953,193	2,472,593
Flowers	4,953	13,254
Fuel and oil	848,247	1,146,347
Insurance	1,278,004	1,183,913
License and Subscriptions	2,471,399	2,371,040
Maintenance costs	243,684	837,194
Motor vehicle expenses	540,690	383,867
Performers and artists	45,000	4,734
Printing and publications	460,646	472,007
Protective clothing	150,958	160,565
Relocation cost	357,240	63,300
Rental: equipment and facilities	4,709,947	11,700,235
Study aid	916,434	1,323,836
Subscriptions and membership fees	1,164,459	1,324,517
Telephone and fax	806,149	875,706
Training	235,573	171,272
Transport and freight	1,103,965	3,747,813
Uniforms	159,092	126,967
	43,441,546	59,767,908

Refer to note 32 for detail explanation on prior period corrections performed.

Events management are separately disclosed previously part of Consulting and professional fees.

Consulting and professional fees previously disclosed: R10 363 150.

27. Travel and Subsistence

Travel - Local	10,275,914	16,745,304
Travel - Overseas	2,256,991	3,305,536
	12,532,905	20,050,840

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
28. Cash generated from (used in) operations		
Surplus (deficit)	2,397,540	(36,177,375)
Adjustments for:		
Depreciation and amortisation	2,960,230	2,646,578
Loss on sale of assets and liabilities	80,418	243,415
Public contributions and donations	(77,748)	-
Bad debts written off	94,780	-
Actuarial (gain)/Loss	5,547,762	(694,000)
Leave pay Provision	1,244,278	(307,393)
Accrued Bonus Provision	535,979	442,041
Accrued Payroll	891,143	738,065
Subsistence & Travelling Accruals	56,932	26,576
Salary suspense	82,463	(1,673,114)
Finance costs	1,583,139	1,622,000
Debt impairment	530,304	-
Movements in operating lease	(1,233,176)	(837,950)
Social and Sport club	(94,101)	34,701
Employee benefit obligations	(17,643,618)	13,037,315
Interdepartmental Claim - Police	(97,878)	-
Changes in working capital:		
Inventories	26,489	101,816
Receivables from exchange transactions	156,441	(4,311)
Other receivables from non-exchange transactions	(3,026,082)	1,420,654
Prepayments	(488,409)	(84,587)
Unspent conditional grants and receipts	(169,129)	169,129
Payables	(1,211,193)	(63,279)
Payables from non-exchange transactions	10,686,384	-
	2,832,948	(19,359,719)
29. Commitments		
Authorised expenditure		
Operating leases		
• Southern Life Plaza	-	10,061,998
Approved and not yet contracted for		
• Xerox	-	76,860
• PWC	-	65,360
• AFRISIX	24,514	71,878
• Microsoft Ireland Operations Ltd	-	2,338,756
• Isaac Pest	106,600	147,600
• Mubesko Africa (PTY) Ltd	144,256	259,960
• Sanitech	68,707	143,659
• SNG Grant Thornton Advisory service (PTY) LTD	3,908,598	-
	4,252,675	3,104,073
Total commitments		
Already contracted for but not provided for	-	10,061,998
Not yet contracted for and authorised by member	4,252,675	3,104,073
	4,252,675	13,166,071
Total commitments		
Total commitments		
Authorised expenditure	4,252,675	13,166,071

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
30. Budget differences		
Basis difference - Cash Flow		Reconciliation
Profit as per budget statement		(11,674,872)
Movements in inventories		26,489
Movements in receivables		251,220
Movements in Prepayments and advances		(488,409)
Movements in Payables		(1,305,972)
Political parties payables		10,686,384
Accrual provision		2,598,815
Statutory appropriation receivable		(3,026,082)
Unspent conditional grant		(169,129)
Debt impairment		530,304
Net increase/(decrease) in cash and cash equivalents		(2,571,252)

Material differences between budget and actual amounts

Variance above R1 000 000 are considered to be material.

30.1 Other income: Accident Insurance claims not considered during the budget process.

30.2 Interest received: Interest revenue not considered during budget process.

30.3 Annual appropriation: Adjustment budget approved with condition that the adjustment of R16 292 674 should be funded from surplus funding of FSL.

30.4 Employee related cost: Variance is not considered to be material.

30.5 Members Remuneration: Exit Gratuity paid during the year.

30.6 Transfers and subsidies: Variance is not considered to be material.

30.7 Payment for capital assets: The discounts as a result of the trade-ins were not considered during the budget process.

30.8 Goods and services: Accrued expenses for 2024-24 financial year paid in April 2025.

Changes between the approved and final budgets.

The under-allocation of budget to the Legislature, resulted in adjustments been appropriated through the Adjustment and Special Adjustment Appropriation to reach a final budget allocation which addressed critical areas where budget pressures occurred.

The number of non-returning MPLs who received gratuity pay outs at the end of the 6th term, constituent grant increase to political parties, software licensing and replacement of mobile assets are recorded as the main cost drivers.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

31. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	540,039	540,039
Cash and cash equivalents	38,297,489	38,297,489
	38,837,528	38,837,528

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	1,743,923	1,743,923
Payables from non-exchange transactions	10,849,351	10,849,351
	12,593,274	12,593,274

2024

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	793,759	793,759
Receivables from non exchange transactions	56,284	56,284
Cash and cash equivalents	40,868,740	40,868,740
	41,718,783	41,718,783

Financial liabilities

	At amortised cost	Total
Finance lease obligations	74,721	74,721
Payables from exchange transactions	2,913,599	2,913,599
Payables from non-exchange transactions	162,967	162,967
	3,151,287	3,151,287

The prior year financial assets were affected by the prior year corrections on Receivables from exchange transactions. Refer to note 32.

The prior year financial liabilities were affected by the prior year corrections on Payables from exchange transactions. Refer to note 32.

Payables from non-exchange transaction included as financial liabilities which was previously omitted.

Financial assets previously reported: R41 651 018.

Financial liabilities previously reported: R2 872 679.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

32. Prior year error

The prior year has been amended to account for prior years staff debt not accounted for.

The correction resulted in an increase of Receivable from exchange transaction amounting to R67 765 and an increase in Opening accumulated surplus amounting to R67 765.

Accounting for expenses paid in advance previously omitted form Prepayments. The correction resulted in an increase in Prepayments amounting to R925 879 and a decrease in expenditure amounting to R925 879.

Including members remuneration in the accrual payroll expense which was previously omitted. The inclusion of the members remuneration resulted in an increase in Payables from exchange transactions amounting to R1 142 023, an increase in employee related cost amounting to R1 006 431 and an increase in members remuneration amounting to R135 593.

Correct the classification of Political Party payable. The correction resulted in a decrease in Payables from exchange transactions amounting to R162 967 and an increase in Payables from non-exchange transactions amounting to R162 967.

Accounting for Department of Justice payable previously omitted. The correction resulted in an increase in Payables from exchange transactions amounting to R115 636, an increase in General expenses amounting to R25 000 and a decrease in opening accumulated surplus amounting to R90 636.

The above corrections resulted in a adjustment in the deficit for the year amounting to R241 145.

Statement of financial position

2024

	Note	As previously reported	Correction of error	Restated
Current Assets				
Cash and Cash equivalents		40,868,740	-	40,868,740
Receivables from exchange transactions		1,851,834	67,765	1,919,599
Receivables from non-exchange transactions		56,284	-	56,284
Prepayments		82,927	925,879	1,008,806
Inventories		448,526	-	448,526
Non-Current Assets				
Property, plant and equipment		11,341,166	-	11,341,166
Heritage assets		3,185,870	-	3,185,870
Intangible assets		117,619	-	117,619
Current Liabilities				
Finance lease obligation		(74,721)	-	(74,721)
Operating lease liability		(1,233,176)	-	(1,233,176)
Payables from exchange transactions		(20,984,660)	(1,094,693)	(22,079,353)
Employee benefit obligation		(23,318,484)	-	(23,318,484)
Payables from non-exchange transactions		-	(162,967)	(162,967)
Unspent conditional grants and receipts		(169,129)	-	(169,129)
Non-Current Liabilities				
Employee benefit obligation		(8,975,372)	-	(8,975,372)
Net Assets				
Opening Accumulated surplus		(39,133,658)	22,871	(39,110,787)
		(35,936,234)	(241,145)	(36,177,379)

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024		
32. Prior year error (continued)				
Statement of financial performance				
2024				
	Note	As previously reported	Correction of error	Restated
Revenue from exchange transactions				
Other income		560,500	-	560,500
Interest received		4,514,362	-	4,514,362
Revenue from non-exchange transactions				
Service in kind		4,867,639	-	4,867,639
Transfer revenue				
Government grants and subsidies		314,045,217	-	314,045,217
Expenditure				
Employee related costs		(166,886,568)	(1,006,431)	(167,892,999)
Members remuneration		(27,417,217)	(135,593)	(27,552,810)
Transfers and subsidies		(60,819,444)	-	(60,819,444)
Depreciation and amortisation		(2,643,673)	-	(2,643,673)
Impairment of assets		(2,905)	-	(2,905)
Finance costs		(1,638,394)	-	(1,638,394)
Loss on disposal of assets and liabilities		(225,480)	-	(225,480)
Property payments		(20,264,644)	-	(20,264,644)
General expenses		(60,668,787)	900,879	(59,767,908)
Travel and subsistence		(20,050,840)	-	(20,050,840)
Actuarial gain/(loss)		694,000	-	694,000
Surplus for the year		(35,936,234)	(241,145)	(36,177,379)

LEGISLATURE

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024		
32. Prior year error (continued)				
Cash flow statement				
2024				
	Note	As previously reported	Correction of error	Restated
Cash flow from operating activities				
Receipts - Other income		560,500	-	560,500
Receipts - Grants		315,635,000	-	315,635,000
Receipts - Interest received		4,514,362	-	4,514,362
Payments - Employee costs		(155,609,329)	-	(155,609,329)
Payments - Members remuneration		(27,417,217)	-	(27,417,217)
Payments - Suppliers		(96,223,591)	-	(96,223,591)
Payments - Transfers and subsidies		(60,819,444)	-	(60,819,444)
		(19,359,719)	-	(19,359,719)
Cash flow from investing activities				
Purchase of property, plant and equipment		(3,027,728)	-	(3,027,728)
Proceeds from sale of property, plant and equipment		22,167	-	22,167
Purchase of other intangible assets		(2,129)	-	(2,129)
		(3,007,690)	-	(3,007,690)
Cash flow from financing activities				
Finance lease payments		(226,086)	-	(226,086)
Reconciliation of Cash generated from operations				
		As previously reported	Correction of error	Restated balance
(Deficit)/surplus		(35,936,234)	(241,141)	(36,177,375)
Adjustments for				
Depreciation and amortisation		2,646,578	-	2,646,578
Loss on sale of assets and liabilities		243,415	-	243,415
Actuarial (gain)/Loss		(694,000)	-	(694,000)
Leave pay Provision		(307,393)	-	(307,393)
Accrued Bonus Provision		442,041	-	442,041
Accrued Payroll		(403,955)	1,142,020	738,065
Subsistence & Travelling Accruals		26,576	-	26,576
Salary suspense		(1,673,114)	-	(1,673,114)
Finance costs		1,622,000	-	1,622,000
Movements in operating lease		(837,950)	-	(837,950)
Social club		229,101	-	229,101
Sport club		(194,400)	-	(194,400)
Employee benefit obligations		13,037,315	-	13,037,315
Changes in working capital				
Inventories		101,816	-	101,816
Receivables from exchange transactions		(4,311)	-	(4,311)
Other receivables from non-exchange transactions		1,420,654	-	1,420,654
Prepayments		841,292	(925,879)	(84,587)
Unspent conditional grants and receipts		169,129	-	169,129
Trade and other payables		(88,279)	25,000	(63,279)
		(19,359,719)	-	(19,359,719)

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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33. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk and credit risk.

The only interest-bearing asset relates to bank accounts, and the risk relating to interest-rate fluctuations is not considered to be significant to warrant hedging against interest-rate movements.

The entity mainly transacts in local currency and is therefore not exposed to significant foreign exchange 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.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. The balances that are exposed to risk are disclosed below, not only balances that meet the definition of financial liability;

At 31 March 2025

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	1,743,923	-	-	-
Payables from non-exchange transactions	10,849,351	-	-	-
	12,593,274	-	-	-

At 31 March 2024

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	2,913,599	-	-	-
Payables from non-exchange transactions	162,967	-	-	-
Finance lease obligation	76,860	-	-	-
	3,153,426	-	-	-

The prior year reported figure were affected by the prior period correction performed on payables from exchange transactions. Refer to note 32.

Payables from non-exchange transactions included as financial liabilities which was previously omitted.

Financial liabilities previously included under liquidity risk: R2 874 818.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables comprise mainly of staff debt, which is recovered monthly from salary deductions.

Financial instrument	2025	2024
Cash and Cash Equivalents	38,297,489	40,868,740
Receivables from exchange transactions	540,039	793,759
Receivables from non exchange transactions	-	56,284

The prior year financial assets were affected by the prior year corrections on Receivables from exchange transactions. Refer to note 32

Financial instruments previously reported: R41,651,018.

Market risk

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand 2025 2024

33. Risk management (continued)

Interest rate risk

As the entity has no significant interest-bearing assets, the entity has no significant exposure to interest rate risk.

34. Contingencies

Contingent liabilities

MEC Police	-	14,996
CCMA Case	-	402,300
Modernisation of Raadsaal	-	350,000
Central Plaza Investment	-	200,000
Thandiwe Reachable vs The ANC & Others	350,000	350,000
Central Plaza Investment vs FSL	250,000	250,000
Seruoie Maroele vs FSL	-	300,000
Qu-Investment Trust	4,063,985	-
	4,663,985	1,867,296

Claims against the Legislature.

1. MEC Police, Roads & Transports / Vehicle accident case:

Intended engagement between the driver of a former Speaker with State Attorneys with a view to resolve the matter yielded no results. Due to time-lapse, the case was written off.

2. Labour:

The case is based on unfair labour practise. The case was finalised.

3. Modernisation of Raadsaal:

The Budget and Oversight committee instructed not to proceed with the application (Case 5243/2021).

4. Central Plaza Investment:

Summons for the recovery of amount to the Service Provider. Counsel has been appointed. Reference State Attorney. The case was finalised.

5. Thandiwe Reachable:

Review application (case 5283/2021) against the decision by the ANC to review its party list. Applicant Reachable felt aggrieved by the process.

6. Central plaza Investment:

Central Plaza Investment summons a claim against the Legislature for event services rendered. Case referred to State Attorney.

7. Seroue Marule Case:

Notice of Motion was received by the Legislature. Instruction from the State Attorney was received not to proceed with the case.

8. Qu-Investment Trust;

Contract cancelled and a Notice in terms on clause 17.2 of the Agreement was issued by Qu-Investment Trust. The legislature received a letter of demand against a cancelled awarded contract. The legislature is disputing the demand.

35. Related parties

Relationships

Department of Public Works

South African Police Services

Key management and members

Occupation of the Fourth Raadsaal free of charge

Refer to the note on Services in kind 17

National key point protection services. Refer to note on Service in kind 17

Refer to note 20 and 21

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand

	2025	2024
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36. Events after the reporting date

Sanction of dismissal in the outcome of the disciplinary hearing against the Accounting Officer to the Legislature.

Suspension of tabling of provincial budget and departmental votes of the Free State Provincial Government and Legislature.

37. Fruitless and wasteful expenditure

Opening balance as previously reported	33,759	48,529
Add: Fruitless and wasteful expenditure identified - current	37,090	55,069
Less: Amount recoverable - officials and suppliers	-	(2,375)
Less: Amount recovered - prior period	-	(14,770)
Less: Amount condoned - current year	(28,030)	(52,694)
Less: Amount written off - prior period	(20,297)	-
Closing balance	22,522	33,759

Fruitless and wasteful expenditure is presented inclusive of VAT.

Correction of prior year amount recovered. The amount previously reported included the amount recoverable from official and suppliers.

Amount previously reported : (R17 145).

Details of fruitless and wasteful expenditure

	Disciplinary steps taken/criminal proceedings		
Catering	None	18,680	2,375
Public Transport	None	-	52,694
Accommodation		9,350	-
Traffic fines		810	-
Cancelled sitting		8,250	-
		37,090	55,069

38. Irregular expenditure

Opening balance as previously reported	3,174,427	71,598
Add: Irregular Expenditure - current	316,584	3,188,595
Less: Amount written off - current	-	(14,168)
Less: Amount written off - current	(316,584)	-
Less: Amount written off - prior period	(3,174,427)	(71,598)
Closing balance	-	3,174,427

Irregular expenditure is presented inclusive of VAT

Incidents/cases identified included those listed below:

	Disciplinary steps taken/criminal proceedings		
PPR not advertised	None	316,584	2,919,307
Three written quotations not invited		-	204,838
Contract not awarded to the highest bidder		-	64,450
		316,584	3,188,595

Details of irregular expenditure written off by the Speaker after year-end

SCM Process - Non-compliance	3,491,011	14,168
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Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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39. Going concern

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

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus of R5,330,950 and the entity's current assets exceed current liabilities by R8,960,855.

Events such as a surplus for the year of R2,397,540, current assets exceeding current liabilities by R8,960,855, long-service recognition and provision of benefits for non-returning MPLs do impact as liabilities. However the core of these benefits such as gratuities are statutory in terms of the Constitution of RSA. In terms of planning, budget provision are made for realisation and settlement of liabilities such as mentioned staff benefits.

The going concern assumption is based on the probability that a going concern will continue to exist after a 12-month period after reporting date. Although some financial results may raise concerns on the going concern assumption of the Legislature, it must be highlighted that the institution is reliant on government funding and it is highly unlikely that movement will not fulfil its obligations in terms of funding requirements.

40. Finance lease obligation

Minimum lease payments due

Capitalised lease liability - Amortised Cost

- 74,721

- 74,721

less: Current portion transferred to current liabilities

- (74,721)

Total Long-term Finance lease obligation

- -

Finance lease loans on photocopiers at amortised cost is calculated at 10.25%/10.00%/5.26%/9.75% interest rate, with last maturity date of October 2024. Interest rates are linked to government borrowing rates. Refer below for descriptions, maturity date, effective interest rates of structured loans and finance. the loans are unsecured. All finance leases came to an end in the current financial year, the contracts are currently running on a month to month basis.

Present value of minimum lease payments due

- Payable within one year

- 76,860

less: Future Finance Obligation

- (2,139)

- 74,721

Current liabilities

- 74,721

List of finance lease obligations.

Supplier	Description of the Lease	Effective interest Rates	Annual Escalation	Lease Term	Maturity Date
Gerox	XEROX PRIMELINK C9070	9.75 %	- %	3 years	2024/10/11
Gerox	XEROX PRIMELINK C9070	9.75 %	- %	3 years	2024/10/11

Hire Purchases and Leases are secured by property, plant and equipment. Refer to note 8.

41. Impairment of assets

Impairments

Property, plant and equipment

- 2,905

During the unbundling of WIP operational cost identified.

Free State Legislature

Annual Financial Statements for the year ended March 31, 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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42. Segment information

The Legislature has no segments which generates economic benefits or service potential. The divisions are divided into administrative units with no revenue earning activities. Therefore no segment information is disclosed as none of the divisions meets the definition of segments as per GRAP 18.05 and GRAP 18.08.

The Legislature operates mainly in Bloemfontein Free State with no other geographical regions.



NOTES

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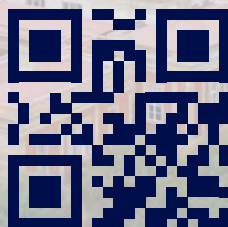
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