

ANNUAL REPORT
2025/26

Road Accident Fund





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YEAR AT A GLANCE

R43.3 billion paid to claimants from **R42.6 billion** in 2024/25 *(+2% year-on-year)*

R48.1 billion total revenue from **R50.8 billion** in 2024/25 ***(-5%)***

R145.7 billion deficit **from R64.3 billion** in 2024/25 ***(-127%)*** driven by a net increase in claims liabilities from R66 billion in 2024/25 to R142.7 billion in the 2025/26 FY

Total claims liabilities grew to R449.1 billion from **R306.5 billion** in 2024/25 ***(+47%)***

R967.6 million cash and cash equivalents (**from R2,1 billion**) reflecting continued commitment to pay claims with available resources

59 212 finalised claims from **78 384** in 2024/25 ***(-24% year-on-year)***

70 896 new claims registered from **65 732** in the 2024/25 ***(+8% year-on-year)***

R416 000 average claim value

from R348,100 in 2024/25 ***(+20%)***. The increase in the average value of claims is primarily attributable to the growth in Loss of Earnings settlements, which increased significantly over the past five years and exceeded inflationary trends. This reflects the rising cost of future income replacement awards, higher earnings assumptions applied in actuarial assessments, and escalating economic costs associated with long-term disability and serious injury claims.

The upward trend was further supported by growth in Claimants' Legal and Other Costs, which also increased above inflation over the period. As these categories represent some of the highest-value components of compensation, their growth has driven an increase in the average value of claims settled, despite relatively stable or declining expenditure in other heads of damage.

FINANCIAL POSITION

The RAF remains technically insolvent, with liabilities far exceeding assets:

- **Total liabilities:** R452.4 billion (2024/25: R307.9 billion)
- **Net liabilities:** R439.5 billion (2024/25: R293.8 billion)
- **Claims liabilities increased by 47%,** driven by provision adjustments.
- **Total assets:** R12.9 billion (2024/25: R14.2 billion)

This reflects a structural mismatch between revenue and obligations. The current model provides approximately 3 cents of assets for every R1 of liability, underscoring long-term sustainability challenges.

CLAIMS BACKLOG

- Although claims finalised declined by 24% year-on-year, the Fund achieved a 5% reduction in the compensation backlog, decreasing total outstanding compensations from 304,530 in 2024/25 to 288,574 in 2025/26. It is important to note that a claim is only regarded as fully finalised once both compensation and associated legal costs have been settled.
- In this context, a growing proportion of claims remains in an incomplete finalisation stage, where compensation has been paid but legal cost settlements are still outstanding. These cases increased from 116,788 in 2024/25 to 133,903 in 2025/26, primarily due to delays in the submission of legal cost bills by attorneys.
- This trend indicates that, while progress has been made in reducing the compensation backlog, full claim closure remains constrained by external dependencies, particularly within the legal cost settlement process.

LIQUIDITY

Liquidity constraints intensified during the year:

- **Cash-to-claims cover:** 0.27 months (2024/25: 0.60 months)
- **Current liabilities exceed assets by R43.2 billion** (2024/25: R39.9 billion)

The RAF continues to manage liquidity through strict cash controls and prioritised payments aligned with available resources.

COST OF DELIVERY

The cost of delivering services increased:

- **Cost-to-income ratio:** 33% (2024/25: 21%), reflecting a faster growth in expenditure relative to revenue. The increase was driven by higher administrative costs due to inflationary pressures, a 143% increase in finance costs from R152.9 million to R372.4 million, and a 55% increase in impairment losses on statutory receivables from R2.0 billion to R3.1 billion, placing additional pressure on the Fund's overall cost efficiency.
- **81% of expenditure directed to claimants** (↓ from 89%) The decline is primarily attributable to the once-off clearing of a backlog of legal and other costs, which were processed and paid during the current financial year.

STRATEGIC PROGRESS

The 2025/26 financial year was characterised by intensive organisational reform, heightened oversight, and a strategic repositioning of the Road Accident Fund (RAF) towards its core mandate of timely compensation to road accident victims. The year unfolded within a complex operating environment marked by multiple investigations, governance transitions, and continued legal pressures, all of which shaped the Fund's operational and strategic trajectory.

The RAF operated under heightened national scrutiny, with multiple investigative and oversight processes underway:

- The Special Investigating Unit (SIU) continued its multi-billion-rand forensic investigation under Presidential Proclamation R44 of 2021, focusing on systemic governance failures, internal corruption, and financial leakages.
- Parliamentary oversight, including engagements with SCOPA, intensified accountability expectations and reinforced the need for transparent financial and operational practices.
- During the reporting period, the Road Accident Fund experienced significant leadership instability, with four Chief Executive Officers serving within a single financial year. This disruption arose following the precautionary suspension of the substantive Chief Executive Officer by the former Board which was subsequently dissolved, as well as the precautionary suspension of other key executives by the Interim Board. These actions were undertaken in response to governance-related concerns and investigations into alleged governance failures. The resulting turnover in executive leadership created a leadership vacuum, affected organisational continuity, and posed challenges to decision-making, strategic execution and operational stability during the year. Despite these challenges, the Fund continued to implement its core mandate and key strategic priorities.
- Separately, instability at the executive leadership level, including an increased reliance on acting appointments, created challenges in maintaining decision-making continuity, strategic alignment, and organisational momentum. The frequent changes in leadership structures affected the consistency of strategic direction and the implementation of key organisational priorities.
- The dissolution of the previous Board and the subsequent appointment of an Interim Board during the reporting period resulted in a temporary loss of institutional memory and organisational knowledge. This transition affected continuity in governance oversight, particularly regarding the historical context, institutional insights, and rationale underpinning key strategic decisions and long-term initiatives. Significant effort was therefore required to rebuild organisational understanding and maintain continuity of oversight by the new Board during the transition period.

Notwithstanding these challenges, the transition created an opportunity to strengthen governance structures, enhance accountability, and reinforce the organisation's commitment to ethical leadership and institutional integrity. The appointment of the interim Board introduced renewed oversight and strategic direction, supporting governance stabilisation and organisational resilience.

he year also marked continued progress in implementing the **2025–2030 Strategic Plan**, including:

- **Sustainable RAF:** Advancement of the Claims Payment Strategy to improve financial sustainability
- **Digital Transformation:** Continued implementation of the Integrated Claims Management System (ICMS) to modernise operations and enhance service delivery
- **Governance:** Strengthened oversight, compliance, and risk management practices
- **Claimant Focus:** Improved responsiveness and customer experience through targeted service delivery enhancements

OUTLOOK

The RAF continues to operate in a constrained environment marked by increasing claims liabilities and limited revenue growth.

Priority areas include:

- **Provide support to the DoT on proposed Legislative reform through the Road Accident Benefit Scheme (RABS)**
- **Continued claims backlog reduction**
- **Strengthening organisational stability, improving governance continuity, and financial sustainability.**
- **Digital transformation and committed operational efficiency**
- **Filling of key executive vacancies to reduce reliance on acting appointments and enhance leadership continuity.**

The Fund remains committed to delivering equitable, timely, and sustainable compensation to road accident victims.



PART A:
GENERAL INFORMATION

Registered name:	Road Accident Fund
Physical address:	Eco Glades Office Park 2 420 Witch-Hazel Avenue Centurion 0046
Postal address:	Private Bag X178 Centurion 0046
Telephone:	087 820 1 111 (customer care share call)
Website:	www.raf.co.za
External auditors:	Auditor-General of South Africa
Bank:	Absa Bank Limited
Board Secretary:	Mr M Penane

1. ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
Amendment Act	RAF Amendment Act, 2005 (Act No. 10 of 2005)
APP	Annual Performance Plan
AVE	Advertising Value Equivalency
B-BBEE	Broad-Based Black Economic Empowerment
CEF	Central Energy Fund
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
DG	Director-General
DoT	Department of Transport
FY	Financial Year
GRAP	Generally Recognised Accounting Practice
ICMS	Integrated Claims Management System
ICT	Information and Communication Technology
King IV	King Code on Corporate Governance IV
MBA	Master of Business Administration
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan

OHS	Occupational Health and Safety
OPSIT	Operations, Information Technology Committee
PCoT	Portfolio Committee on Transport
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
POPI Act	Protection of Personal Information Act, 2013 (Act No. 3 of 2013)
QA	Quality Assurance
RAF	Road Accident Fund
RAF Act	Road Accident Fund Act, 1996 (Act No. 56 of 1996)
REMCO	Remuneration and Human Resources Committee
RNYP	Requested but Not Yet Paid (Claims)
SARS	South African Revenue Service
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SOE	State-Owned Entity
SOP	Standard Operating Procedure
TEC	Total Employment Cost

2. SCOPE OF THE REPORT

2.1 INTRODUCTION

The Road Accident Fund (RAF) presents its Annual Report for the year ended 31 March 2026. This report has been prepared in accordance with National Treasury's Annual Report Guide for Schedule 3A and 3C public entities, the King IV Report on Corporate Governance (2016), and the Protocol on Corporate Governance in the Public Sector.

The RAF operates within the framework of the Road Accident Fund Act (1996), which defines its mandate and regulates its activities. Section 3 of the Act affirms the Fund's purpose: to provide compensation, in accordance with the Act, for loss or damage wrongfully caused by the driving of motor vehicles. This mandate reflects the RAF's continued commitment of service to the public.

The year under review took place within a complex governance environment. A key development was the RAF's engagement with the Standing Committee on Public Accounts (SCOPA) enquiry, which underscored the importance of accountability, financial stewardship, and sound governance. The Fund approached this process constructively, using it to strengthen transparency, enhance internal controls, and reinforce stakeholder confidence.

During the reporting period, the RAF implemented changes arising from revised accounting standards, requiring adjustments to its financial reporting framework. The RAF managed these changes diligently to ensure accuracy, consistency, and full compliance with applicable regulatory requirements.

In August 2025, the RAF underwent a leadership transition, with the appointment of an interim Board for six months, marking an important shift in its strategic direction. This transition was carefully managed to maintain strategic continuity while positioning the organisation to strengthen governance, improve operational effectiveness, and respond more effectively to stakeholder expectations.

To ensure continuity of governance and strategic oversight, the Minister extended the term of the Interim Board by a further six months while the process to appoint a permanent Board is being finalised. The extension provides the Fund with stability during a critical transition period and enables the Interim Board to continue overseeing ongoing governance reforms, strategic initiatives, and organisational stabilisation efforts.

The Special Investigation Unit (SIU) is conducting an intensive, multibillion Rand forensic investigation into the Road Accident Fund (RAF) under Presidential Proclamation R44 of 2021. The probe is focused on targets systematic governance failures, internal corruption, and possible financial leakage. The SIU investigation presents an important opportunity for the Fund to strengthen governance, enhance accountability, and restore public confidence. As the investigation progresses, the RAF will continue to provide full cooperation with the SIU and implement corrective measures arising from identified findings and recommendations.

Corporate governance remains central to the RAF's operations, providing the framework through which the organisation is directed and controlled. In line with National Treasury guidance, oversight is exercised through ongoing review, monitoring, and supervision to ensure alignment with strategic objectives.

2.2 REPORTING CYCLE

This report presents an integrated and insightful account of the RAF's organisational, operational, and financial performance for the financial year spanning 1 April 2025 to 31 March 2026. It reflects the Fund's resolute commitment to transparency, accountability, and ethical stewardship, offering stakeholders a balanced and comprehensive perspective on both financial and non-financial performance.

The narrative captures the milestones achieved during the year under review, while also providing a candid reflection on the challenges encountered and their implications for the Fund's future trajectory.

The above reinforces the RAF's dedication to continuous improvement and sustainable service delivery. The RAF remains deeply conscious of its accountability to diverse stakeholders.

2.3 REPORTING BOUNDARY

This Annual Report provides a comprehensive account of the RAF's organisational, operational, financial, and non-financial performance for the period 1 April 2025 to 31 March 2026. It includes audited financial information and performance against predetermined objectives, in compliance with Section 55(1) of the Public Finance Management Act (PFMA), 1999.

Structured in accordance with National Treasury's reporting framework for Schedule 3A and 3C public entities, the report extends beyond conventional financial disclosure to encompass the broader social, environmental, and economic impacts of the RAF's activities. In doing so, it offers a holistic portrayal of the Fund's contribution to society and its role within the public sector landscape.

2.4 REPORTING PRINCIPLES

The integrity of this report is underpinned by a strong framework of legislative compliance and sound governance. It complies with the Public Finance Management Act (PFMA) and is prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including all relevant standards and directives issued by the Accounting Standards Board.

This foundation is further strengthened through adherence to National Treasury guidelines, promoting consistency, clarity, and comparability in public sector reporting. The application of King IV principles reinforces ethical leadership, transparency, accountability, and responsible stewardship.

Collectively, these elements ensure that the report presents a credible, reliable, and transparent account of the RAF's performance, supporting public confidence and affirming the Fund's accountability.

2.5 SUPPORTING DOCUMENTS

In the spirit of openness and transparency, all supporting documentation pertaining to this report is available for inspection at the RAF's offices, thereby providing stakeholders with the opportunity to engage more deeply with the information presented.

2.6 AUDIENCE

This report is prepared for, and addressed to, a wide and diverse audience, reflecting the broad public mandate of the RAF. Its stakeholders include, but are not limited to:

- The Parliament of the Republic of South Africa
- The Executive Authority
- National, provincial, and local government institutions
- Unions and employees
- Suppliers
- Existing and prospective claimants
- The general public





3. CHAIRPERSON'S FOREWORD

Paving the Way for a Sustainable, Accountable and Claimant-Centred Road Accident Fund

The 2025/26 financial year was a defining period for the Road Accident Fund (RAF), characterised by significant governance transitions, heightened public scrutiny, financial pressures, and a renewed commitment to institutional accountability and sustainability. During the year, the Interim Board assumed responsibility for steering the organisation through a complex operating environment while ensuring that the RAF remained focused on its core mandate of providing equitable compensation to road accident victims.

Against this backdrop, the Board prioritised strengthening governance, restoring stakeholder confidence, stabilising leadership structures, and driving the implementation of the RAF's 2025-2030 Strategic Plan. Despite considerable challenges encountered during the year, meaningful progress was achieved in several strategic areas.

In line with National Treasury's annual reporting principles, this Annual Report provides a balanced account of the Fund's operational and financial performance, achievements, challenges, audit outcome, and strategic outlook.

Strategic and Operating Context

The RAF continued to operate in a constrained and complex environment. Its core mandate remains the provision of compensation, in accordance with the Road Accident Fund Act, to persons who suffer loss or damage as a result of motor vehicle accidents. This mandate places the RAF at the centre of South Africa's social protection landscape, particularly for injured persons, bereaved families and households that are financially affected by road accidents.

During the year under review, the Fund faced persistent structural challenges, including growing claims liabilities, funding mismatch leading to liquidity constraints, high litigation levels, an ageing claims backlog, and pressure on the current compensation model of lump-sum payment instead of annuity based payment structure. The Fund remained technically insolvent, with total liabilities significantly exceeding total assets, underscoring the need for long-term policy, funding and legislative reform.

The governance environment was also demanding. The dissolution of the previous Board, the appointment of the Interim Board, executive leadership instability, and reliance on acting appointments created challenges for strategic continuity and institutional stability. These challenges required the Board to focus simultaneously on stabilisation, oversight, accountability and the continuation of core service delivery.

Performance During the Year

Despite a difficult operating environment, the Fund continued to make progress in delivering on aspects of its mandate. During the year, R43.3 billion was paid to claimants, compared to R42.6 billion in the previous financial year, reflecting continued prioritisation of compensation payments within available cash resources.

The Fund also achieved some progress in reducing the capital compensation backlog, with total outstanding capital compensation matters decreasing from 304 530 in 2024/25 to 288 574 in 2025/26. However, full claim closure remained constrained by external dependencies, including outstanding legal cost settlements and delays in the submission of legal cost bills by attorneys.

The RAF continued to implement strategic initiatives aimed at improving claims processing efficiency, strengthening financial discipline, reducing operational costs, and enhancing digital enablement. The Integrated Claims Management System (ICMS), implemented through Project Bokamoso, remained a key strategic project intended to modernise claims processing, improve data integrity and support real-time reporting. However, the project continued to experience implementation delays and outstanding functionality, which affected the full realisation of expected benefits.

Audit Outcome and Accountability

The Board notes the significant improvement in the Road Accident Fund's audit outcome from an adverse opinion in 2024/25 to an unqualified audit opinion with findings in 2025/26, representing a substantial advancement in the Fund's financial reporting environment and overall accountability. This improvement was largely driven by the successful resolution of the long-standing accounting treatment of claims liabilities, including the transition from the application of IPSAS 42 to an accounting policy aligned with the Standards of GRAP and the implementation of recommendations arising from the review of the claims liability accounting framework. These interventions contributed to enhanced transparency and credibility in the Fund's financial statements.

While the improved audit outcome is encouraging, the Board recognises that it does not signify the end of the Fund's audit and governance challenges. The Auditor-General identified material misstatements in the annual financial statements that were subsequently corrected before the finalisation of the audit, as well as material findings relating to performance information, compliance with legislation, procurement and contract management, and information technology controls. Significant concerns were also raised regarding the reliability of certain reported performance information, weaknesses in data quality and performance reporting controls, information security and cybersecurity vulnerabilities, delays in the implementation of the Integrated Claims Management System (ICMS), contract management deficiencies, irregular expenditure, and the persistence of material uncertainties relating to the Fund's long-term financial sustainability and going-concern status.

The Auditor-General further highlighted governance challenges associated with prolonged acting appointments, critical executive vacancies, weaknesses in compliance monitoring, and a material irregularity relating to prolonged employee suspensions that resulted in likely financial losses to the Fund. In addition, previously identified material irregularities relating to SAP payment interceptions and duplicate, incorrect and overpayments remain subject to ongoing regulatory processes and investigations.

The Board views the audit outcome as both evidence of meaningful progress and a clear indication of the work that remains to strengthen governance, accountability and the overall control environment. The Board has directed management to accelerate the implementation of agreed audit action plans, with particular focus on strengthening performance information management, financial controls, consequence management, compliance monitoring, procurement and contract management practices, cybersecurity and ICT governance, and the timely filling of critical leadership positions. The Board will continue to exercise rigorous oversight over the implementation of corrective measures to ensure that audit findings are addressed effectively, sustainably and in a manner that promotes transparency, accountability and public confidence in the Fund.

Heightened Oversight

The RAF operated under heightened oversight during the reporting period. The Special Investigating Unit (SIU) continued its investigation under Presidential Proclamation R44 of 2021, focusing on alleged governance failures, internal corruption, irregular payments and possible financial leakages within the Fund.

The Board views the SIU investigation as an important accountability mechanism and an opportunity to strengthen governance, improve internal controls, support consequence management and restore public confidence. The Fund remains committed to cooperating fully with the SIU and implementing appropriate corrective measures arising from validated findings and recommendations.

Parliamentary oversight, including the Standing Committee on Public Accounts (SCOPA) enquiry, further reinforced the need for transparency, financial stewardship and institutional accountability. The matters raised through these oversight processes highlighted the importance of strengthening procurement controls, claims payment governance, litigation management, consequence management, executive accountability and stakeholder trust.

The Portfolio Committee of Transport (PCOT), through its structured hearings and oversight continued to assist the RAF in adressing its systematic governance structure and delivery challenges. While this scrutiny placed pressure on the organisation, it also reinforced the impotance of accountability, transparency and decisive corrective action.

The Board has therefore prioritised governance reforms, improved reporting discipline, cooperation with oversight bodies, and the strengthening of assurance mechanisms as central components of the RAF's institutional recovery agenda.

Strategic Relationships

The successful execution of the RAF's mandate depends on effective collaboration across a wide stakeholder ecosystem. During the year, the Board continued to engage with the Minister of Transport, the

Department of Transport, National Treasury, Parliament, AGSA, the SIU, the Legal Practice Council, SARS, organised labour, RAF personnel, healthcare providers, legal practitioners, claimants and communities.

These relationships are critical to addressing the systemic issues affecting the Fund, including its funding model, claims administration, litigation environment, fraud risks, governance controls and long-term sustainability. The Board remains committed to an open, constructive and transparent stakeholder approach that supports public accountability and improved service delivery.

Challenges Faced by the Board

During the period under review, the Board continued to navigate a complex operating environment characterised by significant financial, legal, governance, and operational challenges that have implications for the long-term sustainability of the Fund. Key challenges included governance and leadership instability, vacancies in critical executive positions, and the need to strengthen organisational stability and continuity in decision-making. The Board also had to contend with ongoing litigation pressures, constrained liquidity, escalating claims liabilities, and the imperative to address long-standing control weaknesses and enhance the effectiveness of internal controls. Collectively, these challenges placed considerable pressure on the Fund's operations, financial sustainability, and ability to deliver on its mandate, requiring focused oversight and decisive interventions to mitigate risks and improve organisational performance.

The audit findings further highlighted the need to strengthen internal controls over financial reporting, performance information, compliance management, ICT governance, contract management and claims payment processes. These areas will remain a priority for the Board in the coming financial year.

Continued increase in default judgments remains a significant challenge for the Fund, as it contributes to higher claims costs, places additional pressure on the Fund's financial sustainability, and limits opportunities to resolve matters through alternative dispute resolution mechanisms. The Board has noted this trend with concern, particularly given its impact on the Fund's claims liability and overall efficiency in claims management.

To address this challenge, Management is strengthening collaboration with the Judiciary and other key legal fraternity stakeholders to identify and implement measures aimed at reducing default judgments.

Another key challenge arose that will have an impact in future reporting periods is the Supreme Court of Appeal (SCA) ruling handed down on 30 April 2026 (as an adjusting event after the report date), is regarding the RAF 1 claim form requirements, which has had a material impact on the Fund's claims liability. The ruling resulted in the recognition of additional obligations in respect of claims that may previously have been regarded as non-compliant or prescribed due to deficiencies associated with the RAF 1 form. Consequently, the Fund was required to reassess its claims obligations and include the RAF1 obligation provision of R154 billion in 2025 FY and R323 billion in 2026 FY.

Undocumented Foreign Nationals Ruling (SCA, April 2026): Confirmed that RAF liability extends to all road accident victims regardless of immigration status, this will have impact in the 2026/27 Financial year.

In addition to the financial impact, the Board continues to contend with growing claims volumes, rising claims costs, litigation trends, and increasing public expectations regarding service delivery. These pressures reinforce the importance of improving operational efficiency, strengthening claims administration processes, promoting direct claims channels, accelerating digital transformation initiatives, and supporting the Department of Transport's efforts to advance the new legislative reform (RABS).

Despite these challenges, the Board remains committed in exercising effective oversight, strengthening governance and accountability, and implementing measures that safeguard the Fund's financial sustainability.

The Road Accident Fund fuel levy increased by 7 cents per litre, from R2.18 to R R2,25 per litre to be implemented in the 2026/27 finacial year. This provides much needed financial relief and demonstrates Government's continued commitment to supporting the sustainability of the Fund.

Medium- to Long-Term Strategic Focus

Over the medium to long term, the Board's strategic focus will be on building a sustainable, accountable and claimant-centred RAF. This will require disciplined implementation of the 2025-2030 Strategic Plan, together with decisive action to address the structural weaknesses that continue to affect the Fund.

Key priorities include:

- Strengthening financial sustainability by supporting the Department of Transport in its efforts to advance road accident compensation reform, the Road Accident Benefit Scheme (RABS), which is aimed at creating a more

equitable, inclusive, and financially sustainable compensation system. This reform has the potential to address historical inequities in access to benefits, broaden social protection for road users, improve the efficiency of compensation delivery, and strengthen the long-term sustainability of the Fund.

- Collaborate with the Department of Transport and the National Treasury in exploring alternative funding sources for the RAF.
- Reducing claims backlogs and improving claims turnaround times.
- Enhancing claims payment governance, including fair and transparent payment of valid claims.
- Accelerating digital transformation and improving the delivery of Project Bokamoso and ICMS functionality.
- Strengthening governance, compliance, consequence management and internal controls.
- Addressing audit findings and improving future audit outcomes.
- Strengthening leadership capacity and organisational stability through the appointment of suitably qualified executives and senior managers, with particular emphasis on filling critical vacancies such as the Chief Executive Officer, Chief Claims Officer and Head of Legal position. This will reduce reliance on acting appointments, enhance governance and accountability, improve strategic decision-making, and ensure leadership continuity to support the effective execution of the Fund's mandate.
- Re-establishing and promoting direct claims lodgement to encourage direct claiming without legal representation where appropriate, thereby reducing plaintiff legal costs.
- Prioritising the finalisation and implementation of the Claimant Channel Strategy to broaden the Fund's national footprint, improve accessibility to RAF services, and increase engagement with claimants. This initiative is aimed at ensuring that deserving beneficiaries can access the Fund through convenient and inclusive service channels, while supporting the strategic objective of promoting direct claims and reducing unnecessary legal costs.
- Driving organisational culture reform and employee wellness initiatives to foster a high-performance, values-driven and ethically responsible workplace.
- Reviewing the effectiveness of the State Attorney litigation model, including an assessment of the impact of high levels of default judgments on the Fund's financial sustainability, legal risk exposure and claims management strategy.

Acknowledgements and Appreciation

On behalf of the Board, I extend my sincere appreciation to the Minister of Transport and the Deputy Minister of Transport for their continued support and guidance during a period of significant organisational transition. I further acknowledge the commitment and resilience demonstrated by management, employees, organised labour, governance committees, assurance providers, and strategic partners who continued to support the organisation despite the challenges faced during the year.

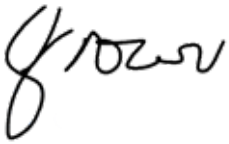
I also wish to thank Parliament, oversight institutions, the Auditor-General of South Africa, the Special Investigating Unit, healthcare stakeholders, legal practitioners, and all stakeholders who contributed to strengthening accountability and governance throughout the reporting period.

Most importantly, I acknowledge the road accident victims and their families who place their trust in the RAF. Their needs remain at the centre of our mandate and continue to guide our strategic priorities.

Conclusion

The 2025/26 financial year was both challenging and transformative. The improvement in the audit outcome from adverse to unqualified audit opinion is a positive step, but it is not the final destination. It signals progress while also confirming the need for sustained work to strengthen controls, improve accountability, stabilise leadership and restore confidence in the Fund.

The Board is committed to ensuring that the RAF emerges stronger, more disciplined, more transparent and more responsive to the needs of road accident victims. Through continued reform, stronger stakeholder partnerships, full cooperation with oversight bodies, and focused implementation of the RAF's strategic priorities, the Fund will continue working towards a sustainable future and improved service delivery for all those impacted by the effects of road accidents.



Kenneth Brown
Chairperson of the RAF Board
Date: 31 August 2026



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

The 2025/26 financial year marked a pivotal chapter in the institutional evolution of the Road Accident Fund. It was characterised by intense public scrutiny, complex legal and governance issues, financial challenges, operational pressures, and increased expectations from road accident victims, Parliament, government, the legal and healthcare sectors, employees, and the broader South African populace. Nevertheless, amidst this demanding environment, the year also signalled a decisive shift towards institutional renewal, enhanced accountability, improved governance discipline, and the intentional reestablishment of public confidence.

As an institution responsible for compensating individuals affected by motor vehicle accidents, the RAF holds a crucial position within South Africa's public service framework. Its mandate extends beyond administrative, legal, or financial functions; it embodies a deeply human purpose serving injured persons, bereaved families, and households whose lives have been irrevocably changed by road trauma. This human-centred mission remained the Fund's guiding principle throughout the year and informed my approach when I assumed the role of Acting Chief Executive Officer in December 2025. This period was marked by significant pressures, uncertainties, and challenges affecting employee morale, stability, and organisational confidence.

From the outset, it was evident that the Fund's recovery could not be achieved solely through governance, legal, and operational reforms. It also necessitated a renewed focus on the people of the RAF, whose resilience and dedication remained vital in sustaining service delivery amidst adversity. Accordingly, management prioritised employee engagement, equitable and responsive handling of workplace concerns, strengthened internal communication, increased leadership visibility, and the restoration of confidence within the organisation. These initiatives were integral to repositioning the RAF towards stability, accountability, and enhanced performance in service of its public mandate.

A year of accountability, scrutiny and institutional reset

The year should be considered within the framework of enhanced oversight by Parliament, particularly through the Standing Committee on Public Accounts (SCOPA), which initiated an investigation into alleged maladministration, financial misconduct, misappropriation of public funds, and governance deficiencies at the RAF. The parliamentary inquiry process invited public contributions and addressed issues including governance, procurement, financial management, litigation, executive accountability, and related matters.

The RAF recognises the gravity of the issues highlighted through this oversight process. The inquiry illuminated longstanding concerns related to financial sustainability, internal controls, consequence management, litigation strategy, executive governance, claims administration, and stakeholder trust. Instead of perceiving this scrutiny as a threat, the Fund regarded it as a crucial accountability mechanism and an opportunity to expedite reforms necessary to restore institutional credibility.

The oversight process also reinforced the importance of cooperating fully with authorised investigative and accountability institutions. Matters raised regarding governance, attorney payments, bank reconciliations, the termination of the attorney panel, and the need for stronger controls underscored the urgency of reinforcing assurance mechanisms, improving transparency, and embedding corrective action within the Fund's operating model.

Legal environment and litigation pressures

The RAF operated within a complex legal environment, confronting litigation stemming from disputes, court judgments, legal strategy considerations, and the impact of court decisions on the sustainability of the compensation system. Public oversight authorities expressed concerns regarding costly litigation, legal vacancies, defaults, and limited executive capacity.

The RAF recognised that litigation should not be substituted for efficient claims management and endeavoured to strike a balance between safeguarding public resources and ensuring fair claims processing. Management is transitioning from a reactive litigation approach to an integrated claims resolution

and risk management framework, concentrating on reducing avoidable litigation, conducting early claims assessments, establishing settlement governance, ensuring lawful decision-making, fostering inter-departmental coordination, complying with court orders, overseeing legal expenditures, and engaging with legal professionals. Rebuilding relationships with the Legal Practice Council, SARS, National Treasury, and other legal stakeholders was also prioritised to enhance claims finalisation and to protect the interests of claimants and funds.

Financial sustainability and revenue protection

The RAF continued to operate under significant financial pressure arising from growing compensation demand, increasing liabilities, litigation costs, medical and claimant obligations, operational inefficiencies and legal complexities affecting cash flow. In response, management strengthened revenue protection, financial discipline and strategic collaboration with SARS and the National Treasury. Given the Fund's reliance on the fuel levy, these engagements were critical to improving revenue assurance, forecasting, policy alignment and long-term sustainability.

The secured fuel levy increase of 7 cents reflected the value of rebuilding constructive relationships with key fiscal stakeholders and moving away from an adversarial posture towards a more collaborative, evidence-based and solution-oriented approach to securing the Fund's financial stability and public mandate.

Strengthening governance and internal controls

A principal focus throughout the year was to rectify governance deficiencies that had compromised the institution's credibility. The RAF's 2024/25 Annual Report already highlighted governance, risk management, internal controls, compliance, stakeholder engagement, and performance as key domains of reporting and oversight. Consequently, the 2025/26 fiscal year necessitated a definitive transition from diagnosis to the execution of corrective measures.

While the Fund is encouraged by the improvement in its audit outcome from an adverse opinion to an unqualified audit opinion, however the audit identified several areas requiring urgent management attention. These include strengthening financial reporting processes, enhancing the reliability and credibility of performance information, addressing recurring information technology control deficiencies, improving procurement and contract management oversight, and reinforcing compliance and consequence management. The audit also highlighted governance challenges arising from leadership vacancies, weaknesses in claims administration processes, and the need to accelerate corrective actions on recurring audit findings. Management acknowledges these control weaknesses and remains committed to implementing sustainable remedial measures that will strengthen accountability, improve operational efficiency, enhance service delivery to claimants, and support the Fund's long-term sustainability.

Management's governance improvement agenda focused on strengthening internal controls, audit readiness, risk management, compliance, procurement oversight, consequence management, conflict-of-interest management, executive accountability and disciplined performance monitoring.

The Fund also continued to support authorised investigations and oversight processes as part of a broader commitment to transparency and institutional accountability. Where wrongdoing is identified, the RAF is committed to ensuring appropriate consequence management, while using the lessons from such processes to redesign systems, close control gaps and prevent recurrence. Rebuilding trust will therefore depend not only on stated commitments, but on visible evidence of improved controls, ethical conduct, transparent reporting and sustained organisational performance.

Amid scrutiny and challenges, the Interim Board, upon its appointment by the Minister of Transport in August 2025, strengthened stability, accountability, and trust through governance reforms, transparency, and consequence management. It supported improvements in operations, finances, and claimant services.

People management was a critical pillar of this renewal journey. We were deliberate in confronting the legacy of a negative organisational culture that had, over time, affected employee morale, trust, accountability and relations within the workplace. As leadership, we recognised that sustainable institutional recovery could not be achieved through systems and processes alone; it also required rebuilding confidence among our people and restoring a culture anchored in respect, ethical conduct, performance discipline and shared purpose. Through strengthened leadership engagement, more open communication, improved employee relations interventions and a renewed focus on accountability, the RAF began to shift towards a more constructive, collaborative and performance-oriented workplace culture. This progress is essential to ensuring that our employees are empowered, aligned and committed to delivering on the Fund's mandate with professionalism, compassion and integrity.

Community outreach and claimant-centred service delivery

Despite challenges in funding and governance, the RAF focused on service delivery and expanded community outreach to raise awareness of its services, claims prerequisites, road safety, and fraud risks. These efforts were especially vital for communities lacking easy access to RAF offices, legal support, or digital resources.

Through direct engagement, the Fund aimed to reduce information gaps, educate claimants, promote early claim filing, and support ethical access to compensation. Furthermore, the RAF aligned its outreach with road safety goals by emphasising prevention, responsible road use, compliance with legal standards, and initiatives to lower road fatalities and injuries.

Operational improvements and claims management

A pivotal aspect of the Fund's recovery strategy was the enhancement of claims management processes. The challenges faced by the RAF led to backlogs, litigation, claimant dissatisfaction, and financial unpredictability. During the review period, management focused on improving claims visibility, streamlining workflows, strengthening settlement governance, and reducing turnaround times.

Key initiatives included improving claims intake and verification procedures, alleviating processing bottlenecks, strengthening medico-legal assessments, controlling payments, ensuring data integrity, managing digital records efficiently, minimising avoidable disputes, improving communication with claimants and legal representatives, and fostering greater internal accountability. Although a complete turnaround is expected to take time, the year has laid a foundation for stability and improved service delivery.

Addressing governance failures and moving the RAF out of crisis

The phrase "getting the RAF out of the ashes" captures the seriousness of the institutional moment. The Fund emerged from a period marked by public concern, contested legal positions, governance breakdowns, reputational damage, operational instability and serious questions about sustainability.

Our response has been guided by five recovery principles:

1. Accountability – accepting oversight, supporting investigations and acting on findings.
2. Transparency – improving reporting, stakeholder engagement and governance disclosure.
3. Legality – ensuring that all decisions are grounded in law, evidence and proper authority.
4. Financial discipline – protecting public funds and strengthening expenditure controls.
5. Claimant-centred service – ensuring that recovery efforts ultimately improve outcomes for road accident victims.

The RAF does not underestimate the scale of the work ahead. However, the year under review demonstrated that the Fund has begun to take the difficult but necessary steps to rebuild itself.

Looking ahead

As we commence the new financial year, the priorities of the RAF are unequivocal. It is imperative to expedite governance reforms, stabilise leadership, fill essential vacancies, enhance claims management, reduce avoidable litigation, foster greater stakeholder trust, deepen collaboration with oversight and law enforcement agencies, and actively participate in policy discussions concerning South Africa's long-term road accident compensation framework.

The RAF will collaborate closely with the Department of Transport, the National Treasury, SARS, the SIU, the Legal Practice Council, Parliament, and other pertinent stakeholders to ensure the Fund's sustainability, accountability, and service orientation. Despite previous challenges, avenues for renewal remain available.

The trajectory of the RAF's recovery will be assessed against improvements in governance structures, credible financial management, reduced litigation, strengthened stakeholder partnerships, and improved outcomes for claimants.

I extend my gratitude to the Minister and Deputy Minister of Transport, the Board, governance structures, accounting authorities, Parliament, oversight agencies, RAF personnel, organised labour, government partners, the legal community, healthcare stakeholders, and communities for their unwavering support during this transformative period.

Most importantly, I recognise the claimants and their families, who rely on the RAF. Their needs continue to underpin the Fund's existence. Our mandate is to ensure that the RAF earns their trust by adhering to lawful practices, being responsive, exercising financial discipline, and steadfastly fulfilling its responsibilities.

Their needs continue to underpin the Fund's existence. Our mandate is to ensure that the RAF earns their trust by adhering to lawful practices, being responsive, exercising financial discipline, and steadfastly fulfilling its responsibilities.



Mr. Radikwena Phora
Acting Chief Executive Officer
Date: 31 August 2026

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements audited by the Auditor-General.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by NT.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the RAF.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control and has been designed to provide reasonable assurance as to the integrity and reliability of the Performance Information, the Human Resources Information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the Operations, the Performance Information, the Human Resources Information and the financial affairs of the public entity for the financial year ended 31 March 2026.

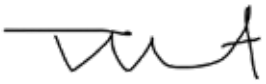
Yours faithfully



Mr. Kenneth Brown
Chairperson of the Board
Date: 31 August 2026



Mr. Radikwena Phora
Acting Chief Executive Officer
Date: 31 August 2026



Mr James Molefe
Acting Chief Financial Officer
Date: 31 August 2026

6. STRATEGIC OVERVIEW

6.1 VISION, MISSION AND CORE VALUES

An equitable and sustainable compensation Fund for motor vehicle accident victims

OUR **VISION**



An equitable and sustainable compensation Fund for motor vehicle accident victims.

OUR **MISSION**



To provide timely and equitable assistance to those affected by motor vehicle accidents through the provision of appropriate benefits to ensure financial relief and recovery for qualifying individuals.

OUR **VALUES**

To provide timely and equitable assistance to those affected by motor vehicle accidents through the provision of appropriate benefits to ensure the financial relief and recovery for qualifying individuals:

ICARE²



INTEGRITY

We will conduct ourselves in a manner that is fair, transparent, and ethical, honouring our commitments and communicating honestly.



COMPASSION

We care for and support our claimants and stakeholders. We care for and support each other.



ACCOUNTABILITY

We will account for our activities/ actions, accept responsibility for them, and disclose any unethical conduct in a transparent manner.



RESPECT

We will treat our stakeholders impartially and with respect, recognising our responsibility to them.



EXCELLENCE

In the performance of our duties, we will consistently apply our knowledge and experience and we will strive to give our best effort to deliver a professional service of an exceptional standard.



EMPATHY

We will demonstrate the ability to understand and share the emotions, ideas, challenges, experiences, and perspectives of both our internal and external clients and stakeholders.

6.2 CORE VALUES

The value statements represent the heart of the RAF's desired corporate culture. They serve as a measure of how well we execute our mandate as leadership, staff and service providers who act on behalf of the RAF.

7. LEGISLATIVE AND OTHER MANDATES

7.1 SCHEDULE IN TERMS OF THE PFMA

The RAF is a juristic person established by the Road Accident Fund Act (1996). Section 3 of the Act stipulates that the object of the Fund is the payment of compensation in accordance with the Act for loss or damage wrongfully caused by the driving of motor vehicles. The RAF is a national public entity established in terms of Schedule 3A of the PFMA. Section 1 of the PFMA states that the national public entity" means (a) a national government business enterprise; or (b) a board, commission, company, corporation, fund or other entity (other than a national government business enterprise) which is (i) established in terms of national legislation; (ii) fully or substantially funded either from the National Revenue Fund, or by way of tax, levy or other money imposed in terms of national legislation; and (iii) accountable to Parliament;

7.2 PRIMARY LEGISLATION

The main legislation below outlines the legal framework for the operations of the RAF.

- The Constitution of the Republic of South Africa, 1996
- Road Accident Fund Act 56 of 1996
- The Public Finance Management Act 1 of 1999
- Road Accident Fund Amendment Act, 2005 (Act No, 19 of 2005)
- Road Accident Fund (Transitional Provisions) Act, 2012 (Act No. 15 of 2012)

7.3 SECONDARY LEGISLATION

In addition to the Road Accident Fund Act (1996), the following are the most relevant and applicable pieces of legislation to the RAF:

- Apportionment of Damages Act (1956 (Act No. 34 of 1956)
- Basic Conditions of Employment Act, 1977 (Act No. 75 of 1977)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993)
- Constitution of the Republic of South Africa, 1996
- Contingency Fees Act, 1977 (Act No. 66 of 1977)
- Control of Access to Public Premises and Vehicle Act, 1985 (Act No. 53 of 1985)
- Corporate Governance of Information Communication Technology Policy Framework (CGICTPF), 2012
- Cyber Crime Act No.19 of 2020
- Customs and Excise Act, 1964 (Act No. 91 of 1964)
- Disaster Management Act, 2002 (Act No. 57 of 2002)
- Electronic Communications and Transaction Act, 2002 (Act No. 25 of 2002)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Financial Supervision of the Road Accident Fund Act No. 8 of 1993
- Global Internal Auditing Standards 2024
- Income Tax Act, 1962 (Act No. 58 of 1962)
- Intergovernmental Relations Framework Act No 13 of 2005
- King Report on Corporate Governance for South Africa, 2016 (King IV 2016)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Magistrate's Court Act, 1944 (Act No. 32 of 1944)
- Minimum Information Security Standards, 1996
- National Archives and Records Service of South Africa Act, 1996 (Act No. 43 of 1996)
- National Environmental Management Waste Act, 2008 (Act No. 59 of 2008)
- National Data and Cloud Policy 2024
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Pension Funds Act, 1956 (Act No. 24 of 1956)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Prescribed Rate of Interest Act, 1975 (Act No. 55 of 1975)
- Prescription Act, 1969 (Act No. 68 of 1969)
- Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)
- Protected Disclosures Act, 2000 (Act No. 26 of 2000)
- Protection of Personal Information Act, 2013 (Act No. 4 of 2013)
- Public Audit Act, 2004 (Act No. 25 of 2004)
- Skills Development Act, 1998 (Act No. 97 of 1998)
- Supreme Court Act, 2013 (Act No. 10 of 2013)
- State Attorney Act No 56 of 1957
- Use of Official Languages Act, 2012 (Act No. 12 of 2012)

7.4 RAF'S ROLE IN THE BROADER GOVERNMENT AND NATIONAL AGENDA

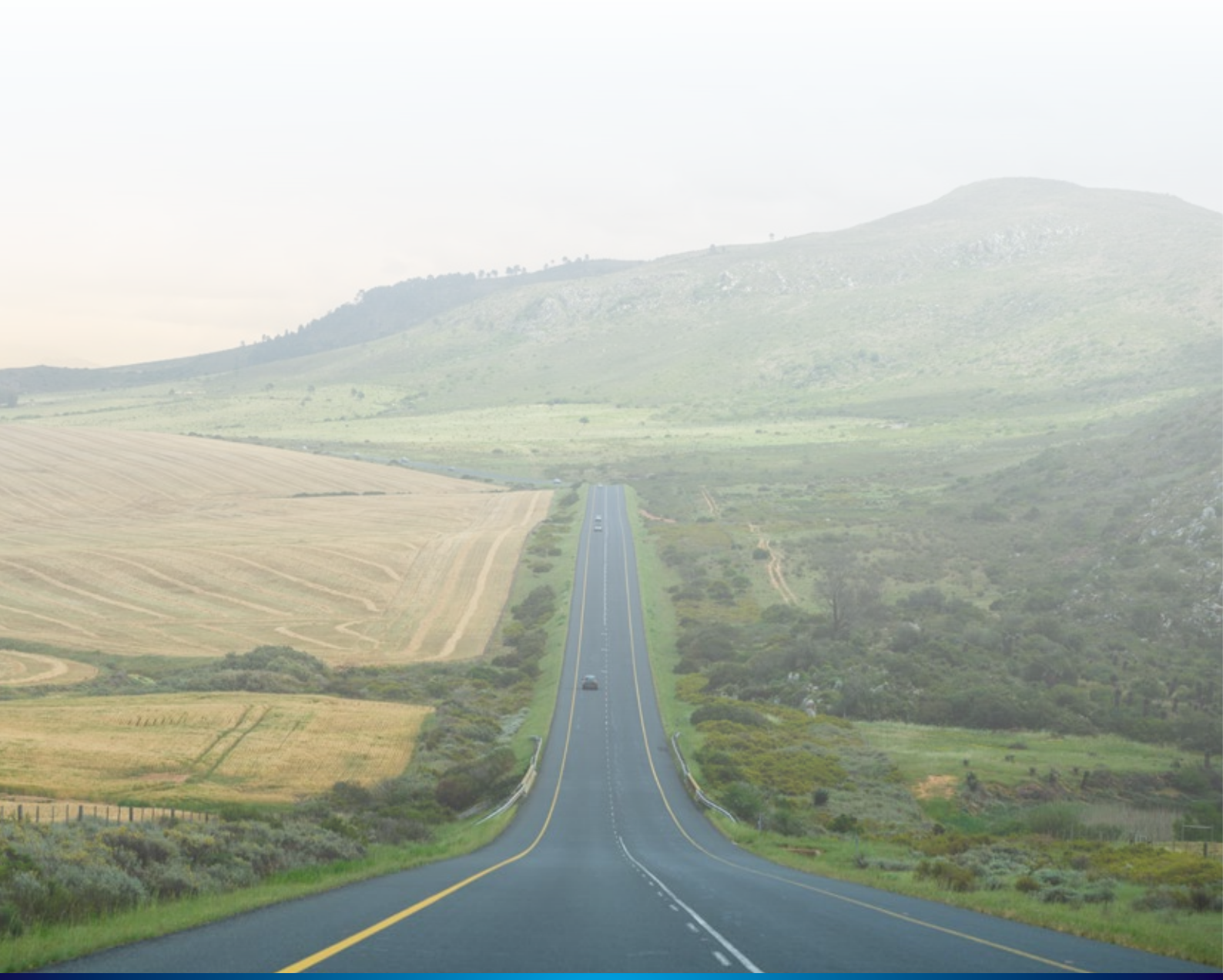
The Road Accident Fund (RAF) plays a pivotal role in supporting the government's developmental agenda as articulated in the National Development Plan (NDP) 2030 and the Medium-Term Development Plan (MTDP). In a country characterised by high levels of poverty and unemployment, motor vehicle accidents have a significant adverse impact on households and the broader economy, often resulting in loss of income, increased dependency, and long-term financial vulnerability.

Through the provision of compensation for death, injury, and loss of income, the RAF serves as a critical component of the social protection framework, contributing to poverty alleviation, reducing inequality, and sustaining household livelihoods. This, in turn, supports the NDP's objectives of improving living standards and promoting inclusive economic participation.

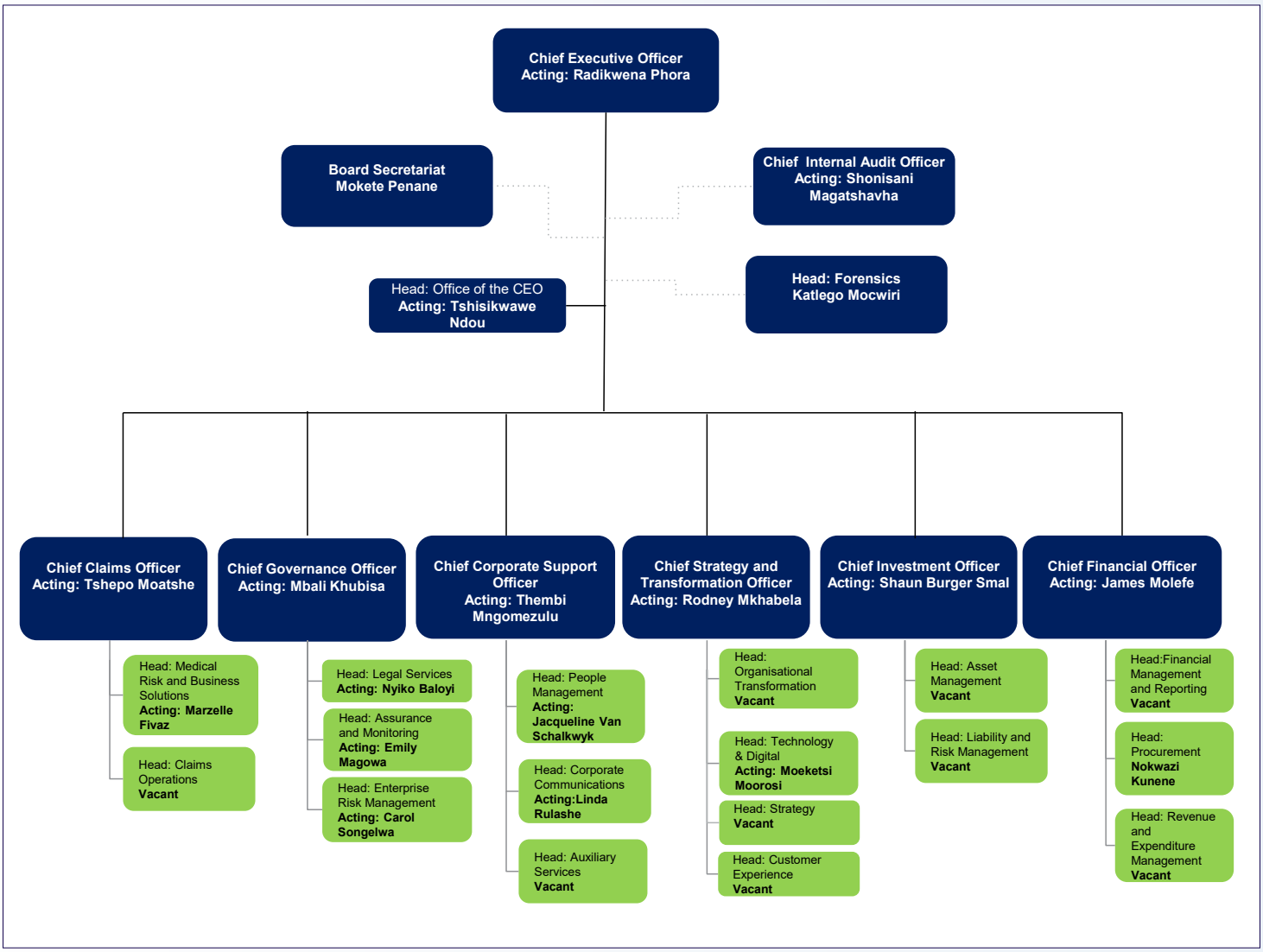
The RAF further contributes to MTDP priorities by strengthening the social wage, enhancing service delivery through ongoing operational and digital transformation initiatives, and supporting economic stability by mitigating the financial consequences of road accidents.

In alignment with broader government priorities, the RAF also plays an important role in supporting road safety outcomes.

Collectively, these interventions position the RAF as a key enabler in addressing the socioeconomic impact of road accidents, while contributing to a more inclusive and resilient economy.



8. ORGANISATIONAL STRUCTURE





PART B:
PERFORMANCE INFORMATION

9. PERFORMANCE INFORMATION

9.1 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

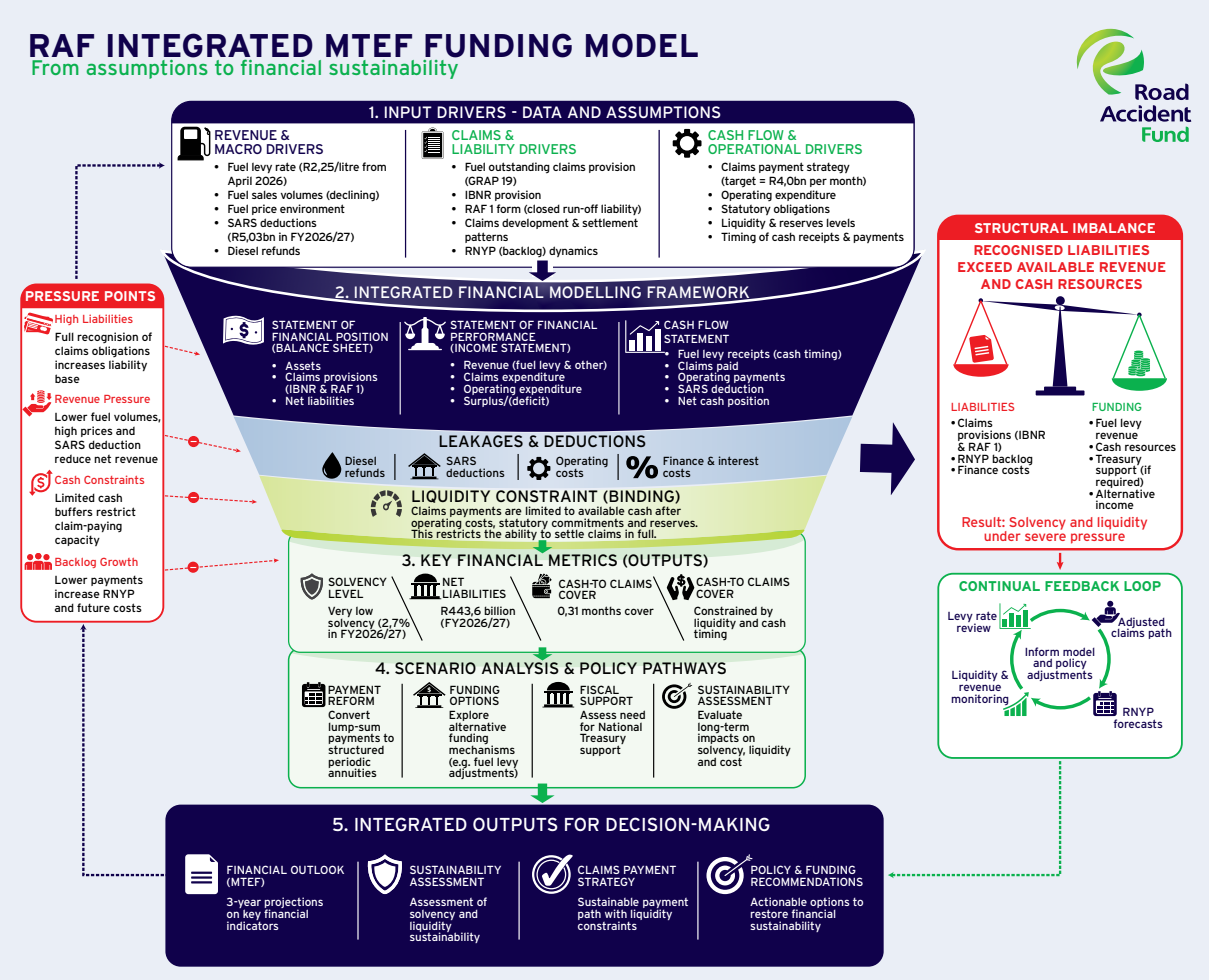
The Auditor-General of South Africa (AGSA) performs the necessary audit procedures on the RAF's performance information against predetermined objectives. It does so to provide reasonable assurance in the form of an audit conclusion, which is included in the management report. AGSA's material findings are reported under the Predetermined Objectives heading in the Report on other Legal and Regulatory Requirements section of the Auditor's Report.

9.2 PERFORMANCE OVERVIEW

9.2.1 Service delivery environment

The RAF's ability to operate is influenced by general economic conditions and environmental factors, and by the extent to which it manages its costs effectively.

Figure 1: Factors that influence the RAF's financial position



The visual illustrates the integrated MTEF funding model used to assess the Road Accident Fund's financial sustainability. At the top of the basket, the model brings together key input drivers, including revenue and macroeconomic factors such as fuel levy rates and fuel sales volumes, claims and liability drivers such as the full outstanding claims provision and backlog dynamics, cash flow and operational considerations, including payment strategies and liquidity constraints. These inputs are combined within an integrated financial modelling framework that simultaneously produces the statement of financial position, statement of financial performance, and cash flow statement.

As these inputs flow through the model, several structural pressures emerge. Leakages such as diesel refunds, SARS deductions, operating costs, and financing costs reduce the net resources available to the RAF. At the same time, a binding liquidity constraint limits the Fund's ability to settle claims in line with obligations. This highlights a fundamental structural imbalance, where recognised liabilities exceed available revenue and cash resources, placing sustained pressure on solvency and liquidity.

The model ultimately produces a set of key financial metrics, including solvency levels, net liabilities, cash-to-claims cover, and claims-paying capacity. These outputs are used to evaluate alternative policy pathways, for example, converting from lump-sum payments to structured periodic annuity payments, exploration of other alternative funding mechanisms, which could include fuel levy adjustments or the need for National Treasury support. In this way, the model functions as a decision-support tool, linking underlying economic and actuarial drivers to financial outcomes and enabling the RAF to assess funding sustainability and identify appropriate interventions.

Figure 2: Key value drivers



9.3 IMPLEMENTATION OF STRATEGIC INITIATIVES

Since the appointment and subsequent reappointment of the Interim Board, the Fund has undertaken a series of strategic initiatives aimed at stabilising the organisation, improving financial sustainability, and strengthening governance and operational effectiveness. These interventions, as outlined in the 2025/2030 strategy, have been implemented within the context of a severely constrained financial position, characterised by technical insolvency, liquidity pressures, and structural funding challenges.

The Board continued to prioritise and implement the following strategic initiatives:

- Enhancing new claims processing efficiency through the settlement of new claims within 120 days.
- Reducing operational and administrative expenditure through targeted cost containment measures.
- Shortening the claims settlement cycle and improving validation processes to reduce litigation costs.
- Prioritising successful implementation of the Integrated Claims Management System (ICMS) to improve operational efficiency and data integrity.
- During the year, the Road Accident Fund reviewed the accounting standard used to measure its claims liabilities as part of its ongoing commitment to improving the accuracy, transparency and reliability of financial reporting. This review included the transition towards the adoption of a more appropriate accounting standard aimed at enhancing the recognition, measurement and disclosure of claims liabilities. In early 2026, the Board formally withdrew the Fund's protracted legal challenge against the Auditor-General of South Africa relating to the application of the accounting standards.
- The adoption of GRAP 19 for the measurement of claims liabilities, replacing IPSAS 42. This change materially increased the reported claims liability from R40.4 billion to R449.1 billion. The Board placed significant emphasis on People Management matters, including the implemen-tation of the approved organisa-tional structure across all Support divisions in the RAF. The emphasis was also on addressing long-standing suspensions and Labour Court matters.
- Recognising the organisational impact of governance and leadership instability experienced during the year, the RAF Board prioritised employee wellness, staff engagement, and culture reform as key enablers of organisational recovery and performance.
- A critical priority will be the filling of the Chief Executive Officer vacancy as well as ensuring key executive and senior management vacancies are filled to reduce reliance on acting appointments and enhance leadership continuity.

The Board further revised the previous investment strategy to prioritise the utilisation of all available resources for the settlement of claims. This included the implementation of a dedicated claims payment strategy and the adoption of an investment approach that directs fuel levy revenue primarily towards claim payments, rather than the accumulation or investment of surplus funds.

9.4 OPERATIONAL PERFORMANCE

The Fund's operational performance for the 2025/26 financial year reflects a continued and deliberate shift towards prioritising claimant outcomes, improving processing efficiency, and addressing historical backlogs. This is evident in the sustained focus on strengthening claims administration, accelerating settlement processes, and directing a greater proportion of available resources towards the payment of compensation.

The number of new claims registered has stabilised at fewer than 100 000 claims per annum over the past five years. This trend was largely influenced by the introduction of the revised RAF 1 claim form in 2022, which imposed more stringent lodgement requirements and resulted in a reduction in the number of claims successfully registered. As a result, the Fund experienced a more controlled inflow of new claims, contributing to a stable claims portfolio.

However, this trend may not be sustained in future reporting periods following the Supreme Court of Appeal (SCA) ruling handed down on 30 April 2026 (as an adjusting event after the report date). Consequently, the Fund anticipates a potential increase in new claims registrations in the coming years as previously excluded claimants re-enter the system and barriers to lodgement are reduced. This is expected to place additional pressure on operational capacity, claims administration processes and future claims liabilities, potentially reversing the stabilisation trend observed over the last five years.

Notwithstanding these improvements, the operating environment remains constrained by the persistence of a substantial and ageing claims backlog, with claims older than five years now comprising the majority of outstanding cases. These claims are inherently complex, often involving litigation and higher settlement values, which increase both the cost and time required for resolution.

The composition of claim payments further reflects both progress and ongoing challenges. While the proportion of compensation paid to claimants has improved over time compared to historical levels, the current year saw a temporary increase in legal and related costs, largely driven by the settlement of the backlog of legal and other related expenses. This underscores the Fund's commitment to resolving legacy issues, while continuing to implement measures aimed at improving efficiency and reducing administrative costs over the medium term.

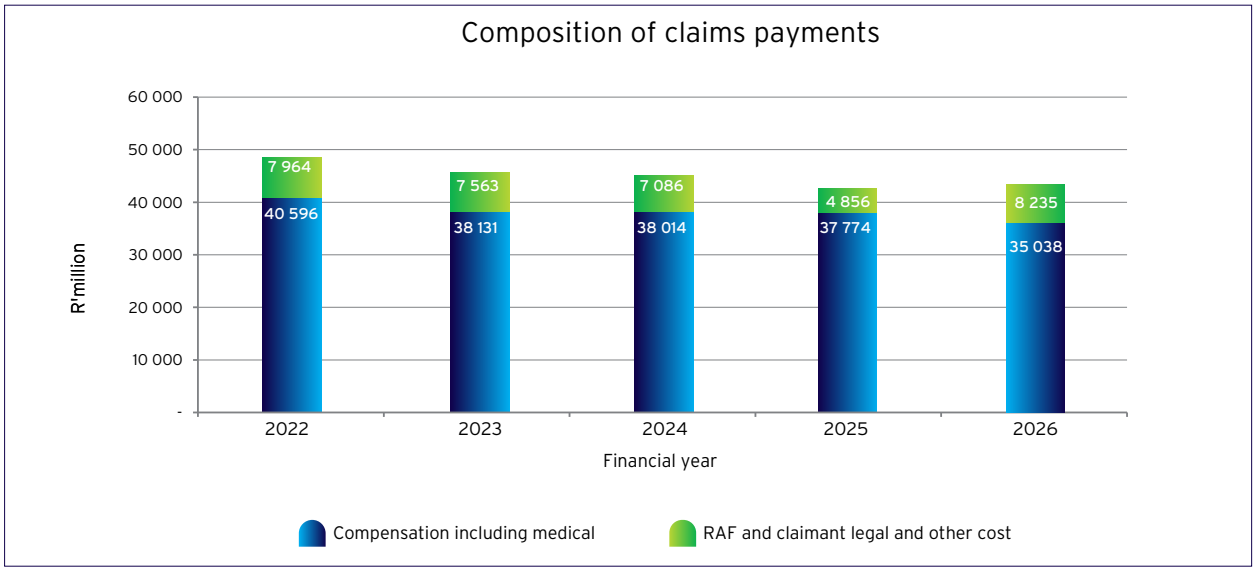
In response, the Fund has intensified its strategic focus on targeted backlog reduction, process optimisation, and digital transformation, supported by the implementation of a dedicated Claims Payment Strategy and enhanced resource allocation.

Overall, the year reflects a balance between driving current operational performance and systematically addressing structural constraints, with backlog reduction and improved claimant outcomes remaining central to the Fund's strategic priorities.

Table 1: Composition of claim payments

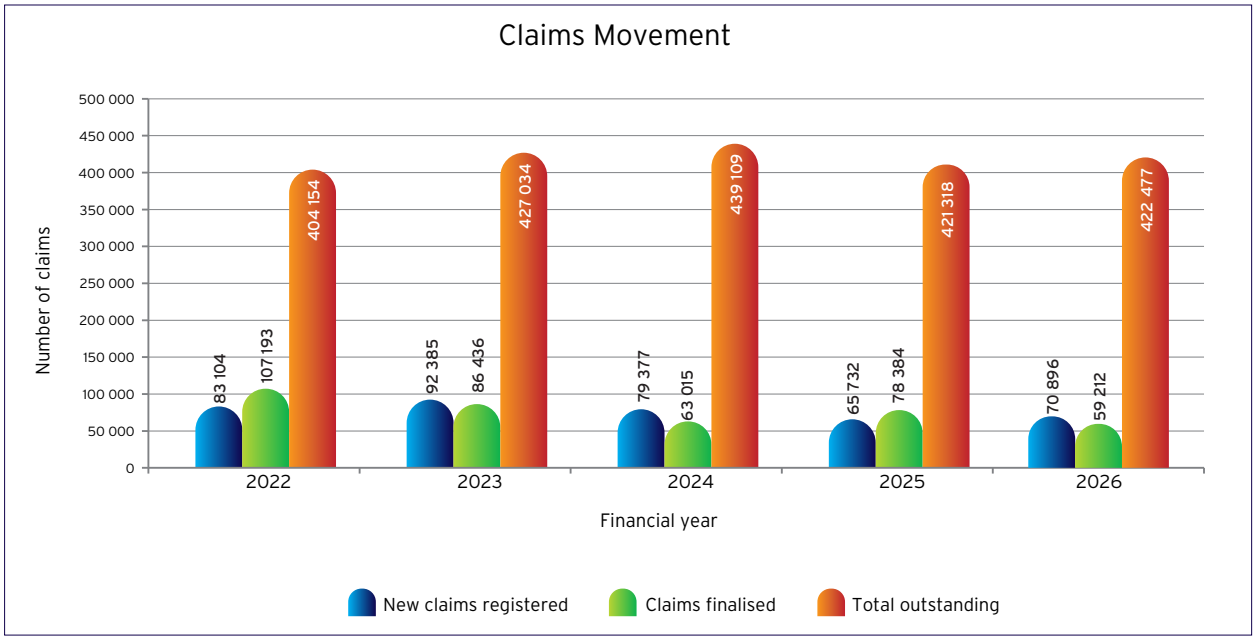
Financial Year	Compensation & Medical (R'million)	Total claims paid (R'million)	Cost to process a claim (R'million)	Total cost of processing claims %	Compensation as a % of Total paid
2021/22	40 596	48 560	7 964	16%	84%
2022/23	38 131	45 694	7 563	17%	84%
2023/24	38 014	45 100	7 086	16%	85%
2024/25	37 774	42 630	4 856	11%	89%
2025/26	35 038	43 273	8 235	19%	81%

Graph 1: Composition of claim payments



The composition of claim payments for the reporting period illustrates the effectiveness of the strategic focus on effective claims administration. Legal and other costs prior to 2020 averaged around R9.7 billion, meaning that 25% of total claim payments went to legal and other costs, and only 75% was paid to the actual beneficiary. The legal and other claims - related cost – to - compensation ratio averaged 16% in the last 5 years. More initiatives, including digitisation and implementation of efficient claims management processes, will allow this ratio to be reduced further going forward.

Graph 2: Claims registered/finalised/outstanding



Definitions

New claims registered
Claims received and registered during the financial year.

Claims finalised
Claims processed in the supplier and personal claim categories with finalised status.

Claims outstanding
Claims where compensation has or has not been paid but payments for legal costs are outstanding (this is not solely under the RAF's control).

9.4.1 Claims registration and backlog

The number of new claims registered has stabilised at fewer than 100 000 claims per annum over the past five years. This trend was largely influenced by the introduction of the revised RAF 1 claim form in 2022, which imposed more stringent lodgement requirements and resulted in a reduction in the number of claims successfully registered. As a result, the Fund experienced a more controlled inflow of new claims, contributing to a stable claims portfolio.

However, this trend may not be sustained in future reporting periods following the Supreme Court of Appeal (SCA) ruling handed down on 30 April 2026 (as an adjusting event after the report date). Consequently, the Fund anticipates a potential increase in new claims registrations in the coming years as previously excluded claimants re-enter the system and barriers to lodgments are reduced. This is expected to place additional pressure on operational capacity, claims administration processes and future claims liabilities, potentially reversing the stabilisation trend observed over the last five years.

Outstanding claims are further broken down into supplier, personal, direct, and represented claims, as indicated in the table below.

Table 2: Outstanding Claims

	No Compensation			Compensation paid Legal costs awaited	Total awaiting compensation or legal cost payment
	Open	Reopened	Subtotal		
Outstanding claims as at 31 March 2025					
Personal claims					
	248 463	**1 870**	**250 333**	**96 634**	**346 967**
Direct claims	*24 775*	*195*	*24 970*	*7 620*	*32 590*
Represented claims	*223 688*	*1 675*	*225 363*	*89 014*	*314 377*
Supplier claims					
	53 622	**575**	**54 197**	**20 154**	**74 351**
Direct claims	*42 859*	*447*	*43 306*	*12 454*	*55 760*
Represented claims	*10 763*	*128*	*10 891*	*7 700*	*18 591*
Total	**302 085**	**2 445**	**304 530**	**116 788**	**421 318**
Movement during the year					
Personal claims					
	-29 605	**-249**	**-29 854**	**12 256**	**-17 598**
Direct claims	*-14 970*	*-70*	*-15 040*	*2 191*	*-12 849*
Represented claims	*-14 635*	*-179*	*-14 814*	*10 065*	*-4 749*
Supplier claims					
	13 995	**-97**	**13 898**	**4 859**	**18 757**
Direct claims	*1 584*	*-202*	*1 382*	*4 914*	*6 296*
Represented claims	*12 411*	*105*	*12 516*	*-55*	*12 461*
Total	**-15 610**	**-346**	**-15 956**	**17 115**	**1 159**
Outstanding claims as at 31 March 2026					
Personal claims					
	218 858	**1 621**	**220 479**	**108 890**	**329 369**
Direct claims	*9 805*	*125*	*9 930*	*9 811*	*19 741*
Represented claims	*209 053*	*1 496*	*210 549*	*99 079*	*309 628*
Supplier claims					
	67 617	**478**	**68 095**	**25 013**	**93 108**
Direct claims	*44 443*	*245*	*44 688*	*17 368*	*62 056*
Represented claims	*23 174*	*233*	*23 407*	*7 645*	*31 052*
Total	**286 475**	**2 099**	**288 574**	**133 903**	**422 477**

Movements of claims during the year in the table above are made up of intra-movement in status and adjustment of RNYP claims.

Table 3: Claims categories and averages

Claim pay-/settlements per heads of damage							
Claim pay-/settlements	**Ref**	**Units (Rounded)**	**31-Mar-22**	**31-Mar-23**	**31-Mar-24**	**31-Mar-25**	**31-Mar-26**
All claims	**1**	**R'Million**	**43 400**	**46 400**	**45 600**	**46 700**	**52 700**
Average value per claim		Rand	254 531	261 721	286 825	348 100	416 200
Total individual claim pay-/ settlements		Number	170 331	177 247	159 122	134 044	126 622
Personal claims	**2**	**R'Million**	**42 500**	**45 400**	**44 800**	**46 000**	**52 000**
Average value per claim		Rand	330 249	346 149	406 400	517 866	637 500
Total individual claim pay-/ settlements		Number	128 545	131 024	110 299	88 855	81 531
Supplier claims	**3**	**R'Million**	**900**	**1 000**	**800**	**700**	**700**
Average value per claim		Rand	21 602	22 405	16 684	14 291	16 000
Total individual claim pay-/ settlements		Number	41 786	46 223	48 823	45 189	45 091
General damages	**4**	**R'Million**	**10 500**	**11 700**	**12 700**	**10 900**	**10 300**
Average value per claim		Rand	508 147	531 803	565 055	583 682	618 113
Total individual claim pay-/ settlements		Number	20 653	21 908	22 391	18 753	16 668
Loss of earnings	**5**	**R'Million**	**20 700**	**22 000**	**21 600**	**25 000**	**30 600**
Average value per claim		Rand	969 098	1 050 476	1 110 815	1 224 523	1 379 593
Total individual claim pay-/ settlements		Number	21 315	20 957	19 486	20 432	22 150
Loss of support	**6**	**R'Million**	**2 200**	**2 700**	**2 600**	**2 400**	**2 000**
Average value per claim		Rand	589 333	644 348	632 671	666 280	669 985
Total individual claim pay-/ settlements		Number	3 728	4 255	4 199	3 536	3 013
Medical compensation	**7**	**R'Million**	**2 100**	**2 100**	**1 700**	**1 600**	**1 800**
Average value per claim		Rand	40 093	39 030	27 985	30 078	34 150
Total individual claim pay-/ settlements		Number	52 243	53 677	58 456	52 068	51 928
Funeral costs	**8**	**R'Million**	**42**	**48**	**47**	**45**	**22**
Average value per claim		Rand	17 453	16 579	15 380	14 963	16 967
Total individual claim pay-/ settlements		Number	2 389	2 894	3 026	3 029	1 287
RAF's legal and other costs	**9**	**R'Million**	**2 600**	**2 600**	**1 600**	**600**	**330**
Average value per claim		Rand	30 641	30 512	27 985	22 860	21 566
Total individual claim pay-/ settlements		Number	83 273	83 522	58 456	26 619	15 280
Claimants' legal and other costs	**10**	**R'Million**	**5 300**	**5 300**	**5 400**	**6 100**	**7 700**
Average value per claim		Rand	192 214	178 258	182 983	188 865	212 423
Total individual claim pay-/ settlements		Number	27 670	29 680	28 254	32 402	36 242

Individual claims requested for payments i.e. total operations production for the year:

This table represents all payment requests made during the reporting period and provides an indication of the Fund's total operational output in loading and processing settlements.

The total value of R52.7 billion reflects individual claims requested and processed for the period from 1 April 2025 to 31 March 2026, indicating the full volume of claims entering and progressing through the payment pipeline during the year.

Of this amount, R43.3 billion relates to claims that have been paid and others are still sitting in the RNYP.

This measure therefore serves as a key indicator of claims settlement activity and cash outflows, reflecting operational performance in processing claims and contributing to ongoing backlog reduction.

Definitions

1. All claim payments
All claims settled, requested and paid by the RAF.

2. Personal claim
A claim submitted by any person, the 'third party', for any loss or damage that person has suffered because of any bodily injury to them, or the death of, or any bodily injury to any other person.

3. Supplier claim
A claim submitted directly to the RAF by a person/institution that provided medical treatment and accommodation to the accident victim/s.

4. General damages
Compensation paid by the RAF for loss of amenities of life, pain and suffering, disability and disfigurement.

5. Loss of earnings
Past and future loss of earnings incurred by the accident victim/s as a result of a motor vehicle accident.

6. Loss of support
Past and future loss of support incurred by the accident victim's family as a result of a motor vehicle accident.

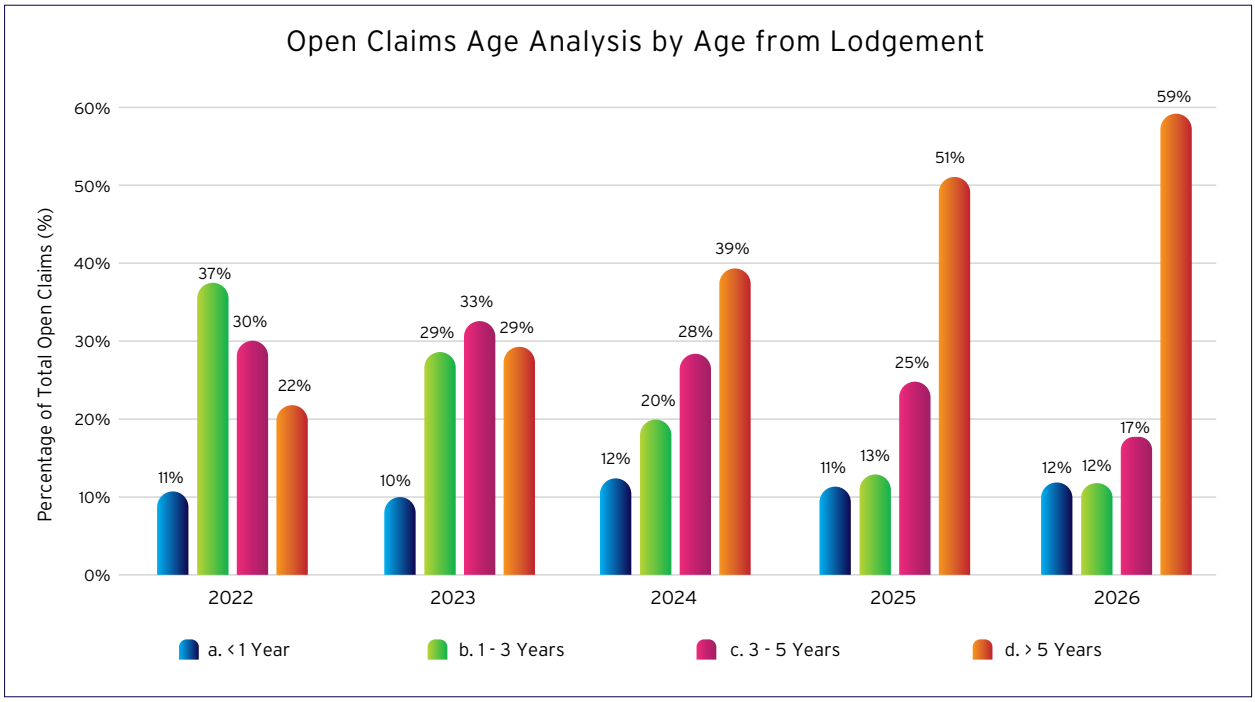
7. Medical compensation
Past and future medical costs incurred by the accident victim as a result of a motor vehicle accident.

8. Funeral costs
The cost of interment or cremation of the accident victim/s arising from a motor vehicle accident.

9. RAF's legal and other costs
Expenses paid to experts and the panel of attorneys (backlog invoices from the contract that ended in 2020) who represented the RAF in legal cases.

10. Claimants' legal and other costs
Expenses paid to accident victims' attorneys and experts for their assistance in lodging a claim with the RAF.

Graph 3: Age analysis of claims (percentage)



9.4.2 Age analysis of claims

The age profile of open claims continues to underscore the persistence and deepening of long-standing backlogs within the Fund. In 2026, claims older than five years accounted for 59% of total open claims, representing a marked increase from 51% in 2025 and a significant shift from the more balanced distribution observed in earlier years (2022–2023).

As illustrated in the Open Claims Age Analysis, the proportion of long-outstanding claims has steadily increased over the reporting period, while claims in the less than one year and one to three years categories have remained relatively stable. This trend reflects a structural accumulation of aged claims, rather than a broad-based growth across all categories.

The growing concentration of claims exceeding five years highlights the complexity inherent in the remaining long-outstanding claims. These matters are typically characterised by advanced litigation stages and higher quantum values, which collectively increase both operational complexity and the Fund's financial exposure. The shift towards older claims profiles therefore not only signals backlog persistence but also elevates the cost and risk associated with delayed resolution.

In response, the Fund has prioritised targeted backlog reduction interventions as a central operational focus. Management initiated a dedicated Backlog Reduction and Resource Capacitation Project, aimed at accelerating the resolution of long-outstanding claims. This initiative entails the ringfencing of backlog claims to ensure focused and uninterrupted processing, supported by enhanced allocation of resources.

These interventions are further reinforced by the continued implementation of the Claims Payment Strategy, which seeks to accelerate settlement cycles, improve finalisation rates, and better align payment processes with operational throughput.

Looking ahead, sustained backlog reduction will require a combination of early-stage interventions and system-wide efficiencies. Key priorities include strengthening early validation of claims, enhancing pre-litigation settlement mechanisms, and expanding digital adoption to streamline processing and reduce manual dependencies.

The rising share of claims older than five years affirms that backlog reduction remains one of the Fund's most critical operational priorities. The successful execution of the targeted interventions outlined above is

essential to improving claims turnaround times, containing escalating costs, and restoring claimant confidence in the Fund's ability to deliver timely and equitable compensation.

9.5 FINANCIAL PERFORMANCE

The RAF has adopted a new accounting policy in the current financial year in respect of how the Fund accounts for claims liabilities. IPSAS 42 was replaced with GRAP 19 as this standard most accurately reflects the transactions and economic realities of the Fund's obligation; previous years' figures have been restated. The RAF's summarised financial and operational results for the past four financial years, including the period under review.

9.5.1 STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	31 March 2022	31 March 2023 Restated	31 March 2024 Restated	31 March 2025 Restated	31 March 2026
	R'million	R'million	R'million	R'million	R'million
Assets					
Current Assets					
Cash and cash equivalents	868	630	815	2 123	968
Receivables from non-exchange transactions	10 978	10 736	10 709	11 290	11 222
Other receivables	27	30	50	124	84
Other financial assets	214	231	286	256	297
Consumable stock	5	6	6	6	5
	12 092	11 633	11 866	13 799	12 576
Non-current Assets					
Property, plant and equipment	191	172	169	159	143
Intangible assets	31	76	169	216	206
	222	248	338	375	349
Total Assets	12 314	11 881	12 204	14 174	12 925
Liabilities					
Current Liabilities					
Short term employee benefit liabilities	301	75	295	328	441
Other financial liabilities	111	135	147	249	265
Claims liabilities	25 965	45 100	53 919	52 365	52 592
Other provision	1 272	1 233	964	823	2 500
Operating lease liability	0	3	3	0	2
	27 649	46 546	55 328	53 765	55 800
Non-current Liabilities					
Claims liabilities	0	36 718	186 351	254 120	396 557
Employee benefit obligation	58	58	35	30	39
Operating lease liability	6	3	1	12	16
	64	36 779	186 387	254 162	396 612
Total Liabilities	27 713	83 325	241 715	307 927	452 412
Net Liabilities	(15 399)	(71 444)	(229 511)	(293 753)	(439 487)
Reserves					
Revaluation reserve	109	113	126	136	135
Accumulated deficit	(15 508)	(71 560)	(229 637)	(293 889)	(439 622)
Total Net Liabilities	(15 399)	(71 444)	(229 511)	(293 753)	(439 487)

9.5.2 STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE	31 March 2022 R'million	31 March 2023 Restated R'million	31 March 2024 Restated R'million	31 March 2025 Restated R'million	31 March 2026 R'million
Revenue					
Revenue from Exchange Transactions					
- Investment revenue and other income	223	286	702	683	289
Revenue from Non-exchange Transactions					
- Net fuel levies	47 932	48 472	48 610	50 071	47 816
Total Revenue	48 155	48 758	49 312	50 754	48 105
Expenditure:					
- Claims paid	(48 560)	(45 694)	(45 100)	(42 630)	(43 273)
- Depreciation and amortisation	(45)	(43)	(38)	(54)	(74)
- Employee costs	(2 073)	(2 248)	(2 437)	(2 468)	(2 909)
- Finance costs	(119)	(298)	(275)	(153)	(372)
- Impairment loss on statutory receivables	0	0	0	(1 991)	(3 082)
- Reinsurance premiums	(5)	(4)	(4)	(5)	(6)
- Loss on disposal of assets and liabilities	0	0	(1)	(3)	0
- General expenses	(531)	(668)	(1 085)	(1 486)	(1 458)
Total Expenditure	(51 333)	(48 955)	(48 940)	(48 790)	(51 174)
(Deficit)/Surplus before net increase in claims liabilities	(3 179)	(197)	372	1 964	(3 069)
Net decrease/(increase) in claims liabilities	3 607	(5 642)	5 277	(66 215)	(142 664)
Surplus/(Deficit) for the Year	428	(5 839)	5 649	(64 251)	(145 733)

9.5.3 CASHFLOW STATEMENT

	31 March 2022 R'million	31 March 2023 R'million	31 March 2024 R'million	31 March 2025 R'million	31 March 2026 R'million
Net cash flow from operating activities	(3 771)	(173)	301	1 393	(1 107)
Cash flow from investing activities	(45)	(65)	(116)	(85)	(48)
(Decrease)/Increase in cash and cash equivalents	(3 816)	(238)	185	1 308	(1 155)
Cash and cash equivalents at the beginning of the year	4 684	868	630	815	2 123
Cash and cash equivalents at the end of the year	868	630	815	2 123	968

9.5.4 FINANCIAL RATIOS

Financial Ratios	Ref.	Units	31 March 2022	31 March 2023 Restated	31 March 2024 Restated	31 March 2025 Restated	31 March 2026
Profitability							
(Deficit)/surplus to revenue	1	%	1%	(12%)	11%	(127%)	(303%)
Operating (deficit)/surplus to revenue	2	%	(7%)	0%	1%	4%	(6)%
Return on average total assets	3	%	3%	(48%)	47%	(487%)	(1 076%)
Cost-to-income ratio	4	%	22%	22%	22%	21%	33%
Liquidity							
Cash-to-claims-cover ratio	5	Months	0.21	0.17	0.22	0.60	0.27
Current ratio	6	Ratio	0.44	0.25	0.21	0.26	0.23
Net working capital	7	R'm	(15 557)	(34 913)	(43 462)	(39 966)	(43 224)
Solvency							
Total assets to total liabilities	8	%	44%	14%	5%	5%	3%

Definitions

11. (Deficit)/surplus to revenue
Total deficit or surplus as a percentage of revenue.

12. Operating (deficit)/surplus to revenue
Total deficit or surplus before liability for outstanding claims as a percentage of revenue.

13. Return on average total assets
Total deficit or surplus for the financial year as a percentage of average total assets during the financial year.

14. Cost-to-income ratio
Total administration and human resources (HR) costs, including RAF and claimant legal and expert costs as a percentage of total income during the financial year.

15. Cash-to-claims-cover ratio
Cash and cash equivalents at the end of the financial year divided by average monthly claims expenditure for the financial year (compensation and legal costs).

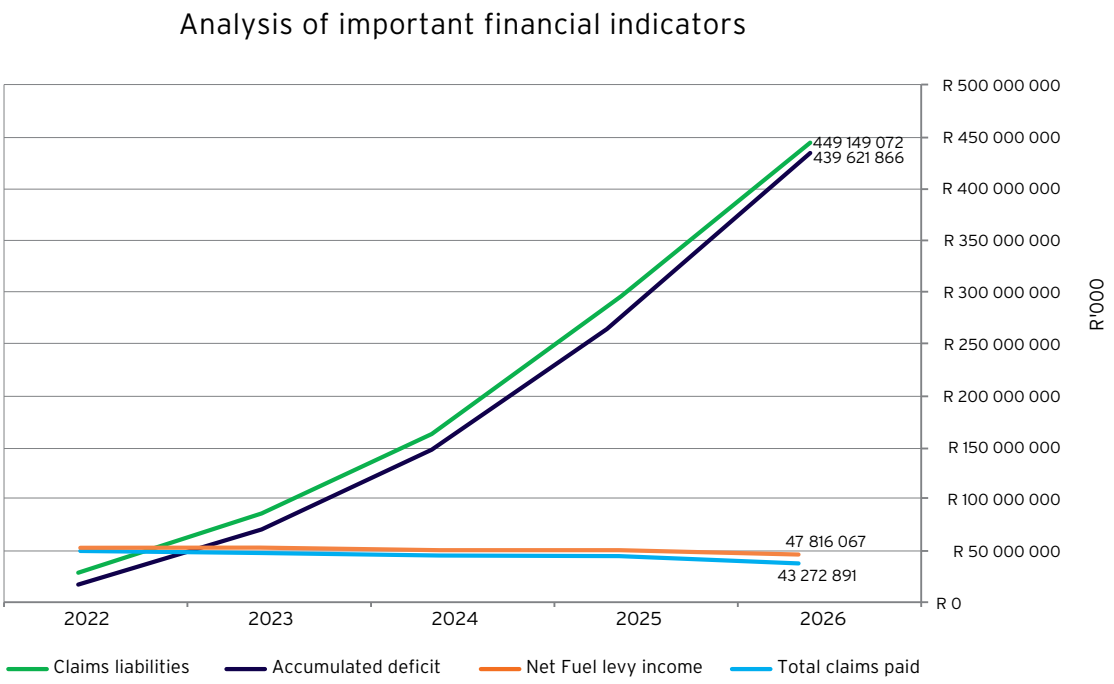
16. Current ratio
Total current assets divided by total current liabilities.

17. Net working capital
Current assets minus current liabilities.

18. Total assets to total liabilities
Total assets as a percentage of total liabilities.

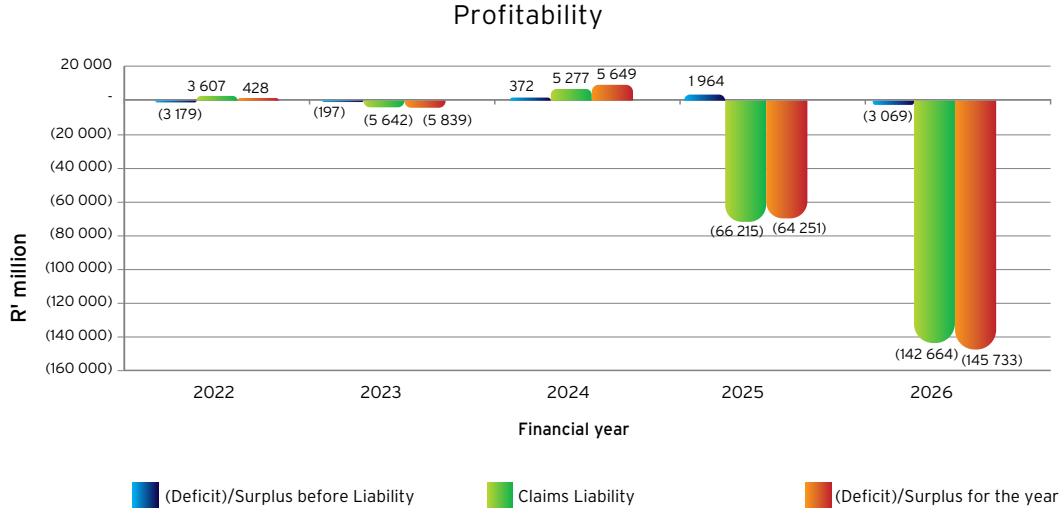
9.5.5 FINANCIAL POSITION

Graph 4: The widening gap between income and deficit



9.5.6 FINANCIAL HEALTH

Graph 5: Profitability



9.5.7 Profitability

The RAF has shown a significant increase in deficit for the year ending 31 March 2026. The RAF recorded a deficit of R145.7 billion for the 2025/26 financial year (2024/25: deficit of R64.3 billion) (Graph 5). The significant increase of R81.5 billion is largely due to the provision related to the RAF 1 Form obligation. The RAF has not received an increase in the fuel levy over the past five years. During the same period, inflation continued to erode the Fund's real income.

The decrease in cash and cash equivalents as at 31 March 2026 to R968 million from R2.1 billion at the end of the previous financial year is mainly due to a high level of claims pay-outs at an average of R4 billion each month. This is directly related to using most of the available cash resources to cover claim obligations and reduce claims that are outstanding for more than 120 days.

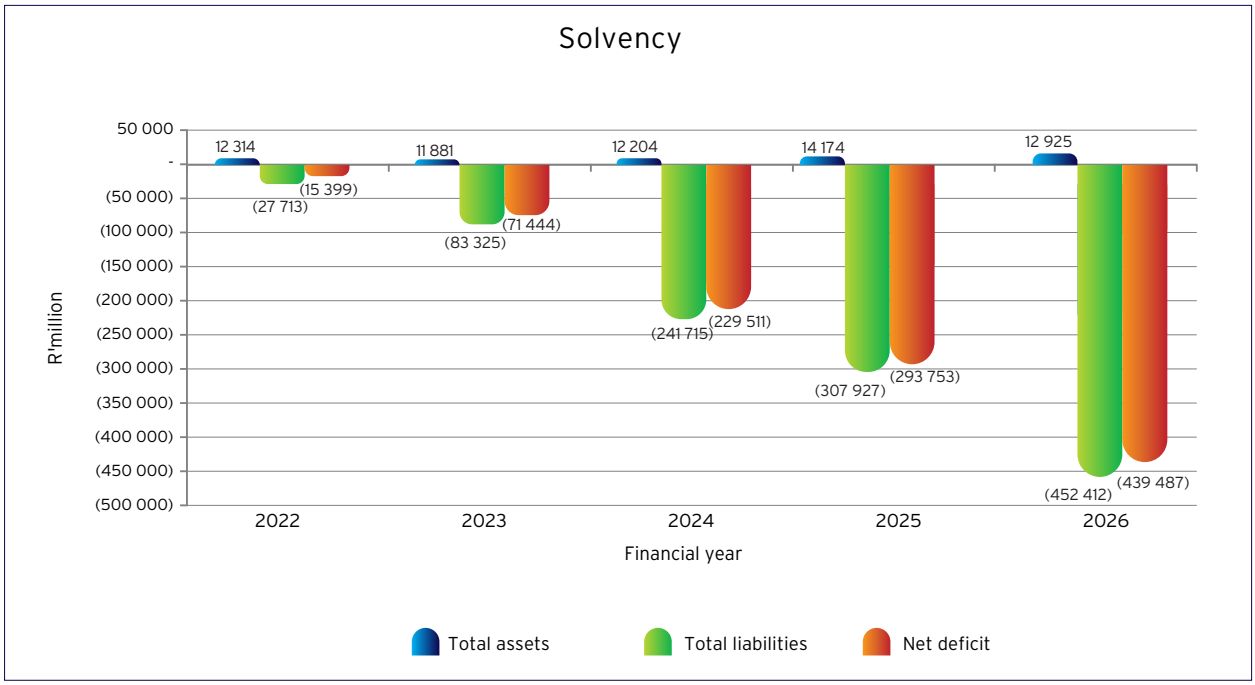
The operating deficit of R3.1 billion before the net increase in claims liability is primarily attributable to the following factors:

The total revenue decreased by 5% to 48.1 billion compared to the previous period (2024/25:50.8 billion). The fuel levy remaining constant at 218c/l in 2025/26 financial year, whereas the average inflation was 3.3% in 2025/26 financial year.

The RAF took a strategic decision to accelerate the settlement of validated claims in order to address historic obligations and improve service delivery to claimants.

In response to this directive, the RAF developed and implemented a structured Claims Payment Strategy anchored on principles that balance enhanced claims settlement with prudent liquidity management. The strategy was designed to ensure sustainability while advancing the Fund's mandate of providing timely compensation.

Graph 6: Solvency



9.5.8 Solvency and capitalisation

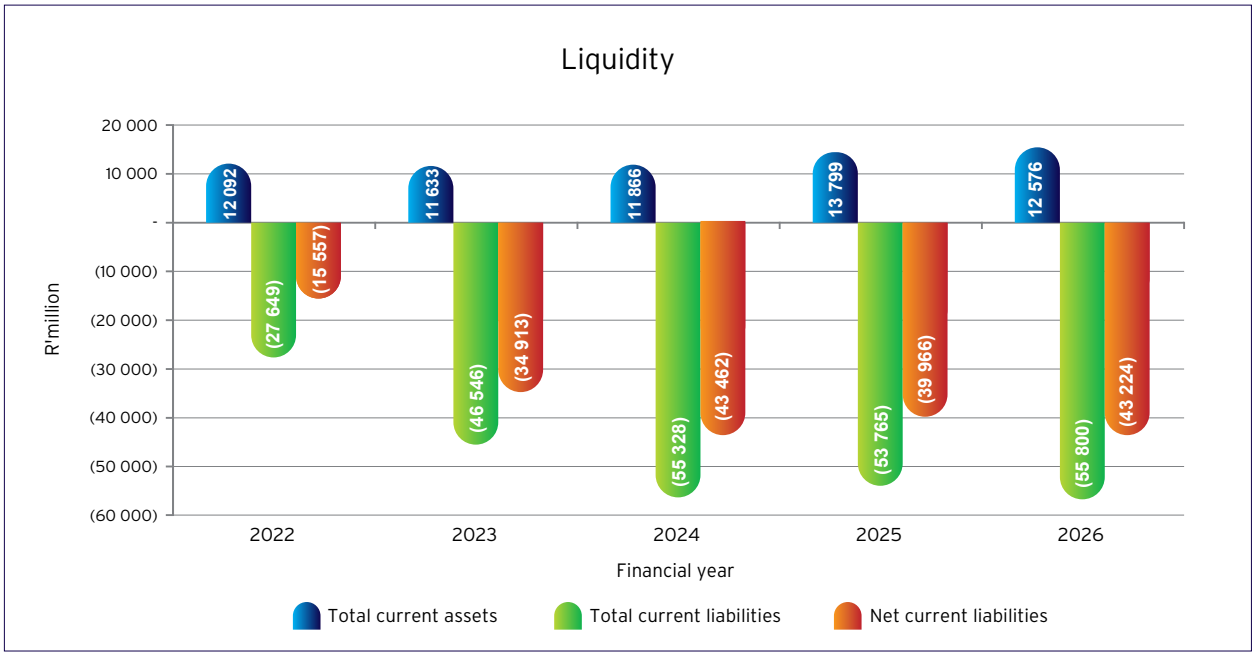
The RAF remains under-capitalised, with liabilities exceeding assets by R439.5 billion (2024/25: R293.8 billion) (Graph 6). The solvency ratio is 0.03:1 (current ratio 0.23:1). This is illustrative of how unsustainable the current compensation system is, as the RAF has 3 cents worth of assets for every R1 of its liabilities. The core driver of this widening gap is the increase in claims liabilities, which grew to R449.1 billion in 2025/26. The current compensation system, with a R439.5 billion unfunded liability, is unsustainable.

The Fund's liability position significantly exceeds its assets, reflecting a structural solvency challenge. The widening deficit places increasing pressure on liquidity and sustainability. This trajectory indicates heightened long-term financial risk and potential constraints on service delivery. The Fund's position underscores the importance of structural and policy interventions.

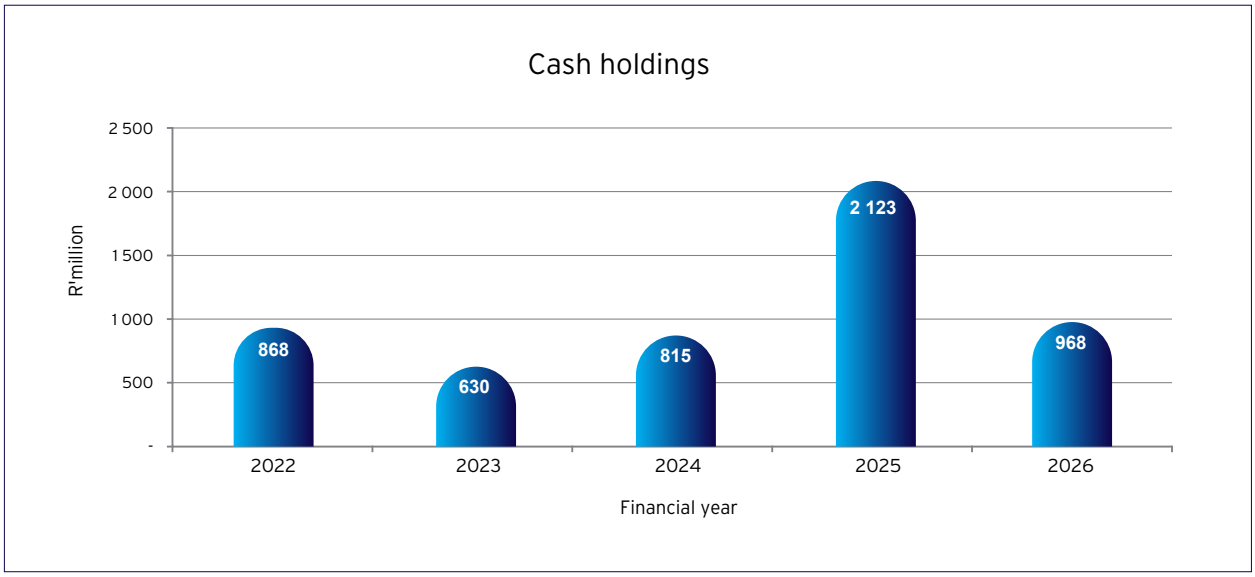
The RAF's current funding model, which is impacted by reduced fuel volumes due to fuel price hikes caused by the Middle Eastern war and other inflationary pressures, to fund an unlimited claims trajectory, is clearly unsustainable. Management continues to explore measures to stabilise the solvency position, including:

- Proposal to NT through the MTEF process: Combination of a stronger fuel-levy increase to up to R3.00 per litre and Treasury capital support
- Exploring the critical longer-term legislative reform option of converting eligible settled claims that are ready for payment from immediate lump-sum settlements into structured periodic annuity payments. By smoothing large cash outflows over time, annuity payments would reduce immediate liquidity pressure, slow the growth of the RNYP balance, limit the accumulation of finance costs and produce the strongest illustrative solvency improvement across the scenarios.

Graph 7: Liquidity



Graph 8: Cash holdings



9.5.9 Liquidity and cash holdings

The RAF's liquidity position remains constrained. As at 31 March 2026, current liabilities of the RAF exceeded current assets by R43.2 billion (2024/25 Restated: R39.9 billion) (Graph 7).

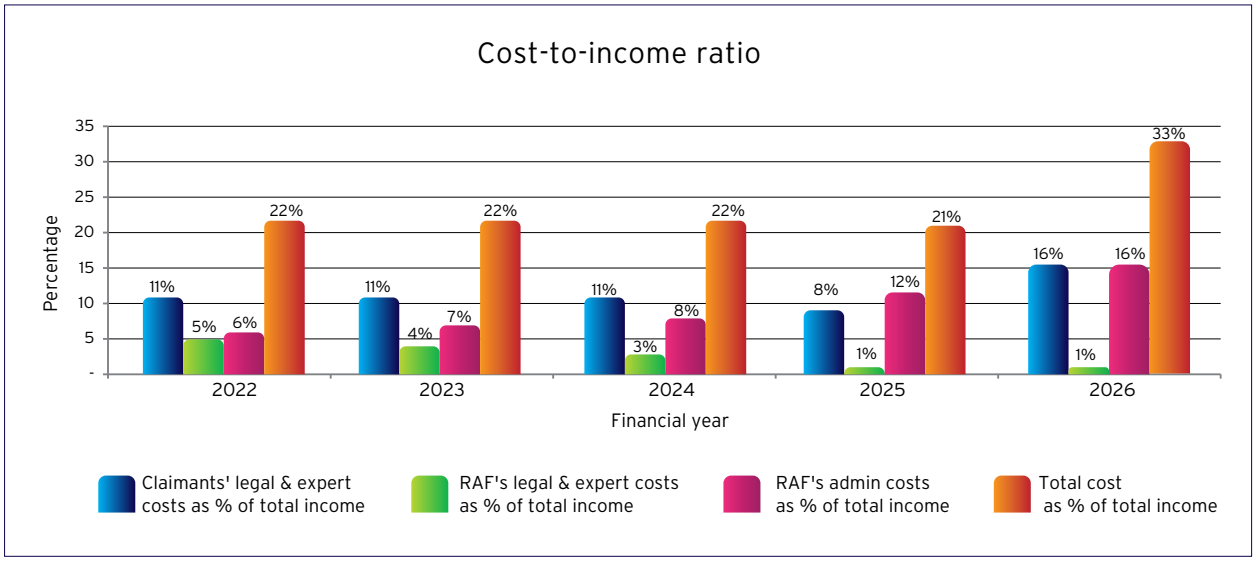
Cash-to-claims-cover ratio decreased to 0.27 months (from 0.60 months in 2024/25) and the current ratio sits at 0.23:1. This illustrates that the RAF does not have sufficient cash or near-cash assets to cover its short-term liabilities, necessitating adherence to a strict payment schedule to creditors.

Liquidity is managed daily in line with available cash reserves, as per the approved cash management strategy.

Compliance is strictly adhered to and communicated to stakeholders. National Treasury has granted the RAF multi-year approval for the retention of cash and cash equivalents at financial year-ends for the payment of claims. The graphs above show that the RAF's liquidity position is unsustainable. For the period ended 31 March 2026, the cash balance stood at R967.6 million.

The cash balance is short-term in nature would therefore be applied to fund RAF operations in the first month of the new financial year (April 2026, as shown in Graph 8).

Graph 9: Cost-to-income ratio



9.5.10 Cost of service delivery

The cost-to-income ratio increased significantly from 21% in 2025 to 33% in 2026, indicating a marked deterioration in overall cost efficiency during the period under review. While the RAF continues to pursue cost-containment strategies, the upward movement reflects structural pressures within claims-related expenditure, particularly on the plaintiff side.

Key cost drivers

A detailed analysis of Graph 9 reflects the following movements:

- Administration costs increased from 12% to 16% of total income, reflecting inflationary pressures and operational demands. Notwithstanding this increase, administration costs remain controlled and aligned with the RAF's cost-reduction focus.
- RAF legal and expert costs remained constant at 1%, demonstrating continued internal discipline and effective management of legal expenditure.
- Claimants' legal and expert costs increased sharply from 8% to 16%, emerging as the primary driver of the overall rise in the cost-to-income ratio.

Underlying expenditure challenges (plaintiff costs)

From a plaintiff expenditure perspective, the increase in costs is supported by clear underlying trends:

- The average value per transaction increased, indicating higher settlement values and escalating legal fees per case.
- The number of bills and transactions increased,
- Data from Table 4 further confirms a year-on-year escalation in total requests, with growth evident across:
    - Average values increasing from R188.9 thousand in 2024/25FY to R212,4 thousand in 2025/26 FY
    - Claimant's legal and other cost increased from R6.1 million to R7.7 million. Plaintiff legal costs comprise various litigation-related expenses incurred in the settlement of claims. These costs include, among others, party-and-party costs awarded by the courts, sheriff's fees, default judgment costs, attorney fees, and other legal disbursements incurred during the claims resolution process.
    - Transaction volumes increased from 32 402 to 36 242.

This combined effect points to sustained pressure from the external legal environment, which continues to outweigh internal cost containment efforts.

Efficiency and cost management response

Despite these pressures, the RAF maintained a strong focus on financial prudence:

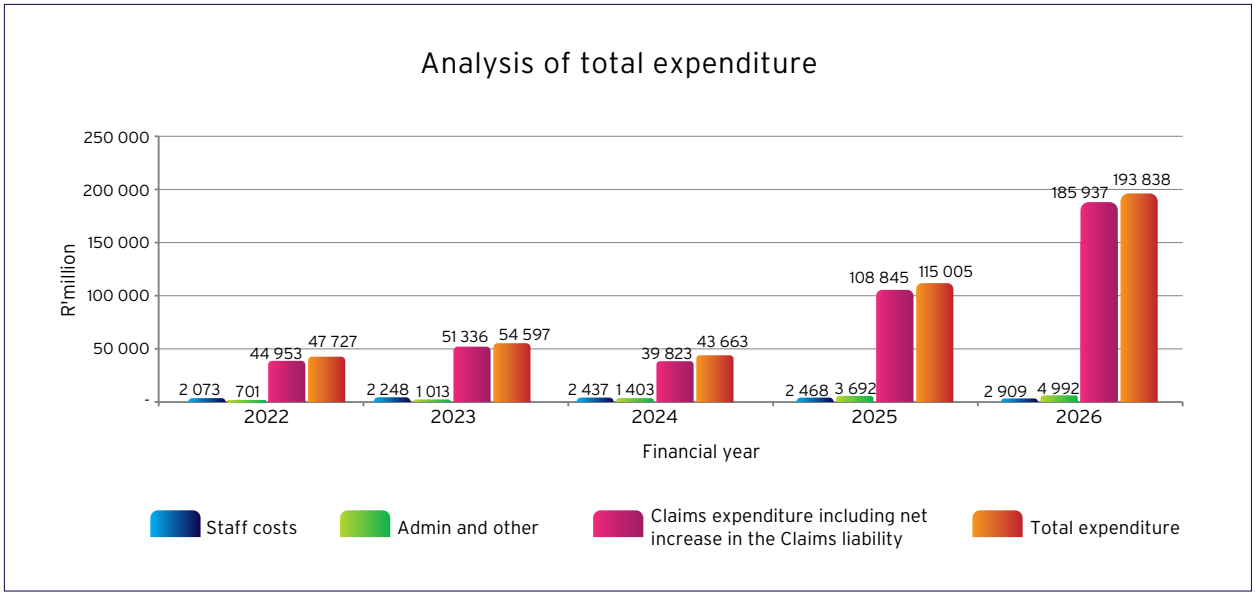
- Cost-saving measures, including those aligned with National Treasury cost containment guidance, remain embedded in daily operations.
- Unutilised funds were prioritised for claims settlement, reinforcing the RAF's core mandate.
- The operations division continuously explored process efficiencies, aimed at reducing processing costs and limiting reliance on costly external litigation channels.

While internal cost controls remain effective evidenced by stable RAF legal costs and moderated administrative growth the overall increase in the cost-to-income ratio reflects systemic challenges in managing claimant-driven costs. The simultaneous rise in transaction volumes and average values suggests that cost pressures are both structural and volume-driven, requiring sustained strategic intervention.

To improve cost efficiency, the RAF will need to:

- Accelerate alternative claims resolution mechanisms to reduce litigation dependency.
- Strengthen early settlement strategies to contain legal cost escalation.
- Continue refining operational efficiencies to counterbalance external cost pressures.

Graph 10: Total expenditure



9.5.11 Total expenditure

Total RAF expenditure (including claims liability) increased by 69% to R193.8 billion (2024/25 R115 billion) (Graph 10). Furthermore, an immaterial error occurred in the amortisation of intangible assets in the prior financial years. Intangible assets were amortised before the assets were ready for use as intended by management. The error has been retrospectively corrected.

9.5.12 Employee costs

Employee costs as at 31 March 2026 were 18% higher at R2.9 billion compared to the previous reporting period (2024/25: R2.5 billion). This increase was mainly driven by computer device allowances, overtime payments and salaries for temporary employees appointed to address vacancy gaps, CCMA settlements and acting allowances due to vacancies and payment of people on suspension awards.

The RAF's permanent staff complement increased by 3% to 2 472 from 2 405 in the previous year.

9.5.13 Administration and other costs

Total administration and other costs (including finance costs) at R4.9 billion increased by 35% compared to R3.7 billion in the 2024/25 financial year. The increase is due to administrative support costs, driven by operational scaling and process improvements, inflationary pressures on goods, services, and support functions, which have contributed to higher input costs across the organisation, as well as the impairment loss on statutory receivables caused by SARS withholding a portion of the Fuel levy.

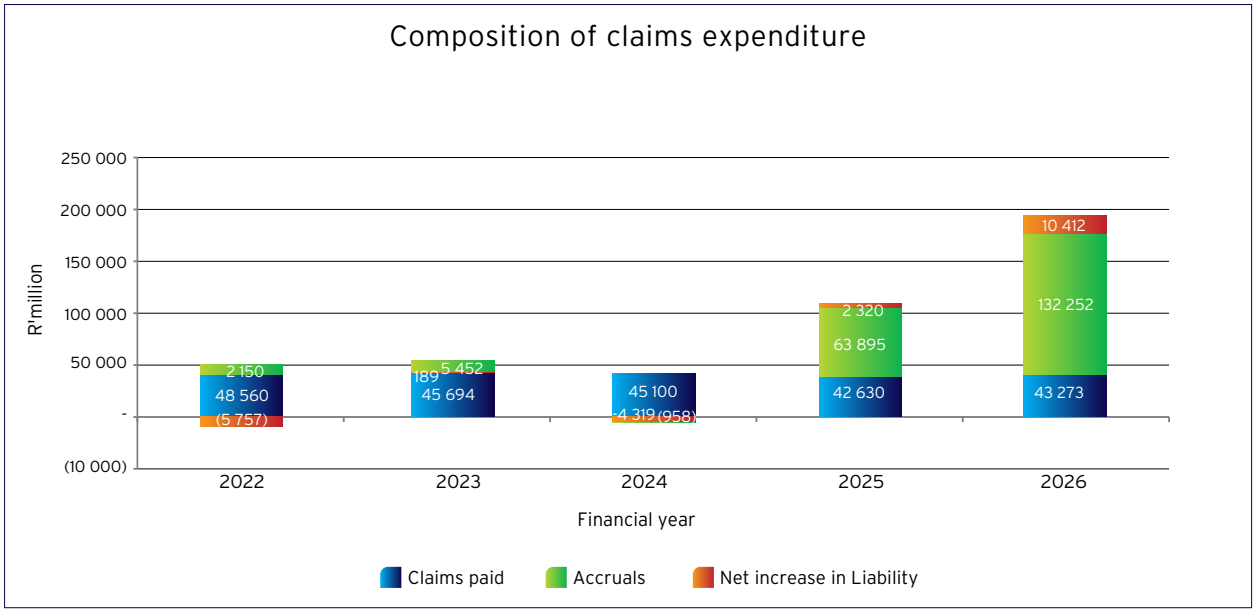
9.5.14 Total claims expenditure and increase in claims liability

The increase in claims expenditure of R77.1 billion was primarily attributable to the significant rise in the net increase in claims liabilities, which increased by R142.7 billion in 2025/26 compared to R66.2 billion in 2024/25. This reflects the continued growth in provisions for outstanding claims obligations, including RNYP and RAF 1 form obligations.

While claims paid increased marginally by 2%, from R42.6 billion to R43.3 billion, the substantial increase in the claims liability indicates that expenditure growth was mainly driven by the actuarial valuation of future claims obligations rather than cash payments made during the year. This reinforces the structural financial pressure arising from the long-tail nature of RAF claims, increasing settlement values, medical and legal cost inflation.

The growth in claims liabilities continues to place pressure on the Fund's financial performance and solvency position. Management continues to focus on improving claims processing efficiencies, reducing backlogs, and strengthening controls around claims and litigation management.

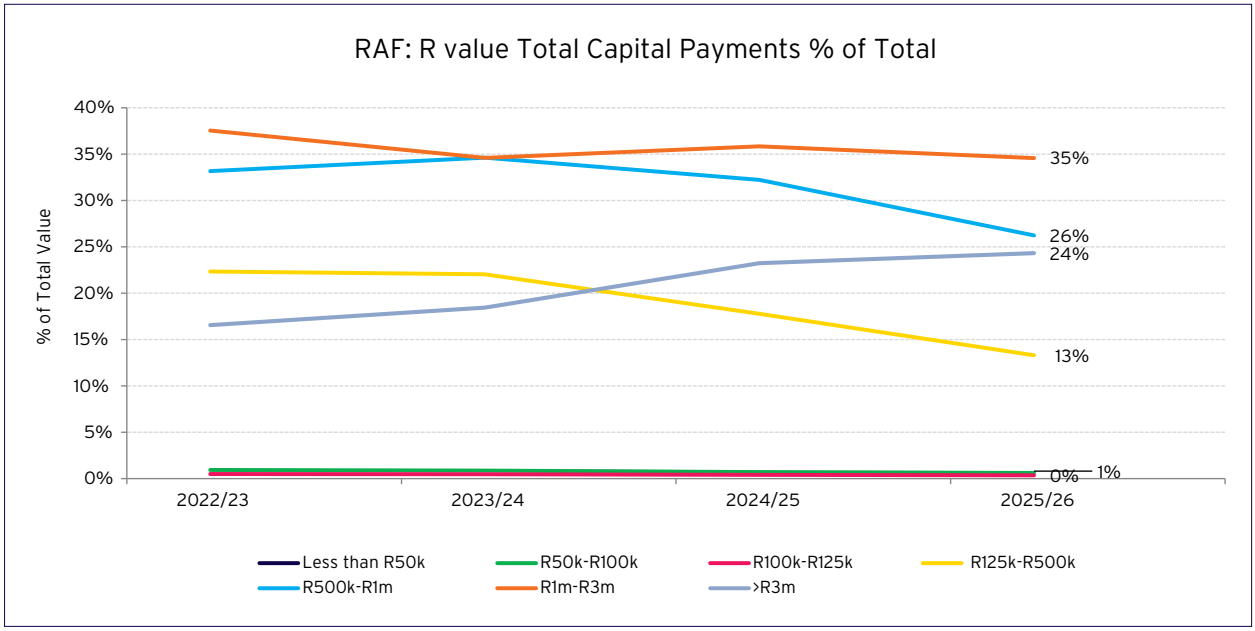
Graph 11: Composition of claims expenditure



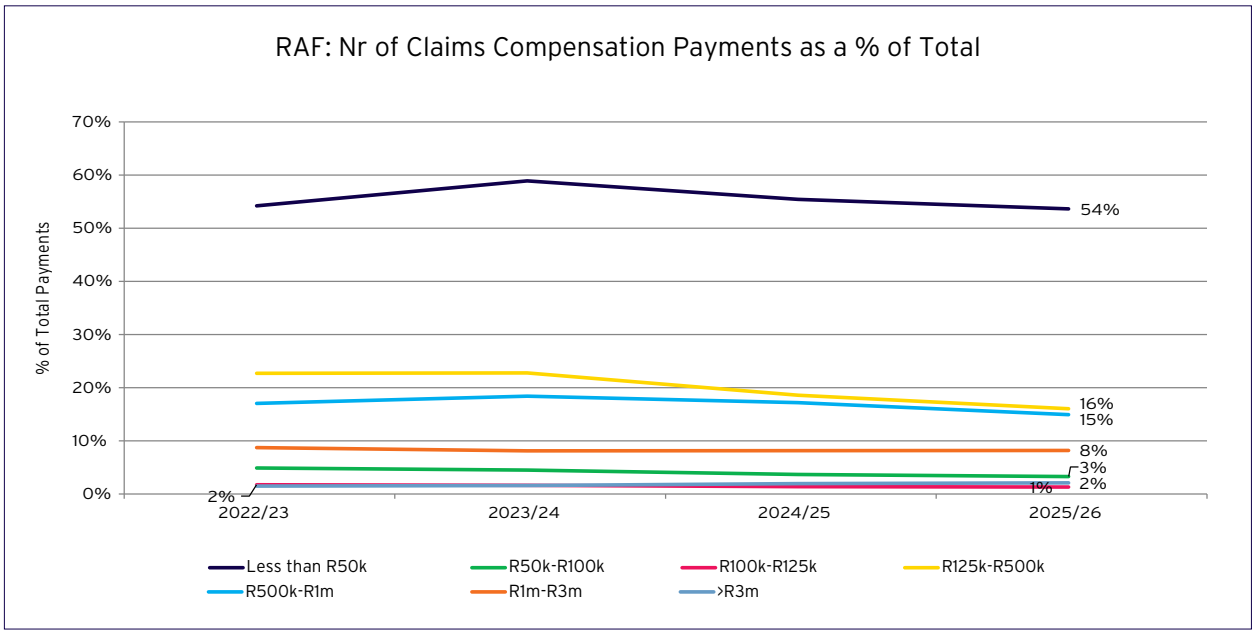
9.5.15 Change in composition of claims expenditure

The increase in claims liability during the 2025/26 financial year was mainly driven by the provision related to the RAF 1 Form obligation; this provision for the RAF 1 Form obligation was R322.9 billion (2024/2025 R154.5 billion). As well as a net increase of 97% in claims RNYP compared to the 2024/25 financial year. The claims RNYP was R21.1 billion (2024/25: R10.7 billion). (Claims liability is further elaborated on in Note 13 – Claims Liabilities in the Annual Financial Statements.

Graph 12: Value of capital claim payments as a percentage of total payments



Graph 13: Number of capital claims as a percentage of compensation payments



9.5.16 Composition of claims paid

The R1 million–R3 million category remained the largest contributor to the Rand value of capital payments, accounting for approximately 35% of total capital payments in 2025/26. This was followed by the R500 000–R1 million category at approximately 26%, and the greater than R3 million category at approximately 24%.

The graph 12 shows a notable shift in the value composition of claims paid. The share of payments in the greater than R3 million category increased from approximately 16% in 2022/23 to 24% in 2025/26, indicating a growing concentration of claims value in high-severity claims. At the same time, the R125 000–R500 000 category declined from approximately 22% to 13%, suggesting a relative movement away from mid-lower value claims in the capital payments profile.

The R500 000–R1 million category also declined from approximately 33% in 2022/23 to 26% in 2025/26, although it remains a material contributor to total capital payments.

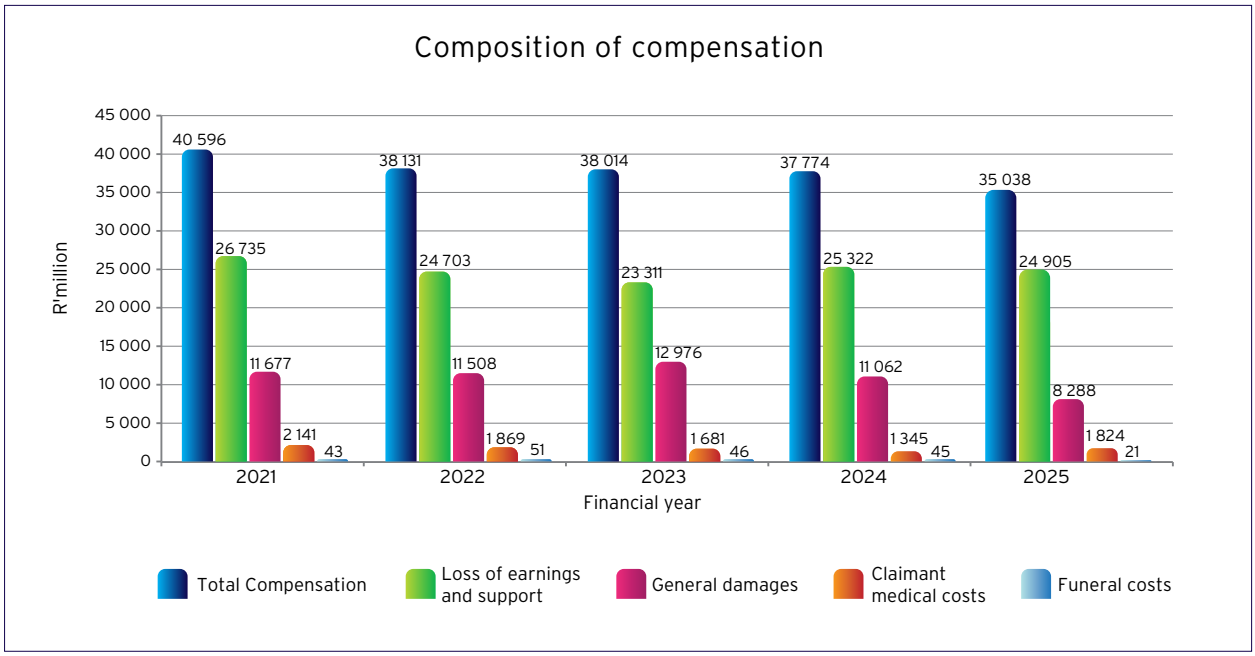
By number of payments as illustrated in graph 13, claims below R50 000 remained the dominant category, accounting for approximately 54% of total compensation payments in 2025/26. This indicates that the majority of claims processed are low-value claims.

However, these low-value claims contribute only about 1% of the total Rand value of capital payments. This highlights a clear distinction between operational volume and financial value. Lower-value claims create processing volume, while higher-value claims drive the Fund's expenditure burden.

The R125 000–R500 000 and R500 000–R1 million categories accounted for approximately 16% and 15% of the number of payments respectively in 2025/26. Together, these categories represent a significant portion of claims volume.

Claims above R3 million accounted for approximately 2% of the number of payments in 2025/26 but represented approximately 24% of the total Rand value. This demonstrates a significant financial impact of a relatively small number of high-value claims.

Graph 14: Composition of compensation



9.5.17 Undertakings

The RAF administers undertakings in accordance with the Road Accident Fund Act (1996), as amended. Section 17 (4)(a) of the act states that:

(4) Where a claim for compensation under subsection (I) –

a) includes a claim for the costs of the future accommodation of any person in a hospital or nursing home or treatment of, or rendering of a service or supplying of goods to him or her, the RAF or an agent shall be entitled, after furnishing the third party concerned with an undertaking to that effect or after a competent court has directed the RAF or the agent to furnish such an undertaking, to compensate the third party in respect of the said costs after the costs have been incurred and on proof thereof.

Included in medical cost payments is the cost pertaining to certificates issued to claimants to cover future medical treatments, known as 'undertakings'. The RAF compensates claimants for caregiving services rendered by caregivers monthly.

An undertaking is regarded as active if a claim is made against it during the year. The total number of undertaking certificates issued is reflected in the table below.

Table 4:

Description	2023/24	2024/25	2025/26
Active Undertakings	14 853	15 253	15 713
Total Undertakings	251 148	263 355	268 809
% of Active Undertakings	**5.91%**	**5.79%**	**5.85%**

The number of active undertakings in respect of which payments were made averaged 5.85% of all undertakings issued over a period of three financial years. This is in line with the nature of the instrument issued, since the recovery rate of most injuries arising from motor vehicle accidents is high and does not result in chronic illnesses. In keeping with the need to provide support to road accident victims, the total number of active undertakings is viewed positively. Payments in respect of all undertakings issued in 2025/26 amounted to R798.9 million.

9.5.18 Foreign claims

Foreign claim capital payments increased to R838.9 million in 2025/26, up 53% from R546.5 million in the prior year. This growth was supported by a higher volume of claims rather than larger individual awards. The number of unique foreign claims rose 16.7% to 2 121 (from 1 817), while the number of transactions processed increased 52% to 6 334 (from 4 161). The average payment per claim rose more modestly, up 31.5% to R395 564 (from R300 800), reflecting a shift in the mix of claims settled during the year. Overall, the increase reflects a greater number of foreign claims entering and progressing through the system compared with the previous reporting period.

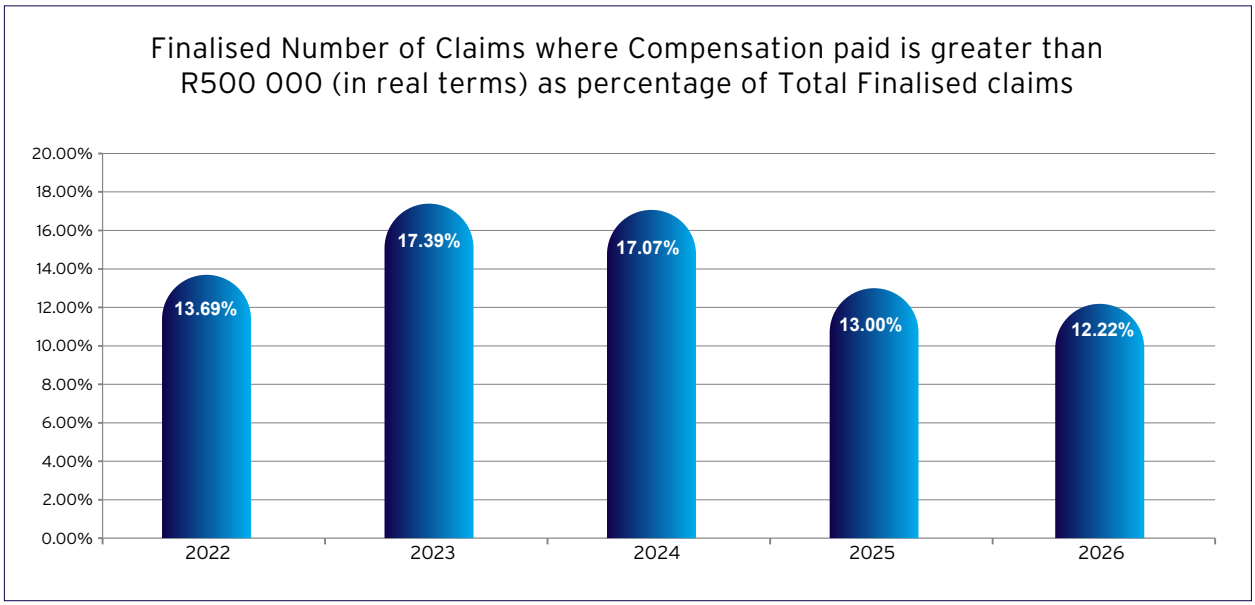
Main drivers of the increase

The R292 million increase was concentrated within a small number of payment categories, with the top five accounting for 92% of the total movement. Future Loss of Earnings was the largest single driver, contributing R184 million, or 63% of the increase, as the associated claim count almost doubled from 217 to 427. This was followed by Attorney Fees at R35 million, where claims rose from 221 to 594, Medical Legal costs at R23 million, with claims increasing from 166 to 422, Future Loss of Support at R15 million, and Interest Cost at R13 million. Across all categories, the consistent pattern was one of rising claim volumes rather than higher individual settlement values, confirming that the year-on-year increase was driven primarily by the number of claims settled.

9.5.19 High-value claims

The number of high-value claims (claims where compensation paid is greater than R500 000) as a percentage of total claims finalised decreased during the year under review, from 13.0% in 2024/25 to 12.22%. Although not insignificant, this category of compensation makes up a relatively small portion of the total claims paid, as shown in Graph 15.

Graph 15: Claims greater than R500,000 compensated as a percentage of total claims finalised



9.5.20 Revenue collection

Table 5:

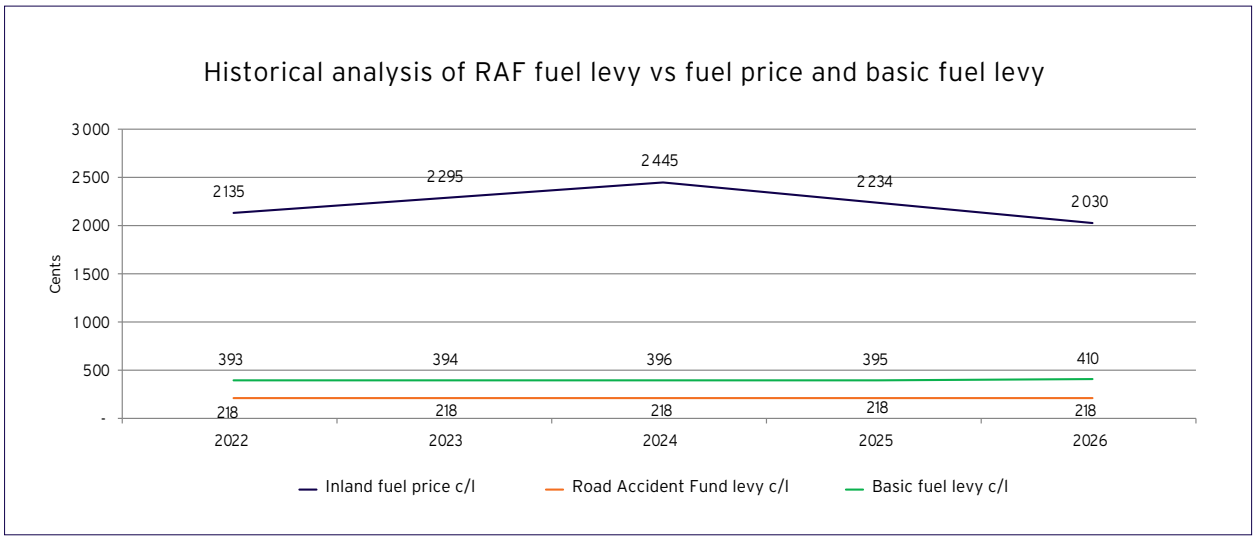
Sources of revenue	2025/2026			2024/2025		
	Estimate R'000	Actual amount collected R'000	(Over)/Under-collection R'000	Estimate R'000	Actual amount collected R'000	(Over)/Under-collection R'000
Net RAF Fuel Levy	49 064 432	47 816 067	1 248 365	50 647 277	50 070 497	576 780
Investment revenue	273 077	287 681	(14 604)	69 176	680 365	(611 189)
Other income	2 575	1 156	1 419	-	2 795	(2 795)
Loss/Gains on disposal of assets and liabilities	-	-	-	-	-	-
Total	**49 340 084**	**48 104 904**	**1 235 180**	**50 716 453**	**50 753 657**	**(37 204)**

9.5.21 RAF fuel levy

The RAF Fuel Levy income decreased by R2.3 billion or 5% to R47.8 billion from the previous financial year. Net fuel levies accounted for 99.40% of the total revenue. The diesel refunds recouped from gross fuel levies increased by 57%, totalling R4.98 billion compared to R3.17 billion in the previous financial year. However, it should be noted that this represents a decrease in real terms because the RAF did not receive any fuel levy increases over the past five financial years, whilst inflation averaged 3.3%.

Income from the RAF fuel levy is impacted by the volume of fuels (petrol and diesel) consumed, which saw a year-on-year increase.

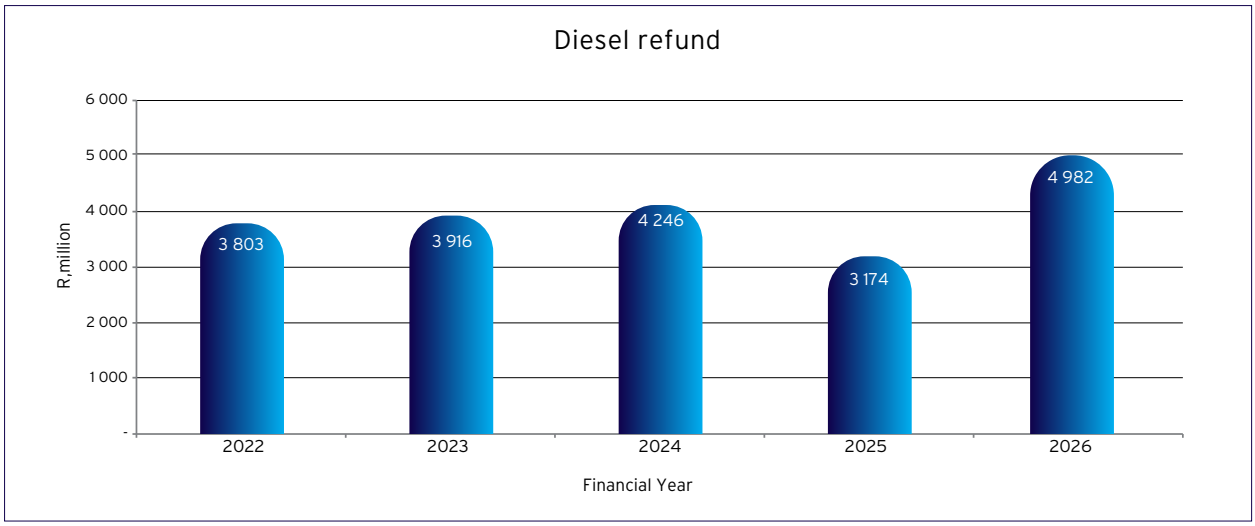
Graph 16: Historical analysis of the RAF fuel levy vs fuel price and basic fuel levy



9.5.21.1 Diesel refund

The refund on diesel provided to certain industrial sectors of the economy, such as agriculture and forestry; electricity generation; and offshore, rail and harbour services, increased by 57%, from R3.2 billion in 2024/25 to R4.9 billion in 2025/26. The refund for the year under review, which represented 9% of the gross RAF fuel levy (6% in 2024/25), has a major impact on income due to the RAF.

Graph 17: Refund on diesel



9.5.22 Investment revenue

Investment revenue decreased by 58%, from R680.4 million in 2024/25 to R287.7 million in 2025/26. This decline was primarily driven by the introduction of a new claims payment strategy, which prioritised the timely payment of claims and ensured the maintenance of a liquidity floor of not more than R1 billion. As a result, relatively low levels of cash holdings were maintained throughout the year. The average yield on cash investments for the financial year was 7% in 2025/26 compared with 8% in the previous year.

Expenditure relating to claims payments and operational costs was strictly managed to align with net fuel levies received. Cash holdings as at 31 March 2026 were R967.6 million, below the set R1 billion threshold, compared with R2.1 billion at the end of 2024/25.

9.5.23 Reinsurance income

To cover catastrophic accidents, the RAF entered reinsurance treaties with major reinsurers. There were no reinsurance claims recovered from these companies during the year under review. An amount of R464.9 thousand in reinsurance claims was recovered in the 2024/25 financial year. The RAF's reinsurance recoveries are derived from a portion of total claims per incident that is more than the retention limit of R100 million. Due to operational improvements and amendments that were made to the Road Accident Fund Act (1996), reinsurance recoveries are expected to continue to reflect a general decrease.

9.5.24 Capital investment

Table 6:

<table>
<tr><td>Progress made on implementing the asset management plan</td><td colspan="4">Implementation of the plan is complete and the asset register has been updated with the results of the asset verification procedures</td></tr>
<tr><td rowspan="3">Infrastructure projects completed in the current year and progress in comparison with what was planned at the beginning of the year</td><td>Head office, Centurion</td><td colspan="3">1. Major service and maintenance work was completed on all head office generators.
2. Awaiting approval to service all UPS Units.
3. New aircons installed in the UPS room.
4. Awaiting approval to upgrade back up water system.</td></tr>
<tr><td>East London</td><td colspan="3">1. Tenant installation completion 25 June 2026
2. Office relocation completion 30 June 2026</td></tr>
<tr><td>Hatfield, Pretoria</td><td colspan="3">1. Phase 1 of the Menlyn office relocation project completed.
2. Awaiting approval for Phase 2 of the Menlyn Office relocation project.
3. Relocation of the back-up water system completed.
4. Await approval to relocate existing UPS at Menlyn Office to new premises.</td></tr>
<tr><td rowspan="2">Plans to close or downgrade any current facilities</td><td>Menlyn Office</td><td colspan="3">Movement to new location in progress</td></tr>
<tr><td>East London</td><td colspan="3">Movement to new location in progress</td></tr>
<tr><td rowspan="2">Progress made on infrastructure maintenance</td><td>Cape Town</td><td colspan="3">Renovations of the kitchens to the value of R660 850.00</td></tr>
<tr><td>Durban</td><td colspan="3">Major maintenance projects are managed and executed by the landlord (HVAC system, Lifts, back-up generators)</td></tr>
<tr><td>Related developments that are expected to impact the RAF's current expenditure</td><td colspan="4">Budget spent within forecast</td></tr>
<tr><td rowspan="5">Details as to how asset holdings have changed over the period under review, including disposals, scrapping and loss due to theft</td><td colspan="2"></td><td>2024/25 FY
R</td><td>2025/26 FY
R</td></tr>
<tr><td rowspan="2">Total Acquisition</td><td>Fixed Asset</td><td>3 672 000</td><td>1 535 000</td></tr>
<tr><td>Intangible assets</td><td>80 755 000</td><td>47 155 000</td></tr>
<tr><td rowspan="2">Disposals</td><td>Fixed Asset</td><td>13 979 000</td><td>4 087 000</td></tr>
<tr><td>Intangible assets</td><td>33 926 000</td><td>27 000</td></tr>
</table>

Measures taken to ensure that the RAF's fixed asset registers remain up to date during the period under review	The following procedures, processes and mechanisms were in place to ensure the integrity of the RAF's fixed asset registers: • Fixed asset management policy • Fixed asset management standard operating procedure • Management directives issued where necessary • Annual audits were performed by AGSA • Biannual verification exercises performed during September and March of the reporting period • Implemented segregated asset management functions for recording and maintaining the fixed asset register • Clearly defined asset management roles established for the facilities management and ICT departments • Dedicated resources employed to ensure fixed assets are recorded accurately and completely • Reconciliation of the fixed asset register to financial records performed monthly
Major maintenance projects undertaken	N/A
Progress made in addressing the maintenance backlog during the year under review	No maintenance backlog

Table 7:

Infrastructure projects	2025/2026			2024/2025		
	Budget R'000	Actual expenditure R'000	(Over)/Under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/Under expenditure R'000
Property, plant and equipment	1 103	1 535	(432)	2 644	3 672	(1 028)
Intangibles	74 819	47 155	27 664	152 899	80 755	72 144
Total	**75 922**	**48 690**	**27 232**	**155 543**	**84 427**	**71 116**

9.6 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

9.6.1 Policy development

During the reporting period, the Department of Transport continued advancing the legislative process for the proposed Road Accident Benefit Scheme (RABS) Bill, which seeks to replace the existing fault-based delictual compensation system established under the Road Accident Fund Act, 1996, with a no-fault, social security-based benefit scheme.

The Road Accident Fund (RAF) continued to provide strategic legal, technical, financial and policy support to the Department of Transport throughout the legislative development process. This included providing legal advice, contributing operational and financial modelling, assisting with policy refinement, responding to stakeholder comments, supporting the Socio-Economic Impact Assessment System (SEIAS) process, and reviewing successive drafts of the Bill to ensure legal, operational and constitutional alignment.

A significant milestone achieved during the reporting period was the approval of the SEIAS Initial Impact Assessment and the issuance of the SEIAS Initial Impact Assessment (Initial QA Sign-Off) Certificate by the Policy and Research Services Unit in the Presidency. The certificate confirms that the preliminary socio-economic assessment satisfied the prescribed SEIAS requirements and enabled the Bill to progress to the next stage of the Executive policy and legislative process, including consideration by the relevant Cabinet clusters.

The Bill was also certified by the Office of the Chief State Law Advisor as constitutionally compliant, subject to certain drafting refinements. This represents an important milestone in the legislative process and provides assurance that the proposed legislation is capable of proceeding through the remaining Executive and Parliamentary approval processes.

In support of the Government's legislative reform programme, the RAF continued to assess the organisational implications of the proposed reforms and undertook preparatory work to enhance institutional readiness. This included evaluating operational processes, governance arrangements, financial sustainability, information and communication technology requirements, business process redesign, change management and regulatory implementation considerations to facilitate an orderly transition should the RABS Bill be enacted.

The proposed reforms remain strategically important to the RAF as they are intended to strengthen the long-term sustainability of the national road accident compensation scheme, improve access to benefits, reduce administrative complexity and litigation costs, enhance rehabilitation and social protection outcomes for road accident victims, and support the efficient utilisation of public resources.

Pending the enactment of the RABS Bill, the RAF continues to administer and settle claims in accordance with the provisions of the Road Accident Fund Act, 1996, while supporting the Government's broader legislative reform objectives and maintaining operational readiness for the implementation of any future legislative changes.

9.6.2 Legislative changes

There were no Legislative changes in the current financial year.

9.7 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Strategic Outcome-Oriented Goals

The Road Accident Fund (RAF) has formulated an approved 2025-2030 Strategic Plan with a focus on four strategic outcomes, aimed at addressing the multifaceted challenges faced by the Fund

9.7.1 Progress towards achievement of institutional impacts and outcomes

The 2025/26 financial year marks a pivotal transition for the Road Accident Fund (RAF), as the first year of implementing the approved RAF 2025-2030 strategic plan aligned to the Department of Transport's priorities as well as the 2025-2029 Government Medium Term Development Plan (MTDP).

With the appointment of the Interim Board in August 2025, the organisation has strengthened its focus on governance, transparency, and financial sustainability. Key progress includes:

Financial and Governance Stability: Immediate corrective measures have been introduced to address deficiencies in accounting standard used to measure claims liabilities and irregular expenditure, ensuring compliance with National Treasury and Auditor-General requirements.

Governance challenges and Executive Stability: Governance remained a central focal area for the Interim Board during 2025/26. The Road Accident Fund ("the Fund") continued to operate under significant governance pressure, driven by prolonged vacancies in critical executive positions, including the Chief Executive Officer, Chief Claims Officer, Chief Corporate Support Officer, Chief Investment Officer and Head of Legal Services, despite the Fund operating in a highly litigious and complex environment.

Following the dissolution of the previous Board and the appointment of the Interim Accounting Authority on 8 August 2025, the Interim Board prioritised filling critical executive vacancies as a foundational governance intervention. This is aimed at restoring leadership stability, strengthening accountability, enabling cooperation with ongoing SIU and SCOPA processes, and ensuring effective execution of the 2025/26 Annual Performance Plan and the Fund's statutory mandate under the RAF Act and the PFMA.

Financial Stability and Operational Improvements

Robust financial controls, liquidity management frameworks, and structured claims settlement strategies have been implemented to accelerate claims payments and reduce backlog. The Claims Payment Strategy which has been put in place balances the need to fast-track compliant claims with strict liquidity oversight. By prioritising oldest debt, protecting liquidity floors, and introducing dynamic adjustments, the RAF ensures fairness, transparency, and compliance while improving claimant outcomes.

The RAF did not proceed with implementing an investment strategy. It was determined that such a strategy was no longer aligned with the Fund's immediate priorities and mandate. Given the RAF's sustainability challenges and the urgent need to improve service delivery, the Fund redirected focus toward accelerating claims settlement rather than pursuing investment returns. The investment income reduced from R683 million in 2025 FY to R289 million in 2026 FY.

The Fund opted for a strategy that channels all available revenue and cash reserves not to be invested but rather directed toward claims payments of compliant ready for payment claims. This reinforced the organisation's core mandate of ensuring timely compensation to claimants, reducing long outstanding claims payment backlog, and maintaining sufficient liquidity to safeguard operations.

Development of the Claims Payment Strategy

A structured Claims Payment Strategy was developed and successfully implemented. The strategy is built on clear principles designed to balance accelerated payments with strict liquidity oversight:

- **Liquidity Floor Protection:** Maintaining a minimum closing cash balance of R1 billion.
- **Oldest Debt First:** Prioritising settlement of the oldest verified obligations.
- **Compliance Assurance:** Ensuring only compliant claims are processed.
- **Dynamic Adjustment:** Shortening turnaround times where liquidity permits, while reverting to baseline if risks emerge.

Implementation Outcomes

- **Robust Financial Controls:** Strengthened governance and compliance mechanisms to ensure transparency.
- **Liquidity Management Frameworks:** Daily monitoring dashboards and forecasting tools introduced to align cash flow with obligations.
- **Structured Settlement Strategies:** Payment sequencing principles prioritise fairness, focusing on compliant claims and oldest debt.
- **Backlog Reduction:** Accelerated settlement of claims has begun to ease the longstanding backlog, improving claimant outcomes.

Impact

This strategic redirection has allowed the RAF to:

- Improve cash flow management.
- Enhance claims settlement performance.
- Reinforce fairness, transparency, and compliance in line with PFMA requirements.
- Deliver on its core social protection mandate by ensuring timely compensation to victims of road accidents.

By not prioritising the investment strategy and prioritising claims payments, the RAF has aligned its operations with sustainability needs and government priorities. The Claims Payment Strategy represents a decisive step toward restoring trust, reducing backlogs, and ensuring that the Fund fulfils its mandate to serve South Africans fairly and transparently.

Youth Employment Commitment: Workplace opportunities for unemployed youth have exceeded targets, aligning RAF's contribution to government priorities on reducing youth unemployment.

Legislative Reforms

Preparations are underway for the reintroduction of the Road Accident Benefit Scheme (RABS) Bill, which will transition the Fund to a no-fault, defined-benefits model, expanding access and reducing inequities.

The RAF's legislative environment continues to present significant challenges to achieving the 2025–2030 strategic outcomes that will be applicable in the 2026/27 financial year..

- The Supreme Court of Appeal ruling requiring the RAF to revert to the legislated RAF 1 form will create operational inefficiencies and compliance burdens.
- The adverse ruling on illegal foreign claims, which confirmed RAF's liability for such claims, will further compound the financial sustainability challenges by expanding the scope of obligations beyond qualifying beneficiaries.

These rulings underscore the fragility of the current legislative framework and its impact on the Fund's ability to deliver on its mandate sustainably.

Strategic Reform – RABS Bill

In response, preparations are underway for the reintroduction of the Road Accident Benefit Scheme (RABS) Bill. This pivotal legislative reform will:

- Transition the RAF to a no-fault, defined-benefits model, removing the need to prove fault.
- Expand access to benefits, ensuring all crash victims receive timely healthcare and financial support.
- Reduce inequities by directing benefits straight to victims and dependents, protecting them from exploitation.
- Align the RAF's work with the government's broader social security system and Medium-Term Development Plan priorities.

Impact on Strategic Outcomes

While legislative challenges remain an impediment, the RAF is actively positioning itself for reform. The RABS Bill represents a transformative opportunity to:

- Stabilise the Fund's financial sustainability.
- Reduce litigation and administrative inefficiencies.
- Improve equity and fairness in compensation.
- Strengthen alignment with national development priorities.

The RAF acknowledges that current legislative challenges — including the RAF 1 form ruling and liability for foreign claims — will continue to strain sustainability and impede progress. However, the reintroduction of the RABS Bill offers a pathway to a fairer, more efficient, and sustainable system. By embracing this reform, the RAF is preparing to deliver on its 2025–2030 strategic outcomes while reinforcing its commitment to transparency, accountability, and service to South Africans.

In conclusion, the RAF is steadily progressing towards its 2025-2030 commitments. By strengthening governance, improving claims administration, and aligning with national priorities, the Fund is laying the foundation for a fairer, more sustainable future that serves all South Africans.

STRATEGIC OUTCOME 1 – A TRANSFORMED AND SUSTAINABLE RAF

STRATEGIC OUTCOME DESCRIPTION

To optimise the processing of claims in the early stage of a claim and minimise unnecessary further complications with a claim.

STRATEGIC OUTCOME INDICATORS

- Percentage (%) of total compensation to claimants
- Percentage (%) of new compliant personal claimed products settled within 120 days
- Percentage of new personal compliant claimed products validated and verified within 60 days
- Percentage reduction in net open claimed products
- Percentage of claimed products settled by agreement
- Percentage of new undertakings issued with basket of care (injury-specific)
- Case Management Framework Implemented
- Number of initiatives to improve trauma care and rehabilitation for road accident victims implemented
- Number of road safety initiatives implemented
- Investment Strategy implemented

STRATEGIC OUTCOME 2 – DIGITAL TRANSFORMATION

STRATEGIC OUTCOME DESCRIPTION

Improve efficiency of claim settlement that will reduce costs and assist with a transformed and sustainable RAF. The goal of the project is to automate and improve business processes i.e. digitisation and implement an integrated web-enabled claims management system that will simplify the claims processes. This allows the Fund to have real-time reporting for informed business decision-making whilst also reducing the risks of fraud and corruption.

STRATEGIC OUTCOME INDICATORS

- ICMS rolled out

STRATEGIC OUTCOME 3 – IMPROVED GOVERNANCE AND CONTROLS

STRATEGIC OUTCOME DESCRIPTION

Ensure compliance to standards and improve governance and accountability.

STRATEGIC OUTCOME INDICATORS

- % Resolution of reported incidents of fraud and corruption.
- % Implementation of action plans to address audit findings.
- Number of workplace opportunities created for unemployed youth
- % Enterprise Supplier Development (ESD) committed on women-owned enterprises.

STRATEGIC OUTCOME 4 – IMPROVED CLAIMANT FOCUS

STRATEGIC OUTCOME DESCRIPTION

Increase accessibility to the RAF's services through various channels to improve service delivery by increasing the reach of the Fund's service offerings to all motor vehicle accident victims.

STRATEGIC OUTCOME INDICATORS

- Percentage of total queries resolved
- Customer Experience Strategy developed and implemented.

9.7.2 PERFORMANCE INFORMATION BY OBJECTIVE

STRATEGIC OUTCOME 1 – A TRANSFORMED AND SUSTAINABLE RAF

To optimise the processing of claims in the early stage of a claim and minimise unnecessary further complications with a claim.

CONTRIBUTION TO THE ORGANISATION'S KEY STRATEGIC OUTCOMES

This strategic objective is aimed at optimising claims processing in the early stages of a claim, thus reducing the average time taken to settle and finalise claims and avoid lengthy litigation processes and legal-related costs. Furthermore, it intends to rehabilitate road accident victims with the aim of re-integrating them into society.

COMMENT ON ALL DEVIATIONS

Out of ten (10) planned targets, four (4) were not achieved, namely:

- Percentage (%) of new compliant personal claimed products settled within 120 days
- Percentage of new personal compliant claimed product validated and verified within 60 days
- Percentage of claimed products settled by agreement
- Investment Strategy implemented

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

a) Percentage (%) of new compliant personal claimed products settled within 120 days

Root Cause:

- The inclusion of the offer acceptance in the measurement for the 120-day target despite being a factor outside the control of the Fund.
- The target achievement was hindered primarily by dependencies on external service providers' reports necessary for injury-related claims assessment.

Remedial Actions:

- Redefine the target from "15% of New Personal Compliant Claimed Products Settled Within 120 Days" to "15% of Compensation Offers Made Within 120 Days for New Compliant Personal Products Claimed"
- Prioritise review of the nature and weight of regional offices' performance measures, addressing claims validation and verification, as well as generating compensation offers.
- Establish a service level agreement with critical service providers and experts.
- Strengthening controls and enhancing capacity within dedicated teams will facilitate the early identification and prioritisation of claims suitable for settlement, as well as enable improved management of the offer processes.
- Plaintiffs will be engaged to agree on a single set of experts to assess the claimant
- Quarterly monitoring performance targets with the half-yearly and yearly review dates.

b) Percentage of new personal compliant claimed product validated and verified within 60 days

Root Cause

- The variance is primarily due to the absence of a dedicated compliance date field as defined in the Technical Indicator Description (TID), resulting in reliance on proxy system dates for performance measurement.

Remedial Actions

- As an interim measure, management will agree and formalise a single standard proxy date to ensure consistency in reporting across functions.
- Management will implement system enhancements as part of sprint 4 to introduce a dedicated compliance date field to ensure accurate, consistent, and auditable measurement.
- Management will closely monitor the influx of claims following the recent court ruling and ensure adequate capacity is in place to meet the statutory requirement to validate claims within 60 days.

c) Percentage of claimed products settled by agreement

Root Causes

- The target was not achieved, with performance at 68.75% against a target of 70% (variance of 1.25%), primarily due to the conversion of matters initially settled by agreement into court orders.
- Teams had to balance efforts between attending to making offers on matters in court and working on matters capable of settlement by agreement.

Remedial action

- Management will intensify settlement drives and backlog reduction initiatives to accelerate the resolution of claims through agreement.
- Continue to make use of data-driven interventions to identify and prioritise low-hanging settlements, including claims with complete information, accepted liability, and minimal dispute, to improve conversion rates.
- Controls will be strengthened to ensure proactive identification of claims ready for settlement and to accelerate offer issuance and finalisation.
- Management will enhance tracking of settlement progression to ensure timely movement from payment agreement and reduce conversion to court orders.
- Performance dashboards are used for monitoring and oversight to spot bottlenecks, facilitate interventions, and enhance settlement outcomes across regions.
- Capacitate dedicated teams to focus on settlements

d) Investment Strategy implemented

Root Causes

- The implementation of the investment strategy was stopped following a comprehensive review by the Interim Board to pursue an R4 billion payment strategy and reinforce the organisation's core mandate.
- The RAF changed its strategic direction from investing to prioritising, using its revenue and available cash to accelerate the settlement and payment of claims, focusing on reducing longstanding backlogs, maintaining sufficient liquidity, and ensuring timely compensation to claimants rather than delaying payments in pursuit of investment returns.

- Claims Payment Strategy was developed in response to this directive, with clear principles to accelerate compliant claim payments while safeguarding liquidity. This strategy was subsequently successfully implemented to support improved cash flow management and claims settlement outcomes.

Remedial action:

The investment strategy indicator was revised in the 2026/27 APP to reflect the Board's strategic priority of maximising the utilisation of available financial resources for the settlement of valid claims. The previous focus on investment performance has been repositioned to support the Fund's commitment to improving claimant service delivery, reducing outstanding claims liabilities, and ensuring that available funds are directed towards fulfilling the Fund's core mandate of compensating road accident victims in a timely and efficient manner. This amendment aligns performance measurement with the Board's objective of prioritising claims payments over the accumulation of investment returns, while maintaining appropriate cash flow management.

The following table presents an overview of the performance for the targets that form part of this Strategic outcome.

Table 8:

STRATEGIC OUTCOME: A TRANSFORMED AND SUSTAINABLE RAF							
Output	**Output Indicator**	**Actual Achievement 2023/2024**	**Actual Achievement 2024/2025**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from planned target to Actual Achievement for 2025/2026**	**Comment on deviations**
Compensation to claimants	Percentage of total compensation to claimants	New Indicator	88.16% compensation to claimant	75%	80.31% compensation to claimant	Target exceeded by 5.31%	The RAF prioritised using its revenue and available cash to accelerate the settlement and payment of claims, focusing on reducing outstanding claims payment backlog, maintaining sufficient liquidity, and ensuring timely compensation to claimants
Claimed product processed within 120 days	Percentage (%) of new compliant personal claimed products settled within 120 days	11.02% of Claims settled within 120 days	10.83.% of Claims settled within 120 days	15%	0.97% of Claims settled within 120 days	Target not achieved by 14.03%	The current ICMS version is a minimum viable product that depends on users manually creating and closing tasks after actioning them. The need to track the various product that are distributed to various regions and RAF offices after lodgement on the ICMS system is crucial step that could have assisted the efforts to increase the number of offers made on compliant products and claims. The achievement of the target was hindered primarily due to dependencies on external factors required to assess a claim, including the necessity for medical and actuarial assessments in injury-related claims. These requirements are not entirely within the control of the Road Accident Fund and consequently impact the timelines for claim settlements

STRATEGIC OUTCOME: A TRANSFORMED AND SUSTAINABLE RAF							
Output	**Output Indicator**	**Actual Achievement 2023/2024**	**Actual Achievement 2024/2025**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from planned target to Actual Achievement for 2025/2026**	**Comment on deviations**
Claimed products validated and verified within 60 days	Percentage (%) of new personal claimed products validated and verified within 60 days	98.26% of Claims VV & VO processed within 60 days	98.49% of Claims VV & VO processed within 60 days	95%	92.09% of Claims VV & VO processed within 60 days	Below target by 2.91%	The variance is primarily due to the absence of a dedicated compliance date field as defined in the Technical Indicator Description (TID), resulting in reliance on proxy system dates for performance measurement.
Reduction of open claimed products	Percentage (%) reduction in net open claimed products	New Indicator	New Indicator	10%	15.71% reduction in net open claimed products	Target exceeded by 5.71%	Dedicated teams were established to follow-up on offers already made but not accepted by attorneys Block settlements whereby attorneys were requested to submit files that are ready for settlement out of court.
Settlement by agreement	Percentage (%) of claimed products settled by agreement	New Indicator	New Indicator	70%	68.75%	Target not achieved by 1.25%.	The target was not achieved primarily due to the conversion of matters initially settled by agreement into court orders.
Improved Medical Management	% of new undertakings issue with basket of care	93.6% issued with basket of care	95% of new undertakings issued with basket of care (injury specific)	95%	100% new undertakings issued with basket of care	Target exceeded by 5%.	The RAF introduced the treatment protocols that has assisted in ensuring that all injuries are issued with injury specific undertakings.
Improved Medical Management	Case Management Framework implemented	Case management framework is developed and approved	Phase 1 Case Management Framework Implemented	Phase 2 Case Management Framework Implemented	Phase 2 Case Management Framework initiatives were implemented.	Target achieved.	N/A
Improved Medical Management	Number of initiatives to improve trauma care and rehabilitation centres for road accident victims implemented	50% (2 of the 4 planned trauma care units and rehabilitation centre initiatives were completed).	All initiatives as per approved AOP were completed i.e. Clairwood Rehab and Mokopane Accident & Emergency unit concluded in Q3. Mokopane helipad project concluded n Q4	3	3 planned trauma and rehabilitation initiatives for road accident victims were implemented, i.e.: • Barberton Rehabilitation Hospital • QuadPara Association caregiver (Rehabilitation) workshop and training • Groote Schuur - digital X-ray units for the emergency unit.	Target achieved	N/A

STRATEGIC OUTCOME: A TRANSFORMED AND SUSTAINABLE RAF							
Output	**Output Indicator**	**Actual Achievement 2023/2024**	**Actual Achievement 2024/2025**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from planned target to Actual Achievement for 2025/2026**	**Comment on deviations**
Road safety initiatives implemented	Number of road safety initiatives implemented	All planned road safety initiatives are completed i.e. Implement driver wellness program Coordinate the implementation of Road Safety Youth Programmes - Implement Road Safety Education and Awareness Programmes	All initiatives as per approved AOP were completed i.e. Coordinate the implementation of Road Safety Youth Programmes Implement Road Safety Education and Awareness Programmes. - Road Safety Media Partnerships	4	4 of the planned initiatives were implemented. i.e. • Road Safety youth programmes. • Road Safety education and awareness programmes. • Road Safety Media Partnerships • Road Safety school programme	Target achieved.	N/A
Investment Strategy implemented	Investment Strategy implemented	New Indicator	New Indicator	Investment Strategy implemented	Investment Strategy not implemented.	Target not achieved	The investment strategy indicator was revised in the 2026/27 APP to reflect the Board's strategic priority of maximising the utilisation of available financial resources for the settlement of valid claims. The previous focus on investment performance has been repositioned to support the Fund's commitment to improving claimant service delivery, reducing outstanding claims liabilities, and ensuring that available funds are directed towards fulfilling the Fund's core mandate of compensating road accident victims in a timely and efficient manner. This amendment aligns performance measurement with the Board's objective of prioritising claims payments over the accumulation of investment returns, while maintaining appropriate cash flow management. As a result of the drive, total payment history reflects an improvement, period on period, year on year and throughout the months

9.8 STRATEGIC OUTCOME 2 – DIGITAL TRANSFORMATION

Improve the efficiency of claim settlement, which will ensure the reduction of administrative costs and a transformed RAF. The goal of the project is to automate and improve business processes i.e. digitisation, and the implementation of an integrated web-enabled claims management system, which will support and enable business processes, allowing the Fund to have real-time reporting for informed business decision-making and reduce the risks of fraud and corruption.

9.8.1 Contribution to the organisation's key Strategic Outcomes

The strategic objective is to optimise ICT to enable the automation of business processes, ensure data integrity and protection, and ensure maturity of IT governance in the organisation. ICT aims to evolve from simply being a business enabler to an essential component in implementing the RAF's business strategy and executing its mandate.

ICT plays an integral role in ensuring the achievement of the RAF Strategy. several initiatives planned for the next year are dependent on the transformation of the ICT environment to function optimally and gain a competitive advantage.

9.8.2 Comment on all deviations

The rollout of release 2 of the ICMS project was the only target that was planned for this strategic outcome, and the target was not met.

9.8.3 Strategy to overcome areas of underperformance

Release 2 of the ICMS rolled out:

Root Cause

- Sprint 4 implementation was delayed due to broader organisational changes including the pause of the project for a few months and the dissolution of the steering committee due to RAF leadership changes.

Remedial Actions

- EXCO has considered and prioritised the implementation of sprint 4 and change requests in the submission and processed for Board approval in terms of the proposed way forward for the Bokamoso System (ICMS).
- A new Steering Committee has been established, and work is underway to review costing in consultation with PWC and Updraft.

Once finalised, the outcome will be incorporated into the Board submission in terms of the way forward for the Bokamoso system.

9.8.4 Changes to planned targets

No changes to planned targets.

The following table provides an overview of performance against the target for this strategic outcome.

Table 9:

STRATEGIC OUTCOME: DIGITAL TRANSFORMATION							
Output	**Output Indicator**	**Actual Achievement 2023/2024**	**Actual Achievement 2024/2025**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from planned target to Actual Achievement for 2025/2026**	**Comment on deviations**
Integrated Claims Management System (ICMS)	ICMS rolled-out	The annual target was not achieved. Release 1 of ICMS has not been rolled out.	Release 1 of ICMS rolled out.	Release 2 of the ICMS rolled out	Release 2 of the ICMS not rolled out	Target not achieved	The target was not achieved due to the delays in implementing sprint 4 which is one of the deliverables of Release 2 roll-out. There were also broader organizational changes.

9.9 STRATEGIC OUTCOME 3: IMPROVED GOVERNANCE AND CONTROLS

Ensure compliance to standards and improve governance and accountability.

9.9.1 Contribution to the organisation's key strategic outcomes

This strategic objective aims to improve governance and strengthen the control environment, raise ethical standards, and improve the resolution of reported incidents of fraud and corruption.

9.9.2 COMMENT ON ALL DEVIATIONS

All planned targets have been achieved

9.9.3 Strategy to overcome areas of underperformance

Not Applicable

9.9.4 Changes to planned targets

No changes to planned targets.

The following table provides an overview of performance against the targets for this strategic outcome.

Table 10:

STRATEGIC OUTCOME: IMPROVED GOVERNANCE AND CONTROLS							
Output	**Output Indicator**	**Actual Achievement 2023/2024**	**Actual Achievement 2024/2025**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from planned target to Actual Achievement for 2025/2026**	**Comment on deviations**
Resolution of reported incidents of fraud and corruption	Percentage resolution of reported incidents of fraud and corruption	86.41% resolution of reported incidents of fraud and corruption	93.33% resolution of reported incidents of fraud and corruption	85%	94.05%	Target exceeded by 9.05%.	Close monitoring of reported fraud and corruption incidences
Implementation of action plan to address audit findings	Percentage implementation of action plans to address audit findings	95.77% implementation of action plans to address audit findings	93.75% implementation of action plans to address audit findings	80%	83.33%	Target exceeded by 3.33%	Close monitoring of all findings was elevated to EXCO monitoring to ensure all findings are closed within the agreed action date.
Empowered youth	Number of workplace opportunities created for unemployed youth	New Indicator	New Indicator	120	190 workplace opportunities created for unemployed youth	Target exceeded by 70	RAF's dedication to ensuring its alignment with government priorities to address youth unemployment.
% of Enterprise Supplier Development (ESD) committed on women-owned enterprises	% ESD committed on women-owned enterprises	50%	60%	40%	57.86%	Target exceeded 17.86%	RAF's dedication to ensuring its alignment with government priorities to address women empowerment.

9.10 STRATEGIC OUTCOME 4. IMPROVED CLAIMANT FOCUS

Increase accessibility to the RAF's services through various channels to improve service delivery by increasing the reach of the Fund's service offerings to all motor vehicle accident victims.

9.10.1 Contribution to the organisation's key strategic outcomes

Accessibility to RAF's services through various channels to improve service delivery by increasing the reach of the Fund's service offerings to all motor vehicle accident victims.

9.10.2 Comment on all deviations

All planned targets were achieved

9.10.3 Strategy to overcome areas of underperformance

Not Applicable

9.10.4 Changes to planned targets

There were no changes to planned targets.

The following table provides an overview of performance against the targets for this strategic outcome.

Table 11:

STRATEGIC OUTCOME: IMPROVED CLAIMANT FOCUS							
Output	**Output Indicator**	**Actual Achievement 2023/2024**	**Actual Achievement 2024/2025**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from planned target to Actual Achievement for 2025/2026**	**Comment on deviations**
Improved responsiveness to claimants	Percentage of total queries resolved	Customer Relationship Management Solution established.	85.61% First Time Contact Resolution	60%	99.07% of total queries resolved	Target exceeded by 39.07%	Additional social media platforms introduced in 2025 contributed to the achievement of the target.
Customer Experience Strategy developed	Customer Experience Strategy developed	New target	All planned annual initiatives are completed.	Customer Experience Strategy developed	Customer experience strategy developed and approved	Target achieved	N/A



PART C:
GOVERNANCE

10. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, corporate governance regarding public entities is applied through the precepts of the PFMA and runs in tandem with the principles contained in King IV.

Parliament and the executive and accounting authorities of the public entity are responsible for corporate governance.

11. PORTFOLIO COMMITTEES

Parliament exercises an oversight role over the RAF by interrogating its AFS and other relevant documents that must be tabled, and evaluates its performance accordingly. This oversight role is fulfilled by the Portfolio Committee on Transport (PCoT) and the Standing Committee on Public Accounts (SCOPA).

The PCoT oversees service delivery and performance in accordance with the RAF's mandate and corporate strategy. It reviews financial and non-financial information, such as efficiency measures. In doing so, it reviews the non-financial information contained in this annual report. The committee is also concerned with how the RAF contributes broadly to service delivery and to enhancing economic growth.

The SCOPA oversees the financial performance and accountability of the RAF in terms of the PFMA. As such, it reviews the AFS and audit reports of the external auditor.

12. EXECUTIVE AUTHORITY

Parliament oversees the RAF's Executive Authority, which is required to provide it with full and regular reports concerning matters under its control. The Minister of Transport (Minister) is the Executive Authority and is concerned with the financial viability and risks of the RAF. The Minister is also responsible for policymaking and monitoring policy implementation to ensure that the RAF delivers on its mandate. The role and responsibility of the Executive Authority is, as stated in Section 63 of the PFMA, to exercise the Executive Authority's ownership powers to ensure that the Entity complies with the RAF Act, the PFMA, and the financial policies of the Executive Authority.

In terms of the Financial Supervision of the Road Accident Fund Act (1993), the Prudential Authority (PA) performs a supervisory role over the RAF's financial position.

Oversight by the Executive Authority rests by and large on the prescripts of the PFMA, which govern/provide authority to the Executive Authority for oversight powers.

Sections 10 (1) (b) and (3) of the RAF Act (1996), respectively, as amended, make provisions for the Executive Authority to appoint and remove members of the Board. The Minister appoints, upon the recommendation of the Board, the Chief Executive Officer ("CEO") of the RAF on such terms and conditions of employment as the Board may determine as required by Section 12 (1) (a) of the RAF Act.

Whenever it is necessary to appoint a Board, the Minister, by notice in the Government Gazette and national news media, invites individuals or bodies who have an interest in the operations of the RAF to nominate candidates who comply with the criteria mentioned in Subsection 10 1(B) of the RAF Act, as amended. The Minister then publishes a list of the nominations received, which includes the names of the relevant nominators. The name and expertise of the newly appointed (or reappointed) Board members are then gazetted.

If a position on the Board becomes vacant before the expiry of the term of office, subsection 10(10) of the Act empowers the Minister to appoint any other competent person, as contemplated in subsection 1(b), to serve for the term of office of the previous member, irrespective of when the vacancy occurs.

The Board submits quarterly reports, including management accounts, a report on actual performance against predetermined objectives, a PFMA compliance checklist, a broad-based black economic empowerment (B-BBEE) report and an audit committee report to the Executive Authority, in accordance with National Treasury regulations 26.1.1 and 30.2.1, within 30 days of the end of a quarter.

Figure 3: Executive authority reporting structure



13. ACCOUNTING AUTHORITY/BOARD

13.1 INTRODUCTION

In line with subsection 49(1) of the PFMA, every public entity must have an Accounting Authority. Subsection 49(2)(a) provides that if the public entity or other controlling body has a board, that board or controlling body is the accounting authority for that entity. Section 50 provides that the accounting authority must:

a) exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;
b) act with fidelity, honesty, integrity, and in the best interest of the public entity in managing the financial affairs of the public entity;
c) on request, disclose to the Executive Authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Executive Authority or that legislature; and
d) seek, within the sphere of influence of that Accounting Authority, to prevent any prejudice to the financial interest of the state.

The RAF Board is designated as an Accounting Authority responsible for governance and oversight functions of the entity in line with Section 49 of the Public Finance Management Act ("PFMA"), 1999 (Act No. 1 of 1999). The Board has overall authority and control over the financial position, operation, and management of the RAF as stipulated in Section 11 of the RAF Act and Sections 51 – 56 of the PFMA.

It is accountable to the Executive Authority for the performance of the RAF. It provides a fundamental bases to apply the most appropriate principles of corporate governance.

The processes and practices of the Board are underpinned by the principles of transparency, integrity and accountability. An inclusive approach is followed, which recognises the importance of all stakeholders and the management of stakeholder relationships, as well as perceptions to ensure the viability and sustainability of the RAF.

Section 49 (2) (b) of the PFMA provides that if the Public Entity does not have a Board, the Chief Executive Officer (CEO) is the Accounting Authority for that Public Entity. For this reason, Mr Phathutshedzo Lukhwareni was appointed as the Accounting Authority of the RAF with effect from 17 July 2025 to 07 August 2025 following the dissolution of the RAF Board on 15 July 2025.

Subsequently, the Minister of Transport, announced the appointment of an Interim Board for the RAF on 08 August 2025.

13.2 ROLE OF THE BOARD

(1) In line with section 11 of the RAF Act (1996), the Board shall, subject to the powers of the Minister of Transport, exercise overall authority and control over the financial position, operation and management of the fund, and may, among other things:

a) make recommendations to the Minister in respect of –
   (i) the fund's annual budget;
   (ii) any amendment of the act;
   (iii) the entering into an agreement with any institution referred to in section 9 of the act; and
   (iv) any regulation to be made under the act
b) terminate the appointment of any agent and determine the conditions on which such appointment is effected or terminated;
c) approve the appointment, determination of conditions of employment and dismissal by the CEO of staff of the fund on the management level;
d) approve internal rules and directions in respect of the fund's management;
e) approve loans made or granted by the fund;
f) approve donations for research regarding any matter of injuries sustained in motor vehicle accidents;
g) determine guidelines in relation to investments; and
h) delegate or assign to the CEO and any member of staff any power or duty of the Board as it may deem fit. However, it shall not be divested of any power or duty to delegated or assigned and may amend or withdraw any decision made by virtue of such delegation or assignment.

(2) The Board may, as often as it deems necessary, but shall at least once during a financial year, or when requested by the Minister to do so, report to the Minister regarding matters dealt with during that year or as requested by the Minister.

In line with King IV, the Board is tasked with providing ethical leadership, managing the organisation's ethics effectively, and ensuring that the RAF is not only a responsible citizen but is manifestly so. Corporate governance principles are adhered to, while fully appreciating that strategy, risk, performance and sustainability are integrated. Broadly, the Board is expected to act in the RAF's best interests.

Taking into consideration the prescripts of King IV and National Treasury, the Board's role furthermore comprises the following:

- Monitoring the efficiency and effectiveness of management and supporting it in implementing Board strategies and policies.
- Managing potential conflicts of interest.
- Developing a clear definition of levels of materiality.
- Attending annual meetings.
- Ensuring that the AFS are prepared.
- Appraising the performance of the Board collectively and individually.
- Ensuring effective Board induction and maintaining integrity, responsibility and accountability.

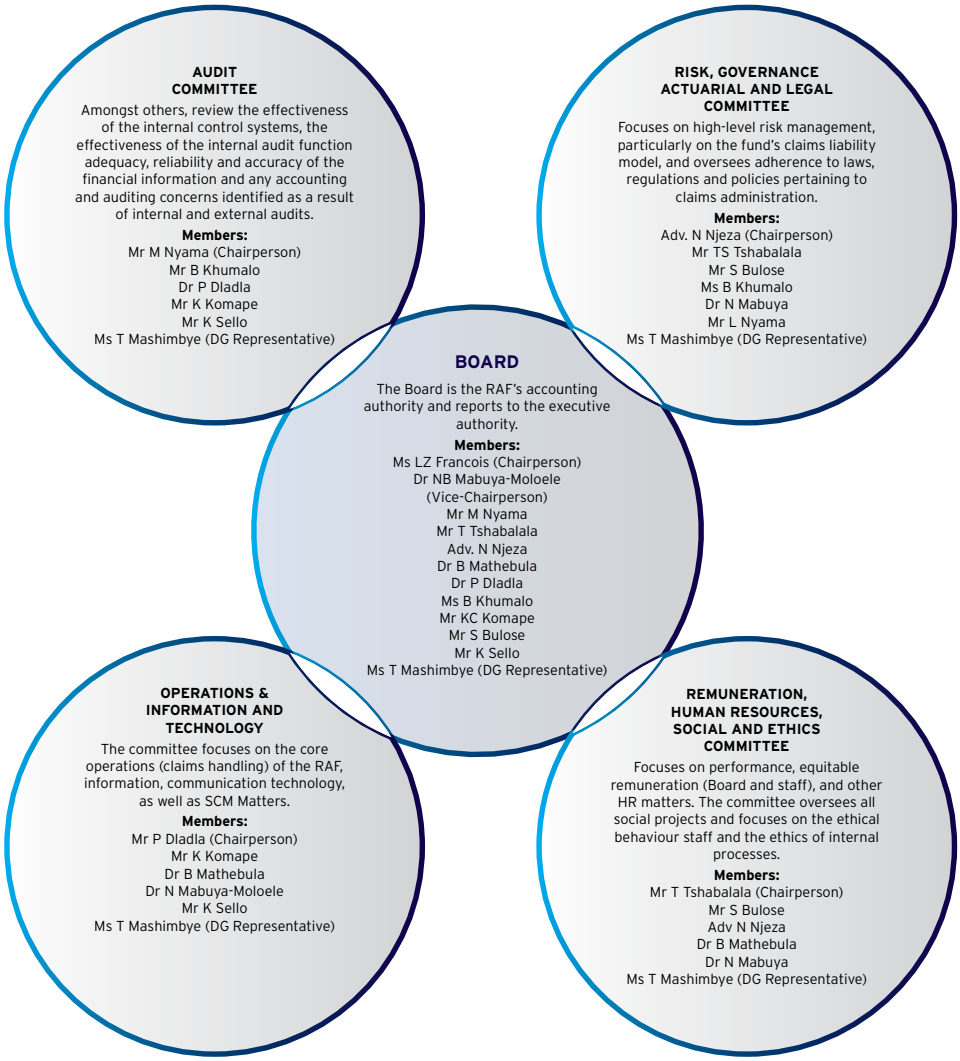
The Board is responsible for determining the RAF's overall direction. The RAF is guided by its 2025-2030 strategic plan and APP, both of which were approved by the Executive Authority.

The Board revises the delegation of powers and functions policy, which defines the delegation of powers, duties and functions of management every five years.

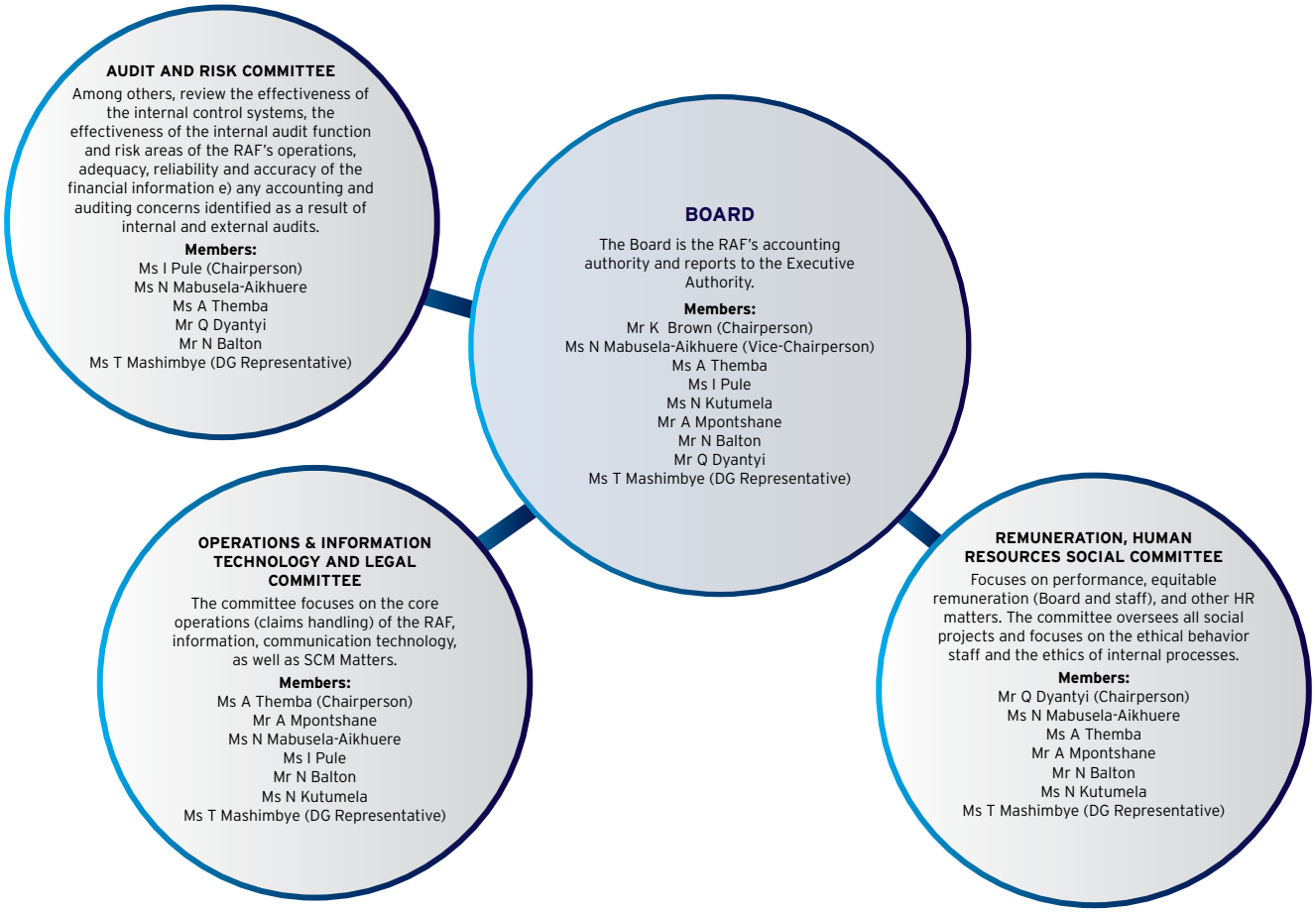
The Board reviews its processes and practices on an ongoing basis to do the following:

- Ensure compliance with legal obligations.
- Ensure the maintenance of appropriate internal controls, as well as risk management policies and practices.
- Ensure the use of RAF funds in an economical, efficient and effective manner.
- Ensure that ICT governance is aligned with the RAF's performance and sustainability objectives.
- Ensure adherence to good corporate governance practices that have been benchmarked.
- Assess the impact of the RAF's operations on society, the economy and the environment.

13.3 BOARD CHARTER (1 APRIL 2025 – 15 JULY 2025)



13.4 BOARD CHARTER INTERIM BOARD (08 AUGUST 2025 – 31 MARCH 2026)



** The Interim Board resolved at its special meeting held on 13 August 2025 that the Board Committees be reconfigured as follows: (a) the ARC; (b) Remuneration, Human Capital, Social and Ethics Committee ("REMCO"); and (c) the OPSIT and Legal Committee. The Board further resolved that; (a) the Risk, Governance, Actuarial and Legal Committee (RGAL) be dissolved; and (b) risk, governance, and actuarial functions be allotted to the Audit Committee, and (c) the legal function be allotted to the OPSIT Committee.*

Board members' details: 1 April 2025 – 15 July 2025

Table 12:

Name	Title	Date appointed	Qualifications	Area(s) of expertise	Board directorships	Board committees	Meetings attended
Ms LZ Francois	Non-executive Board member Chairperson of the Board from 1 October 2023	4 December 2019 Reappointed 1 October 2023	BCom; Postgraduate Certificate: Accounting; GIA (SA); MBA; CRMA; Fellow of the Institute of Internal Auditors of SA (FIIASA); Certified Director (SA)	Accounting, Auditing, Enterprise Risk Management. Corporate Governance and Business Process Management	Legal Aid South Africa	N/A	7 of 7
Dr NB Mabuya-Moloele	Non-executive Board member Vice Chairperson of the Board from 1 October 2023	Reappointed 4 December 2019 Reappointed 1 October 2023	MB BCH; MBA; DOH (Diploma in Occupational Health and Medicine); Cert Impairment Rating, Incapacity Management and Workplace Disability Management; BSc (Hons) Aerospace Meds; Certificate in Travel Meds; Certified Independent Medical Examiners (CIME) by the American Board of Independent Medical Examiners	Medical	Non-executive director of SKF South Africa Chairperson and non-executive Director of Armcoil (Pty) Ltd Chairperson of Protea Trade & Invest (Pty) Ltd	N/A	5 of 7
Mr LM Nyama	Non-executive Board member	Reappointed 4 December 2019 Reappointed 1 October 2023	BSc Actuarial and Financial Maths; BSc (Hons) Financial Engineering; Master Investments (Thesis not defended)	Short-term insurance pricing, underwriting, product development, investments, retirement schemes, risk management, and data analytics	Member of Actuarial Society of South Africa Member of Institute of Directors SA	Chairperson: Operations, Information and Technology Committee Audit Committee	7 of 7
Mr TS Tshabalala	Non-executive Board member	Reappointed 4 December 2019 Reappointed 1 October 2023	Certificate in Business Administration; Certificate in Management and Administration of Non-Profit and Community-Based Organisations; Certificate in Start and Improve your Business; Diploma in Project Management; Postgraduate Diploma in Disability Studies	Economic development of persons with disabilities extending to employment, skills development, entrepreneurship projects	Board member: Disabled Employment Concerns Trust (DEC)	Chairperson: Remuneration and Human Resources Committee Risk Governance and Actuarial Committee	7 of 7
Adv. N Njeza	Non-executive Board member	Appointed 29 July 2023 Reappointed 1 October 2023	National Diploma in Internal Auditing, LLB, Postgraduate Degree in Health Economics, Currently a candidate for a Masters in Public Health in 2024 Certificate in Corporate and Ethics Governance	Internal auditing, financial management, Law/ legal compliance, risk and governance, health economics	N/A	Chairperson: Risk, Governance and Actuarial Committee Remuneration and Human Resources Committee	7 of 7

Name	Title	Date appointed	Qualifications	Area(s) of expertise	Board directorships	Board committees	Meetings attended
Ms BS Khumalo	Non-executive Board member	Appointed 1 October 2023	BBA, Postgraduate Diploma in Management Practices and an MBA candidate for 2024 Certificate in Investment and Portfolio Management Management Development Programme	Financial services professional, investment and asset management.	N/A	Audit Committee Risk Governance, Actuarial and Legal Committee	7 of 7
Dr P Dladla	Non-executive Board member	Appointed 1 October 2023	PhD (Economics)	Academia, insurance, risk management, finance	N/A	Audit Committee Operations, Information and Technology Committee	7 of 7
Mr SB Bulose	Non-executive Board member	Appointed 1 October 2023	MCom; DBA (in progress)	Leadership, management and administration, art, governance	N/A	Risk Governance, Actuarial and Legal Committee Remuneration and Human Resources Committee	6 of 7
Mr KJ Sello	Non-executive Board member	Appointed 13 December 2023	General and Technician Accountant, Certified Information Systems Auditor (CISA), Certified in Risk and Information Systems Control Auditor (CRISC) ACCA (Association of Chartered Certified Accountants), ISACA (Information Systems Audit and Control Association), Institute of Internal Auditors (SA) (General Internal Auditor)	Finance, Capital Markets, Strategy & Business Development, Assurance & Auditing, Information and communications technology (ICT), Projects, Governance, Risk, and Compliance.	N/A	Operations, Information and Technology Committee Audit Committee	7 of 7
Mr KC Komape	Non-executive Board member	Appointed 1 October 2023	Degree in Communication Science, Diploma in Road Transport Management, Advanced Diploma in Transportation Management	Project Management, business planning, revenue development, and change management.	N/A	Audit Committee Operations, Information and Technology Committee	7 of 7
Dr PB Mathebula	Non-executive Board member	Appointed 1 October 2023	MBChB; Fellowship in Surgery (FCS) Master's in surgery (MMed)	Burns management and critical care,	N/A	Operations, Information and Technology Committee Remuneration and Human Resources Committee	7 of 7

Board members' details: 08 August 2025 – 31 March 2026 (Interim Board)

Table 13:

Name	Title	Date appointed	Qualifications	Area(s) of expertise	Board directorships	Board committees	Meetings attended
Mr. K Brown	Chairperson of the Board	08 August 2025	Primary Teachers Diploma, Bachelor of Arts (Economics and Psychology) Bachelor of Arts Honors (Economics), Master of Science (Public Policy)	Governance and Ethical Leadership: Deep understanding of public sector governance, the PFMA, and King IV principles. Strategic Direction and Policy Alignment. Financial Stewardship and Risk Oversight Stakeholder and Government Relations. Board and Executive Leadership. Legal, Regulatory, and Sectoral Expertise. Transformation and Societal Impact.	Board Membership at DBSA	N/A	10 of 10
Ms. N Mabusela-Aikhuere	Deputy Chairperson of the Board	08 August 2025	BCompt, CTA (Certificate in the Theory of Accountancy, Honours Degree-, CA (SA) Diploma in Credit and Political Risk Insurance	Executive Leadership Experience (CEO in the mining and construction sectors) Corporate Governance/ Board Experience (Non-Exec Director in Listed, Unlisted and SOE's with Chair of Arc and Social and Ethics experience) Investment Banking and Corporate Finance Expertise. Accounting and Auditing Experience	Empower a Thousand (Pty) Ltd, Merafe Resources Ltd, Industrial Development Corporation of South Africa Limited Development Bank of South Africa	Member: ARC Member: OPSIT	10 of 10
Ms. A Themba	Chairperson of OPSIT	08 August 2025	Bachelor of Education (B.Ed.) Diploma - Internal Auditing BCom (Hons) - Financial Management.	Governance Risk Accounting Financial Management Business Process Reengineering (BPR)	Smartzar Pty Ltd Managing Director (05/2022 to date)	Chairperson: OPSIT and Legal Committee Member: ARC, REMCO	10 of 10
Mr. Q Dyantyi	Chairperson of REMCO	08 August 2025	Associate in management (AIM): Business Administration. Certificate: Strategic Competitive Intelligence. Certificate: Project Management. Diploma: Marketing & Sales Management.	Risk Management. Legislative. Oversight Corporate Governance.	N/A	Chairperson: REMCO, Member: ARC	9 of 10

Name	Title	Date appointed	Qualifications	Area(s) of expertise	Board directorships	Board committees	Meetings attended
Ms. N Kutumela	Board Member	08 August 2025	Bachelor of Commerce (BCom) Law. Bachelor of Laws (L.L.B.). Higher Diploma in Tax Law. Masters in Philosophy specialising in International Business.	Expertise spans corporate governance, commercial law, litigation strategy, ESG leadership, and business development. Has negotiated and managed complex M&A transactions, high-value Capex projects, and public-private partnerships that balance legal integrity with commercial outcomes. Trained through the Oxford Saïd Business School's "Leading Sustainable Corporations" programme.	Director at Asanda Agro Ventures Pty Ltd	Member: OPSIT and Legal Committee; REMCO.	9 of 10
Mr. A Mpontshane	Board Member	08 August 2025	Secondary Teachers Diploma. Bachelor of Arts. Honours Degree (Bachelor of Arts) majoring in Political Science. Master's Degree in Governance and Political Transformation.	Managerial expertise: This was accumulated through the roles of High School Principal (10 years) and as an inspector of schools (10 years) Public Policy Making Expertise: This was gained during his tenure as a Member of Parliament for 19 years.	Sihlabile Trading & Projects - Directorship	Member: REMCO, OPSIT and Legal Committee	10 of 10
Mr. N Balton	Board Member	08 August 2025	Bachelor of Arts (Education). Bachelor of Education (B Ed). Diploma in Economic Principles (incomplete). MSC - Public Policy and Management.	Policy analysis. Governance. Ethics. Media analysis and management. Public finance and administration. Management. Training and Development. Campaign management and strategy.	Ahmed Kathrada Foundation: January 2010 – current - Executive Director	Member: REMCO, ARC, OPSIT and Legal Committee	10 of 10
Ms. I Pule	Board member	08 August 2025	CA (SA) Bachelor of Accounting Bachelor of Commerce Transition to General Management Global Executive Development Programme	Governance Strategy Finance Audit Risk Procurement Management	Non-Executive Director: on OneLogix Holdings (Pty) Ltd Trustee of the Volkswagen B-BBEE Initiatives Trust. Non-Executive Director: on Excellerate Holdings.	Chairperson: ARC Member: OPSIT and Legal Committee	9 of 10

Name	Title	Date appointed	Qualifications	Area(s) of expertise	Board directorships	Board committees	Meetings attended
Ms. T Mashimbye	Director-General Representative	06 June 2025	MBA BCom (Hons)(CTA). BCom (Accounting). Advanced Management Development Programme (AMDP). Completed the SAIPA Professional Accountant qualification in 2011 (membership currently inactive). ACCA Candidate	Financial Accounting. Financial management. Public Sector Governance & Oversight Regularity Audit. Compliance & Risk Management Project & Programme Management	Director-General Representative	REMCO, ARC, OPSIT and Legal Committee	9 of 10

*** Board members' meeting attendance varied due to additional subcommittee responsibilities, with some members serving on multiple subcommittees in addition to Board meetings.*

13.5 BOARD AND COMMITTEES

The RAF Board is fully constituted and supported by various committees that perform oversight of management's tactical operations. The attendance record of the dissolved Board was as follows:

RAF Board

Table 14: 1 April 2025 – 15 July 2025

Name	Tittle	Meetings attended
Ms. LZ Francois	Chairperson	7 of 7
Dr. NB Mabuya-Moloele	Vice chairperson	5 of 7
Mr. TS Tshabalala	Member	7 of 7
Mr. ML Nyama	Member	7 of 7
Ms.B Khumalo	Member	7 of 7
Dr. P Dladla	Member	7 of 7
Mr. KC Komape	Member	7 of 7
Adv. N Njeza	Member	7 of 7
Ms. BP Mathebula	Member	5 of 7
Mr. S Bulose	Member	6 of 7
Mr KJ Sello	Member	7 of 7
Ms. T. Mashimbye (DG Representative	Member	3 of 3*

** Ms T Mashimbye was appointed as the Director-General Representative on 6 June 2025.*

RAF Interim Board

The Board resolved that at its special meeting held on 18 August 2025, following the presentation of the Governance structures of the RAF Board, that the Board Committees be reconfigured as follows:

- The Audit and Risk Committee
- The Remuneration, Human Capital, Social and Ethics Committee (REMCO)
- The Operations, Information and Technology and Legal Committee (OPSIT).

The Board further resolved that; (a) the Risk, Governance, Actuarial and Legal Committee (RGAL) be disestablished; and (b) risk, governance, and actuarial functions be allotted to the Audit Committee, and legal function be allotted to the OPSIT Committee.

The attendance record of the Interim Board was as follows:

Table 15: 8 August 2025 – 31 March 2026

Name	Title	Meetings attended
Mr. K Brown	Chairperson	10 of 10
Ms. N Mabusela-Aikhuere	Vice chairperson	10 of 10
Ms. A Themba	Member	10 of 10
Ms. N. Kutumela	Member	9 of 10
Mr. Q. Dyantyi	Member	9 of 10
Ms. I Pule	Member	9 of 10
Mr. N. Balton	Member	10 of 10
Mr. A. Mpontshane	Member	10 of 10
Ms. T. Mashimbye	Member	9 of 10

13.6 AUDIT AND RISK COMMITTEE

As the Accounting Authority, the RAF Board has established an Audit and Risk Committee in compliance with the PFMA and National Treasury regulations issued in terms of the Act. The Committee consists of six (06) non-executive Board members.

The chairperson is appointed by the Board and is an independent, non-executive member of the Board. The current audit committee comprises entirely independent members. The chairperson of the Board is not eligible to be a member of the audit committee.

The committee meets at least four times, mostly quarterly, per year. However, it may meet more frequently when necessary. The committee may invite the CEO, chief financial officer (CFO), chief audit executive, external auditors, or any other person to attend meetings. The committee meets with internal audit and representatives of the AGSA at least quarterly to ensure that there are no unresolved issues.

In accordance with recommendations contained in King IV, the Board acknowledges that the Audit and Risk committee should consist entirely of independent non-executive Board members. These members should also have the necessary financial

literacy skills and experience to execute their duties effectively. The members elected collectively represent the required skills base.

The Board resolved at its special meeting held on 18 August 2025 that (a) the Risk, Governance, Actuarial and Legal Committee (RGAL) be disestablished; and (b) risk, governance, and actuarial functions be allotted to the Audit Committee, and legal function be allotted to OPSIT Committee.

Overall function of the audit and risk committee

In accordance with the prescripts set out in the PFMA, Treasury regulations and King IV and its state-owned enterprise supplement, the committee must assist the Board in discharging its responsibilities to safeguard the RAF's assets. It is also responsible for:

- operating adequate and effective systems and control processes;
- preparing fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards; and
- overseeing the internal audit function, the effectiveness of the CFO and the finance function.

The Audit and Risk Committee report includes commentary on internal financial controls, external audit, going concern, risk management, internal audit, sustainability reporting, and the expertise of the CFO and finance functions.

In terms of section 14 of the Road Accident Fund Act (1996), as amended:

(1) The fund shall keep proper records of all its financial transactions and its assets and liabilities.

(2) (a) The accounts of the Fund shall be audited annually by the AGSA appointed in terms of section 2 of the Auditor-General Act (1989), in accordance with the Act and with such other laws as may be referred to in that Act.

(b) The Auditor-General shall submit to the Board copies of any report referred to in section 6 of the Auditor-General Act (1989).

The AGSA is independent of the RAF and does not perform any non-audit services. The designated audit senior manager was rotated during the 2024/25-financial year audit. Generally, the composition of the external audit team changes every five years.

Among other matters, the Audit and Risk Committee is responsible for monitoring and reviewing the effectiveness of the RAF's internal audit function. Each year, it considers and approves the internal audit plan, receives and reviews internal audit progress reports, and approves any changes or shortfalls in the internal audit plan.

Membership: Audit Committee

Table 16: 1 April 2025 – 15 July 2025

Name	Title	Number of meetings attended
Mr. ML Nyama	Chairperson	5 of 5
Dr. P Dladla	Member	5 of 5
Ms. B Khumalo	Member	5 of 5
Mr. KC Komape	Member	5 of 5
Mr. K Sello	Member	5 of 5
Ms. T Mashimbye	Member	1 of 1*

**Ms Tsakani Mashimbye was appointed as the Director-General Representative on 6 June 2025.*

Membership: Audit and Risk Committee (Interim Board)

Table 17: 18 August 2025 – 31 March 2026

Name	Tittle	Number of meetings attended
Ms. I Pule	Chairperson	6 of 7
Ms. N Mabusela-Aikhuere	Member	7 of 7
Mr. Q Dyantyi	Member	6 of 7
Ms. A. Themba	Member	7 of 7
Ms. T Mashimbye	Member	6 of 7
Mr. N Balton	Member	3 of 3*

**Ms. Alfredina Themba was appointed as the Chairperson of ARC from the 18 August 2025 to 25 February 2026.*
**Ms. Innocentia Pule was appointed as the Chairperson of ARC from 26 February to date.*
**Mr. Neeshan Balton was appointed as Audit and Risk Committee member from 31 October 2025.*

13.7 OPERATIONS, INFORMATION AND TECHNOLOGY AND LEGAL COMMITTEE

The functions of the committee include, but are not limited to:

- developing user-friendly policies on all aspects of claims administration, including undertakings in terms of the Road Accident Fund Act (1996) and any other matter referred to it by the Board;
- making recommendations to the Board for the appointment of professional panels;
- assisting the CEO in developing strategies to improve service delivery and ensuring that the activities of the operations business unit are streamlined;
- ensuring that the cost of service providers is minimised;
- providing strategic direction and overseeing the implementation of an efficient and effective operating model;

- considering, evaluating and overseeing the implementation of all customer services;
- monitoring all transformation and change management activities, including their financial implications;
- supporting transformation, including at the physical, HR and financial levels;
- performing an ongoing cost-benefit analysis to ensure a return on investment in respect of the operational structure;
- overseeing the cultivation and promotion of an ethical IT governance and management culture and awareness (measured through levels of governance, management skills and competencies) and of a common IT language;
- providing the required leadership and direction to ensure that the RAF's IT function and infrastructure achieve, sustain, and enhance the RAF's strategic objectives;
- focusing on the governance of information and technology;
- ensuring that an IT internal control framework is adopted and implemented and that the Board receives independent assurance thereof;
- taking the necessary steps to ensure that there are processes in place to ensure complete, timely, relevant and accessible IT reporting;
- ensuring that IT is aligned with the performance and sustainability objectives of the RAF;
- monitoring and evaluating significant IT investments and expenditure;
- ensuring that IT forms an integral part the RAF's risk management culture; and
- ensuring that information assets are managed effectively.

The Board resolved at its special meeting held on 18 August 2025 that (a) the Risk, Governance, Actuarial and Legal Committee (RGAL) be disestablished; and (b) risk, governance, and actuarial functions be allotted to the Audit Committee, and legal function be allotted to OPSIT Committee.

Overall function of the new OPSIT committee including Legal

The OPSIT&L oversee and make recommendations to the Board on: (a) Claims Management Report, including claims administration, claims risk management and customer experience; (b) Supply Chain Management ("SCM"), including the procurement plan and demand management plan; (c) Information Technology ("IT"); (d) information security matters of the RAF; and (e) legal matters, including compliance with applicable laws and regulations, legislative developments, corporate litigation, legal implications of delegations of authority, and Category 'A' policies within the Committee's mandate

Table 18: Membership: Operations, Information, and Technology Committee, 1 April 2025 – 15 July 2025

Name	Tittle	Meetings Attended
Dr. P. Dladla	Chairperson	2 of 2
Mr. K Komape	Member	2 of 2
Dr. P Mathebula	Member	2 of 2
Dr. N Mabuya	Member	2 of 2
Mr. K Sello	Member	2 of 2

Table 19: Membership: Operations, Information Technology and Legal Committee, 18 August 2025 – 31 March 2026

Name	Title	Meetings attended
Ms. A Themba	Chairperson*	4 of 6
Ms. N Mabusela-Aikhuere	Member	4 of 6
Mr. N Balton	Member	4 of 6
Ms N Kutumela	Member*	6 of 6
Ms. I Pule	Member	6 of 6
Mr. A Mpontshane	Member	6 of 6
Ms. T Mashimbye	Member	4 of 6

**Ms. N. Kutumela appointed as the Chairperson of OPSIT & Legal from 18 August 2025 to 25 February 2026.*
**Ms. A Themba was appointed as the Chairperson of OPSIT & Legal from 26 February to date.*

13.8 REMUNERATION, HR AND SOCIAL AND ETHICS COMMITTEE

The RAF Board established the remuneration, HR and social and ethics committee after its appointment. The committee was established as a combination of the former remuneration and HR, and social and ethics committees. The committee comprises at least three board members, elected at the board meeting. Members of the committee may serve on two other committees. The Director-General of Transport's representative may attend committee meetings as an invitee.

The chairperson is appointed by the Board and is an independent, non-executive director. The following people or bodies may attend meetings, as required, but they may not vote: CEO, chief human capital officer, Board secretariat, chief strategy officer, general managers of ethics and stakeholder management, other members of senior management, and assurance providers. Board members who are not members of this committee may attend the meetings but may not vote.

The committee must hold at least two meetings per year and arrange a sufficient number of meetings to carry out its duties as per its terms of reference. Additional meetings may be scheduled as requested by a member, the CEO, or the Board. The chairperson of the committee should be consulted in this regard.

13.9 MEMBERSHIP: REMUNERATION, HR AND SOCIAL AND ETHICS COMMITTEE

Table 20: 1 April 2025 – 15 July 2025

Name	Tittle	Meetings attended
Mr. TS Tshabalala	Chairperson	0 of 1
Mr. S Bulose	Member	1 of 1
Adv. N Njeza	Member	1 of 1
Dr. B. Mathebula	Member	1 of 1
Dr. N Mabuya	Member	1 of 1

13.10 MEMBERSHIP: REMUNERATION, HR AND SOCIAL COMMITTEE

Table 21: 18 August 2025 – 31 March 2026 (Interim Board)

Name	Tittle	Meeting attended
Mr. Q Dyantyi	Chairperson	4 of 4
Mr. A Mpontshane	Member	4 of 4
Ms. N Kutumela	Member	4 of 4
Mr. N Balton	Member	4 of 4
Ms. A Themba	Member	4 of 4
Ms. T Mashimbye	Member	4 of 4
Ms. N. Mabusela-Aikhuere	Member	4 of 4

13.11 RISK, GOVERNANCE, ACTUARIAL AND LEGAL COMMITTEE

The risk, governance, actuarial and legal committee was established in line with the PFMA and National Treasury Regulations issued in terms of the Act. However, the establishment of the committee is not a statutory requirement for the RAF. The committee covers the actuarial aspects of the organisation in addition to those of risk, among other things. The committee provides oversight on corporate litigation, advises the Board on legislative and regulatory changes and the impact of these changes on the RAF, and reviews category A policies on legal services.

The committee consists of three non-executive Board members. The Director-General of Transport's representative may attend meetings as an invitee. The committee has a cross-membership with the audit committee in that the chairperson of each of the committees serves as a member of the other. The chairperson is an independent, non-executive member of the Board. The committee chairperson is knowledgeable about the status of the committee's position and has the requisite risk management, business, financial and leadership skills. This committee meets at least twice a year but may meet more frequently when necessary.

The following people and bodies may attend committee meetings, as required, but they may not vote: CEO, chief strategy and transformation officer, chief internal audit officer, chief investment officer, the heads of risk and legal, the statutory and internal actuaries, the head of forensics, and other members of senior management. Board members who are not members of the committee may attend committee meetings but may not vote.

13.12 MEMBERSHIP: RISK, GOVERNANCE, ACTUARIAL AND LEGAL COMMITTEE

Table 22: 1 April 2025 – 15 July 2025

Name	Tittle	Meeting Attended
Adv. N Njeza	Chairperson	1 of 1
Mr. S Bulose	Member	1 of 1
Ms. B Khumalo	Member	0 of 1
Mr. TS Tshabalala	Member	1 of 1
Mr. K Sello	Member	1 of 1
Mr. L Nyama	Member	1 of 1
Ms. T Mashimbye	Member	1 of 1

13.13 BOARD SECRETARY

The Board secretary's roles and responsibilities include but are not limited to:

- providing a central source of guidance and support to the Board on matters of good governance;
- assisting with Board induction and training programmes;
- ensuring that Board and committee charters are kept up to date;
- preparing and circulating Board documents;
- eliciting responses for Board and board committee meetings;
- drafting annual work plans;
- ensuring the preparation and circulation of minutes of Board and board committee meetings;
- assisting with the evaluation of the Board, its committees and individual board members; and
- providing assurance that the RAF has lodged all returns, as required by the PFMA.

Non-executive Board members receive a fixed monthly remuneration, which is not determined by the frequency of attendance at meetings. This remuneration is only escalated through inflationary adjustments.

13.14 BOARD MEMBERS' AND EXECUTIVE MANAGEMENT'S REMUNERATION

Non-executive Board members

The Executive Authority approves the remuneration of the Board. Remuneration of non-executive members is benchmarked against the norms for organisations of a similar size and is in line with the guidelines issued by the Executive Authority.

Non-executive Board members receive a fixed monthly remuneration, which is not determined by the frequency of their attendance at meetings. This remuneration is only escalated through inflationary adjustments.

Executive remuneration

2026

	Period*	Salary R'000	Leave pay R'000	Performance Bonus R'000	Pension Contributions R'000	Medical Contributions R'000	Travel Allowance R'000	Acting Allowance R'000	Termination benefits R'000	Total R'000
Chief Executive Officer										
Daniel Phora (Acting)	from 01 December 2025	1 830	-	-	107	-		216	-	2 153
Victor Mzokhanyo Songelwa (Acting)	03 to 30 November 2025	270	15	-	-	-		-	-	285
Phathutshedzo Lukhwareni (Acting)	30 May 2025 to 07 November 2025	1 414	-	-	-	53	494	283	-	2 243
Collins Phutjane Letsoalo	contract ended 06 August 2025	2 603	1 032	-	-	-	-	-	-	3 635
Chief Financial Officer										
Motseoeme James Molefe (Acting)	from 10 November 2025	864	-	-	109	-	-	159	-	1 132
Bernice Potgieter	from 1 March 2022	3 564	-	-	255	109	-	-	-	3 928
Chief Claims Officer										
Ramotlhatlhane Johannes Moatshe (Acting)	from 09 June 2025	1 436	-	-	140	89	-	342	-	2 007
Chief Strategy and Technology Officer										-
Rodney Mkhabela (Acting)	from 29 May 2025	1 930	-	-	-	-	-	319	-	2 250
Phathutshedzo Lukhwareni	from 08 November 20	1 110	-	-	-	41	629	-	-	1 780
Chief Governance Officer										
Mbali Faith Khubisa (Acting)	from 10 December 2025	419	-	-	45	24	209	129	-	827
Francina Mampe Kumalo		2 266	-	-	326	123	678	-	-	3 392

Period*	Salary R'000	Leave pay R'000	Performance Bonus R'000	Pension Contributions R'000	Medical Contributions R'000	Travel Allowance R'000	Acting Allowance R'000	Termination benefits R'000	Total R'000
Chief Internal Audit Officer									
Shonisani Fhumulani Magatshavha (Acting) from 01 December 2025	599	-	-	49	-	-	119	-	766
Daniel Phora until 30 November 2025	868	-	-	51	-	-	-	-	919
Chief Investment Officer									
Shaun Herman Burger Smal (Acting) from 13 June 2025	1 601	-	-	139	-	-	336	-	2 076
Samson Sefotle Modiba (Acting) until 11 June 2025	286	-	-	-	8	159	83	-	536
Chief Corporate Support Officer									
Thembi Putience Mngomezulu (Acting) from 23 September 2025	1 113	-	-	105	27	-	221	-	1 465
Mpho Manyasha (Acting) until 22 September 2025	999	-	-	58	-	-	235	-	1 292
Total	**23 174**	**1 047**	**-**	**1 383**	**474**	**2 169**	**2 442**	**-**	**30 689**

2025

Period*	Salary R'000	Leave pay R'000	Performance Bonus R'000	Pension Contributions R'000	Medical Contributions R'000	Travel Allowance R'000	Acting Allowance R'000	Termination benefits R'000	Total R'000
Chief Executive Officer									
Collins Phutjane Letsoalo	7 066	-	2 773	-	-		-	-	9 839
Chief Financial Officer									
Bernice Potgieter	3 379	-	906	242	102		-	-	-4 629
Chief Strategy and Technology Officer									
Phathutshedzo Lukhwareni	2 145	-	879	248	88	1 064	-	-	-4 424
Chief Governance Officer									
Francina Mampe Kumalo	2 148	-	801	309	115	643	-	-	-4 016
Chief Internal Audit Officer									
Daniel Phora	2 558	-	527	149	-		-	-	-3 234
Chief Investment Officer									
Samson Sefotle Modiba (Acting)	1 643	-	447	58	32	444	422	-	-3 046
Chief Corporate Support Officer									-
Mpho Manyasha (Acting) from 03 April 2024	1 965	-	411	114	-		418	-	2 908
Ian Granville Barriel (Acting) resigned 31 March 2024	-	-	-	-	-		-	456	456
Total	**20 904**	**-**	**6 744**	**1 120**	**337**	**2 151**	**840**	**456**	**32 552**

** The period is disclosed where the incumbent was in the position for less than one year.*

Non-executive Board Members

2026	Members' fees R'000	Total R'000
Board from 06 August 2025		
Mr KW Brown - Chairperson	682	682
Mr QR Dyantyi	500	500
Mr AM Mpontshane	455	455
Ms NK Kutumela	500	500
Ms I Pule	455	455
Ms A Themba	500	500
Mr NI Balton	455	455
Ms N Mabusela-Aikhuere	523	523
	4 068	**4 068**
Board until 15 July 2025		
Ms ZL Francois - Chairperson	341	341
Dr N Mabuya - Vice-Chairperson	261	261
Mr LM Nyama - Chair Committee	250	250
Mr TS Tshabalala - Chair Committee	227	227
Adv N Njeza - Chair Committee	250	250
Dr P Dladla - Chair Committee	250	250
Mr KC Komape - Member	227	227
Ms BB Khumalo - Member	227	227
Dr PB Mathebula - Member	227	227
Mr SB Bulose - Member	227	227
Mr K Sello - Member	250	250
	2 738	**2 738**

2025	Members' fees R'000	Total R'000
Ms ZL Francois - Chairperson	1 023	1 023
Dr N Mabuya - Vice-Chairperson	784	784
Mr LM Nyama - Chair Committee	750	750
Mr TS Tshabalala - Chair Committee	750	750
Adv N Njeza - Chair Committee	750	750
Ms T Mhlari - Chair Committee (resigned 31 August 2024)	312	312
Dr P Dladla - Chair Committee (from 10 September 2024)	720	720
Mr KC Komape - Member	682	682
Ms BB Khumalo - Member	682	682
Dr PB Mathebula - Member	682	682
Mr SB Bulose - Member	682	682
Mr K Sello - Member	682	682
	8 499	**8 499**

14. INTERNAL CONTROL

14.1 RISK MANAGEMENT

The Fund operates in a complex and evolving environment characterised by strategic, operational, financial, regulatory, technological, and reputational risks that may impact the achievement of its mandate and strategic objectives. To address these challenges, the Fund continued to strengthen and embed transparent systems of risk management and internal control across its operations. The ERM maintains an approved Annual Risk Management Plan, which provides the framework for implementing, monitoring and sustaining effective risk management practices across the Fund.

During the year under review, the ERM implemented the Board - approved Annual Performance Plan (APP) and Annual Risk Management Plan. The ERM further facilitated an enterprise-wide risk identification, assessment, mitigation, and reporting process aligned with the Fund's Corporate Strategy and APP.

14.2 RISK MANAGEMENT APPROACH

During the year under review, the Board and EXCO, supported by the Enterprise Risk Management function, undertook a strategic risk assessment to evaluate the RAF's current and prospective risk landscape. The assessment was aligned to the RAF's legislative mandate, the RAF Corporate Strategy 2025-2030, the 2025/26 Annual Performance Plan and the prevailing operating environment.

The assessment considered strategic objectives, emerging and materialised risks, root causes, inherent and residual exposure, control maturity, risk velocity, strategic materiality and required treatment actions. The process also considered whether existing and planned controls were sufficiently embedded to reduce exposure to acceptable levels. The approved strategic risk profile informs enterprise risk reporting, mitigation monitoring, performance management, combined assurance planning and escalation of matters requiring governance intervention.

Other key interventions included:

- Conducting the annual strategic risk assessment to identify and evaluate risks that could impact the achievement of strategic objectives.
- Monitoring key risk indicators and emerging risks across the organisation.
- Providing risk oversight and assurance to the Board, Audit and Risk Committee (ARC), and Executive Management.
- Supporting the integration of risk management into planning, decision-making, governance, compliance, business continuity, ethics management, and privacy management processes.
- Maintaining ongoing monitoring and reporting of risk mitigation actions to ensure accountability and responsiveness to changing risk exposures.

The Fund maintains a continuous monitoring programme to assess the effectiveness of risk mitigation measures and to identify emerging risks. This approach strengthens the Fund's risk management culture and supports the achievement of its mandate, thereby enhancing accountability to stakeholders and Parliament.

14.3 CORPORATE STRATEGIC RISK PROFILE

During the year under review, the ERM function conducted an annual strategic risk assessment to identify potential risks and opportunities related to the 2025/2030 corporate strategy and the 2025/2026 annual performance plan. The assessment identified the following eight strategic risk exposures, listed in order of significance in the table below:

- Underfunded liability
- Financial sustainability
- Litigation-heavy environment
- Claims backlogs and processing delays
- Mismanagement, fraud and corruption
- Reputational risk
- Data and information integrity
- ICT and cybersecurity

Mitigation plans were developed and monitored, with regular reporting to the Board and the Audit and Risk Committee to support independent oversight. Governance oversight was exercised quarterly, ensuring that risk management remained aligned to organisational objectives and responsive to the evolving risk landscape.

14.4 PROGRESS IN MANAGING RISK EXPOSURE

During the year under review, the RAF strengthened the governance, monitoring and treatment of material risk exposures. This included the Board-led strategic risk assessment, improved alignment of strategic risks to the Corporate Strategy and Annual Performance Plan and continued monitoring of mitigation actions through governance structures. Progress was noted in areas such as fraud and corruption

incident resolution, audit action-plan implementation, claims backlog interventions, cash-flow monitoring, claims-payment prioritisation, and the identification of priority treatment areas relating to financial sustainability, litigation, fraud prevention, data governance, ICT, cybersecurity and reputational risk.

14.5 AREAS REQUIRING FURTHER IMPROVEMENT

Although the RAF has established risk governance structures, risk reporting processes, strategic risk assessment practices and mitigation monitoring mechanisms, further improvement is required to reduce material strategic risks to acceptable levels.

Priority improvement areas include:

- strengthening the linkage between risk appetite, key risk indicators and performance reporting;
- improving the quality, timeliness and evidence base of mitigation tracking;
- strengthening control effectiveness monitoring;
- improving accountability by risk owners for mitigation implementation;
- enhancing the integration of risk management with performance, financial reporting, audit outcomes and combined assurance;
- improving the maturity of data governance, ICT governance, cybersecurity and business continuity arrangements; and
- developing and aligning the Risk Appetite and Tolerance Framework to the 2025–2030 Corporate Strategy and the current strategic risk profile.

The Board, Audit and Risk Committee and EXCO will continue to monitor risk movement, mitigation progress, key risk indicators, emerging risks and matters requiring strategic intervention. Management will continue to implement targeted treatment actions and escalate material exposures requiring Board direction, resource allocation or policy engagement.

14.6 RISK MATURITY AT THE RAF

Looking ahead, the Fund will continue implementing its risk maturity roadmap and addressing improvement areas identified through previous maturity assessments. A self-assessment and an independent risk maturity assessment are planned for the 2026/27 financial year to evaluate progress and support the achievement of the desired risk maturity level.

Maturity assessments are conducted to benchmark the Fund's risk management practices against recognised standards and to identify areas for improvement. To advance a sound risk management culture, gaps and areas for improvement identified in the maturity assessments will be integrated into the risk management strategy and risk maturity roadmap, enabling the organisation to achieve the desired maturity level.

15. PRIVACY GOVERNANCE AND ASSURANCE

15.1 OVERVIEW

The Privacy Governance and Assurance Unit provides strategic leadership, independent oversight, and assurance to ensure that privacy governance, policies, controls, and processes are effectively implemented and maintained across the Road Accident Fund (RAF). The Unit plays a key role in promoting compliance with the Protection of Personal Information Act, 2013 (POPIA) and strengthening the organisation's privacy governance framework.

During the 2025/26 financial year, the Unit continued to provide strategic oversight and advisory services to support compliance with POPIA and other applicable data protection requirements. This included monitoring compliance with legislative and internal privacy obligations, conducting privacy risk assessments, and promoting the integration of privacy-by-design principles into organisational projects, systems, and business processes.

As part of its assurance programme, the Unit provided privacy oversight and advisory support to strategic initiatives, including the Menlyn Relocation Project and the East London Relocation Project, to identify and mitigate privacy risks associated with the collection, use, storage, transfer, retention, and disposal of personal information. Privacy assessments were also undertaken for business processes, information systems, and third-party engagements, with recommendations provided to strengthen privacy controls, support lawful processing, and enhance governance practices.

To promote organisational compliance and awareness, the Unit delivered targeted privacy awareness and training programmes to RAF employees and service providers, focusing on lawful processing of personal information, data minimisation, information security, and personal information breach management. Ongoing advisory support was also provided to business units to strengthen privacy compliance and facilitate informed decision-making.

During the reporting period, the Unit monitored and assessed personal information security incidents and provided guidance on incident management and regulatory reporting requirements.

One confirmed personal information breach was reported to the Information Regulator in accordance with section 22 of POPIA. The Unit also conducted cross-border data transfer assessments to ensure that the processing and transfer of personal information outside the Republic of South Africa complied with legislative requirements and that appropriate contractual, technical, and organisational safeguards were in place to protect the rights of data subjects.

These interventions strengthened the Fund's privacy governance framework, enhanced compliance with data protection legislation, improved organisational awareness of privacy obligations, and reinforced stakeholder confidence in the responsible management of personal information. Through continuous monitoring, independent assurance, and proactive stakeholder engagement, the Unit continued to support the effective management of privacy risks and the protection of personal information across the organisation.

16. ASSURANCE AND MONITORING

16.1 CLAIMS ASSURANCE DIVISION

The Claims Assurance Division plays a critical role in strengthening the integrity, accuracy and fairness of the Road Accident Fund's claims settlement environment. During 2025/26, the division provided independent

assurance over active trial matters and non-trial litigated claims by assessing the validity, completeness, accuracy and compliance of settlement offers against applicable management directives, legislative requirements and evidentiary standards.

Claims Assurance contributes directly to strategic risk mitigation by reducing exposure to over-settlement, product misstatement, inadequate linkage between merits and quantum, specialised assessment gaps and recurring control weaknesses. Its work strengthens settlement discipline, improves the evidentiary basis for high-value claims and assists management in identifying systemic issues that may result in financial leakage, weak audit trails or non-compliant payments.

The division's quality framework is aligned to ISO 9000 and ISO 9001 principles, with emphasis on documented procedures, performance measurement, corrective action and continuous improvement. Through data analytics, referral monitoring and structured regional engagement, Claims Assurance provided management with evidence-based insights to strengthen internal controls and improve consistency in claims processing.

16.2 REVIEW SCOPE AND PERFORMANCE FOR 2025/26

During the year under review, a revised Management Directive amended the Claims Assurance review mandate from all capital settlements with an accumulative value of R1 million or more to capital settlements between R1 million and R2 999 999.99. This refinement improved the focus of the division's review scope while retaining Claims Assurance as a key control in the settlement process.

The division reviewed 8,862 referrals valued at R15.295 billion. Of these, 5,689 matters were endorsed, 833 were not endorsed, 38 remained pending, and 2,302 matters were referred back to regions due to late submission for imminent trial review.

Key risks identified included procedural non-compliance in the RNYP environment, unauthorised or premature payment loading, inadequate reconciliation of interim payments, weak evidentiary support and settlement pressure arising from trial matters. Structured case discussions covering 90 cases across 17 sessions also highlighted recurring weaknesses in medical assessments, legal governance, actuarial assumptions, curatorship safeguards and documentation quality.

16.3 MANAGEMENT ACTIONS AND 2026/27 PRIORITIES

Management actions focus on enforcing timely referral and certification, requiring signed Offer Assessment Forms, and strengthening RNYP validation checkpoints. Claims Assurance will prioritise stronger RNYP controls, quarterly sampling across all regions, enhanced engagement with Treasury and internal stakeholders, and additional capacity to support continuous improvement in the claims control environment.

17. COMBINED ASSURANCE AND INTERNAL CONTROL DIVISION

The RAF's Combined Assurance and Internal Control Division continued to play a key role in strengthening governance oversight, risk management and control discipline across the organisation. The Combined Assurance Framework supports integrated assurance by coordinating assurance activities across the three lines of assurance and enabling the Board, through the Audit and Risk Committee, to obtain a more consolidated, risk-informed view of the adequacy and effectiveness of governance, risk management and internal controls.

During the 2025/26 financial year, the RAF strengthened its combined assurance approach through improved coordination of planning, execution and reporting across management, specialist assurance functions, Internal Audit and Forensic Investigation. The Combined Assurance Forum and Regional Combined Assurance Task Teams enhanced collaboration among assurance providers, reduced duplication of effort and improved coverage of strategic, operational and compliance risks.

17.1 RISK ASSURANCE MAPPING AND ASSURANCE COVERAGE

A key governance improvement was the continued use of the integrated Risk Assurance Map as a structured oversight tool. The map enabled more focused assurance planning, improved alignment between assurance activities and strategic risks, and provided management and oversight structures with a clearer view of assurance coverage. During the year, 17 of the 19 planned assurance engagements were completed, representing a 89% completion rate. One engagement relating to the New ICMS project, Bokamoso Release 2, was deferred to the 2026/27 financial year, while one Claims Assurance engagement was cancelled due to structural changes.

17.2 CONTROL ENVIRONMENT MATURITY

Notwithstanding these improvements, recurring high and critical findings indicate that further maturity is required in the control environment. Priority areas include strengthening automation, improving integration between assurance and risk management processes, enhancing responsiveness to control deficiencies, and accelerating the implementation of remedial actions. Management will continue to focus on embedding accountability for corrective actions and ensuring that control weaknesses are addressed in a timely and sustainable manner.

17.3 CONTROL DESIGN AND ADVISORY SUPPORT

During the year under review, the Internal Control function supported business units in designing, implementing and improving controls across key business processes. This included providing guidance on control design, control effectiveness and the implementation of processes aimed at ensuring compliance with applicable laws, regulations, policies and procedures.

A significant governance improvement during the year was the commencement of Control Self-Assessments through a pilot conducted within the Legal Services Department and Supply Chain Management. The pilot introduced a proactive mechanism to assess the adequacy and effectiveness of key controls, strengthen process-owner accountability, and enable early identification of control weaknesses before they result in audit findings, financial loss, or service delivery disruptions.

17.4 STRENGTHENING FIRST-LINE ACCOUNTABILITY

The outcomes of the Control Self-Assessments provided management with structured insight into control design and operating effectiveness across the selected business areas. The pilot also established a foundation for the phased rollout of Control Self-Assessments across the RAF. This initiative strengthens first-line assurance, promotes ownership of controls by process owners and contributes to a more transparent, accountable and preventative control environment.

17.5 ALIGNMENT WITH KING IV GOVERNANCE OUTCOMES

In alignment with King IV governance outcomes, the division's work contributed to ethical and effective leadership, sustainable organisational performance, prudent control and organisational legitimacy. Governance improvements achieved during the year included enhanced assurance coordination, improved risk coverage, strengthened control accountability, better visibility of assurance findings, and the introduction of proactive control self-assessment practices. These improvements support more informed decision-making, stronger oversight and improved accountability for risk, control and performance outcomes.

17.6 OUTLOOK FOR 2026/27

Looking ahead, the Internal Control function will continue to support management in monitoring the implementation of remedial action plans arising from control reviews, self-assessments and assurance activities. The focus will be on improving the responsiveness of the control environment, strengthening automation and integration, enhancing accountability for remediation, and ensuring that assurance activities provide meaningful support to governance oversight, strategic delivery and the RAF's service delivery mandate.

18. LEGAL SERVICES DEPARTMENT OVERVIEW

The Legal Services Department remained a critical governance, litigation management, and legal advisory function, providing strategic support to the RAF's mandate within an operating environment characterised by increasing litigation

volumes, evolving jurisprudence, capacity constraints, and heightened stakeholder expectations.

In recognition of the material impact of the litigation environment on the RAF's financial sustainability, service delivery obligations, and reputation, litigation exposure remained classified as a Critical Strategic Risk (RAF-03: Litigation-Heavy Environment Risk) on the Board-approved Strategic Risk Profile throughout the reporting period.

Looking ahead, the Department will continue to strengthen its litigation management capabilities, enhance legal risk mitigation strategies, and drive regulatory and policy reform initiatives to support organisational sustainability. Focus will also be placed on improving operational efficiencies, leveraging legal analytics to inform decision-making, and proactively responding to emerging legal and governance developments to ensure continued alignment with the RAF's strategic objectives.

The Fund's litigation-heavy operating model was shaped by structural drivers, including litigation stances that were, in certain instances, at variance with the Fund's enabling legislation; an institutional adversarial posture towards claimants; procedural inefficiencies arising from weak coordination between the Legal, Claims, and Treasury functions; and attorney incentive structures that favoured litigation over early resolution. Capacity limitations within Legal Services further contributed to default judgments, system inefficiencies, and fragmented litigation oversight during the period under review.

18.1 MATERIALISED LITIGATION RISK EVENTS

Several materialised legal outcomes crystallised contingent liability and shaped the Fund's exposure profile during the reporting period.

- RAF v Auditor General of South Africa (AGSA): The Fund resolved to discontinue/withdraw its protracted legal challenge against the AGSA following the Supreme Court of Appeal judgment that affirmed the application of Generally Recognised Accounting.
- RAF v Sheriff of the High Court, Pretoria East and RAF v Stoffels (ZASCA 37, 24 March 2026): The Supreme Court of Appeal confirmed the automatic accrual of post-judgment interest under the Prescribed Rate of Interest Act, with direct implications for the in duplum rule and the Fund's judgment portfolio.
- Payment Moratorium Ruling (High Court, 2 September 2025): The High Court in Pretoria dismissed the Fund's application to extend the payment moratorium on writs of execution, materially altering the Fund's liquidity management framework.
- RAF 1 Form Ruling (SCA, 30 April 2026): Required the Fund to revert to the legislated RAF 1 form, resulting in the R322.9 billion provision.
- Undocumented Foreign Nationals Ruling (SCA, April 2026): Confirmed that RAF liability extends to all road accident victims regardless of immigration status.
- The Newnet Properties t/a Sunshine Hospital litigation highlighted the importance of investigating, verifying and appropriately defending disputed supplier claims before judgment is granted. These developments underscored the need for strengthened supplier-claim verification processes, payment governance, litigation management and oversight of court-order compliance.
- The appeal in Discovery Health (Pty) Ltd v Road Accident Fund and Another (SCA case no. 372/2025), argued on 16 February 2026 with judgment reserved, concerns whether the RAF may decline claims for past medical expenses already paid by medical schemes and the lawfulness of its related directives. The forthcoming judgment is expected to resolve divergent High Court authority on the application of the res inter alios acta principle and may materially affect claims adjudication, previously rejected claims, settlement mandates, litigation strategy, financial provisioning and exposure to interest and legal costs. Pending judgment, the Fund is preserving affected claims, assessing its potential exposure under the possible outcomes and reviewing the controls required to prevent duplicate recovery.

18.2 EXTERNAL STAKEHOLDER SENTIMENT

External stakeholder sentiment during the reporting period was materially shaped by adverse legal outcomes, service delivery delays, and heightened oversight scrutiny. External oversight bodies raised sustained concerns regarding litigation losses, governance weaknesses, and declining public confidence arising from delays and inconsistent application of the Fund's positions.

Following the reconstitution of the Board by the Executive Authority in August 2025, the Interim Board, under the chairpersonship of Mr Kenneth Brown, convened two structured stakeholder engagements to address litigation-related concerns:

- Engagement with the Legal Profession (5 September 2025) – Attended by representatives from the Law Society of South Africa, the Legal Practice Council, and the broader legal fraternity. Discussions focused on outstanding amounts owed to plaintiff attorneys, the treatment of writs of execution, and settlement expectations following adverse judgments.

- Engagement with RAF Suppliers of Service (16 September 2025) – Attended by Emergency Medical Services, Hospital Group Associations, Medical Experts Associations, and the Department of Health. Discussions focused on outstanding supplier amounts, service continuity, and administrative processes affecting invoice settlement.

18.3 BOARD STRATEGIC INTERVENTIONS

The Board has approved a targeted reform programme to stabilise organisational performance and reduce exposure to legal costs. The programme focuses on implementing the Hybrid Litigation Model to strengthen capacity; accelerating recruitment and retention interventions to address the 57% vacancy rate; establishing a Default Judgment Prevention Task Force supported by early-warning controls; and procuring a Legal Case Management Tool to improve oversight, case tracking, data auditability and decision-making.

18.4 OUTLOOK

The 2026/27 financial year is expected to be a period of consolidation and controlled transition for the Fund's litigation risk portfolio. The combined effect of anticipated judicial determinations, phased implementation of the Hybrid Litigation Model, operationalisation of the Legal Services Strategic Business Plan, and progress on legislative reform through the RABS Bill is expected to establish a foundation for the sustainable reduction of litigation exposure over the medium term, in support of the Fund's 2025-2030 strategic outcomes

19. INTERNAL AUDIT

19.1 KEY ACTIVITIES AND OBJECTIVES OF THE INTERNAL AUDIT

The RAF's Internal Audit function forms an integral part of the organisation's corporate governance system. Its purpose is to provide independent, objective assurance and consulting services designed to add value and improve the RAF. Internal Audit assists the RAF to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal controls, risk management and governance processes.

Internal Audit assists Management in identifying, evaluating and assessing significant organisational risks and provides reasonable assurance as to the adequacy and effectiveness of related internal controls. Where controls are found to be deficient or not operating as intended, recommendations for enhancement or improvement are provided. The risk-based Internal Audit Plan was developed and implemented based on the RAF strategic risks.

The Internal Audit function Generally Conforms with the International Standards for the Professional Practice of Internal Auditing (ISPPIA) of the Institute of Internal Auditors as per the External Quality Assurance report issued in May 2021. The review was conducted by external, qualified and independent assessors and resulted in a favourable rating of "Generally Conforms". The next external quality assurance review is due in the 2026/2027 financial year.

Internal Audit has reviewed its governance documents (i.e Internal Audit Charter, Methodology) to align with the Global Internal Audit Standards.

19.2 AUDIT WORK CONDUCTED

Audit Committee approved the annual Internal Audit plan, and audits were conducted in line with the approved Internal Audit Plan. The audits conducted covered the following areas, including but not limited to Performance Information, Information and Communication Technology, Operations (Claims), Finance, Supply Chain Management, and Human Capital, of which some audits were integrated and covered the review of both the manual and automated controls. The tracking was conducted on prior year audit findings in order to give assurance on the progress made by management in implementation of action plans to enhance internal controls. Internal Audit has conducted ad-hoc assignments requested by management.

19.3 EFFECTIVENESS OF INTERNAL CONTROL

Internal Audit has evaluated the adequacy and effectiveness of internal controls through the audits that were conducted and identified control weaknesses that resulted in certain areas requiring improvement.

19.4 AUDIT COMMITTEE RESPONSIBILITY

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

20. COMPLIANCE WITH LAWS AND REGULATIONS

The RAF, as a Schedule 3A public entity, is required to comply with all applicable legislation and regulatory requirements in terms of section 51(1)(h) of the PFMA. To this end, the Fund has established a compliance function supported by a Board-approved compliance framework. The compliance methodology is aligned with the Fund's enterprise risk management framework and adopts a risk-based approach to compliance management.

The compliance function provides advisory services on regulatory requirements impacting specific business units and ensures that relevant stakeholders are kept abreast of new or amended regulatory obligations. Continuous training and awareness initiatives are undertaken to embed a culture of compliance through structured training programmes and compliance awareness campaigns.

20.1 STATUS OF THE RAF REGULATORY UNIVERSE

The RAF's approved Regulatory Universe comprises 85 pieces of legislation, regulations, and standards that govern our operations. The RAF's regulatory framework is categorised into primary, secondary, topical, and other pieces of legislation as follows:

Primary Legislation: Twenty-Two (22): Legislation that relates directly to the organisation's main operations, services, or functioning (or relevant organisational structure being considered). By their nature, they are core to/or have a significant impact on an organisation's main operations, activities, or functions.

Secondary Legislation: Twenty-Three (23): Compliance obligations, including those that apply to the organisation but are not core to the organisation's type of business, i.e., not specific to the type of business conducted. Non-compliance, or perceived non-compliance, with these items will likely create a negative perception among external stakeholders.

Topical Legislation: Thirty-Six (36): Compliance obligation source items that are not core but pose a higher impact (for example, financially and reputationally) on the organisation due to a heightened focus by stakeholders such as customers and regulators.

Other: Four (4): Compliance obligations that are not primary, topical, or secondary legislation; however, they apply to RAF on a regular or ad-hoc basis.

This regulatory framework ensures that the Fund operates within its legislative mandate while fulfilling its obligation to provide compensation to road accident victims in accordance with the RAF Act.

21. ETHICS AND CODE OF CONDUCT

The Road Accident Fund (RAF) remains committed to embedding a culture of integrity, accountability and ethical conduct across the organisation. Guided by King IV and the values enshrined in section 195 of the Constitution of the Republic of South Africa, 1996, the Fund's Ethics Management Policy, which serves as the formal Code of Conduct, ensures that ethical principles inform decision-making and stakeholder engagement.

The Ethics Unit plays a central role in overseeing and promoting ethical conduct within the RAF. Its mandate includes coordinating initiatives that strengthen an ethical organisational culture, as well as establishing, managing, and monitoring the whistleblowing mechanism. This responsibility extends to maintaining a comprehensive register of reported whistleblowing cases, in accordance with the RAF Ethics Policy.

21.1 ETHICS MANAGEMENT AND GOVERNANCE

The Ethics Unit achieved 88% of its annual performance targets during the year under review, notwithstanding resource constraints. Compliance with key governance requirements was high, most notably a 98% submission rate for Declarations of Interest, which are verified against Companies and Intellectual Property Commission (CIPC) data. In addition, ethics induction was conducted for all new employees, and refresher ethics awareness training was delivered across all task grades.

21.2 MANAGING CONFLICT OF INTEREST

Conflict-of-interest management remains a critical governance requirement, particularly within Supply Chain Management (SCM) and recruitment processes. Compliance with the RAF Ethics Policy has shown sustained improvement, supported by structured ethics management processes and active employee participation. High compliance levels were recorded in key areas, including Declarations of Interest (98%), External Remunerative Work approvals, and the disclosure of gifts and staff-related matters. The increase in advisory requests and voluntary disclosures reflects growing transparency and alignment with prescribed ethical standards and organisational policies.

21.3 WHISTLEBLOWING AND ACCOUNTABILITY

The Fund's reporting culture has matured, reflecting increased confidence in its reporting mechanisms. During the year under review, the Ethics Unit recorded 40 allegations of unethical conduct. A notable indicator of confidence is that 80% of whistleblowers in unethical conduct cases elected to disclose their identities. Of the 40 cases reported, 27 were finalised during the reporting period. The remaining 13 cases are subject to ongoing investigation and case management, with targeted improvements to turnaround times planned for the ensuing financial year

21.4 SUSTAINING AN ETHICAL CULTURE

To foster an ethical working environment, the Ethics Unit implemented a multi-faceted awareness strategy comprising the following initiatives:

- Localised Support: Appointment of 84 Ethics Ambassadors across the Fund's regional offices.
- Continuous Communication: Publication of regular ethics newsletters and campaigns to reinforce the Fund's organisational values.
- Active Enforcement: The Remuneration Committee (REMCO) continues to exercise oversight of the ethics function, ensuring accountability, transparency, and compliance with governance standards.

The Ethics Unit remains committed to strengthening the Fund's policy framework, verification measures and monitoring mechanisms to ensure that ethical conduct and integrity are embedded at all levels of the organisation.

22. FRAUD AND CORRUPTION

22.1 FORENSIC INVESTIGATIONS

The Investigations component, which comprises both the External Investigations Unit and the Outsourced Investigations Unit, continued to play a critical role in strengthening governance and accountability across the Road Accident Fund (RAF). During the reporting period, there were notable achievements, including 13 arrests and 8 convictions arising from targeted investigative interventions. These outcomes reflect the unit's commitment in supporting the organization to address fraud and corruption by collaborating with law enforcement agencies. Complementing these efforts, there were 16 finalised cases that were referred to Employee Relations for the disciplinary hearings process.

22.2 FRAUD PREVENTION

During the 2025/26 financial year, the Fraud Prevention and Deterrence Unit implemented 67 fraud prevention interventions across the organisation and its stakeholder value chain. These interventions included structured fraud awareness training, induction sessions for new employees, targeted engagements in high-risk areas, and ongoing internal communication initiatives.

To institutionalise a structured and preventative approach to fraud management, the RAF developed a comprehensive Anti-Fraud and Corruption Strategy. In support of the Strategy, key anti- fraud governance instruments were developed, including the Anti-Fraud and Corruption Policy and the Fraud Response Plan. These guiding documents clarify roles and responsibilities, strengthen whistleblowing protections, standardise reporting, response, and escalation procedures, and reinforce the RAF's zero tolerance stance on fraud and corruption. Together, they provide a coordinated framework for the prevention, early detection, and effective management of fraud-related incidents across the organisation.

In addition, the Fraud Prevention and Deterrence Unit continued to monitor the implementation of investigation recommendations through the central recommendations register, focusing on control improvements, recoveries, disciplinary actions, and referrals to external authorities. Collectively, these interventions reflect a shift towards a proactive, preventative, and risk-based fraud management framework, aimed at reducing fraud exposure, strengthening internal controls, and reinforcing ethical conduct throughout the RAF.

22.3 CYBER FORENSICS AND FRAUD DETECTION

The Cyber Forensics unit has matured its operations by formalising and approving SOPs for Digital Forensics and Fraud Data Analytics. Building on these frameworks, multiple analytics projects were executed and used to test system efficiency and fraud-detection capabilities. Successfully converting raw data into measurable business value and actionable insights into operational pain points.

23. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

During the reporting period, the RAF sourced a service provider to conduct the annual occupational health and safety (OHS) compliance audit. The purpose of the audit was to measure the level of compliance with the Occupational Health and Safety

Act (1993) as amended. The audits were conducted at the RAF's head office and regional offices, as well as customer service centres.

Table 23: OHS Score

Region	2024/25	2025/26	% change
Centurion	90%	94%	+4%
Pretoria	81%	89%	+8%
Johannesburg	87%	90%	+3%
Cape Town	99%	94%	-5%
Durban	85%	89%	+4%
East London	74%	68%	-6%
Bloemfontein	90%	93%	+3%
Kimberley	91%	92%	+1%
Mahikeng	92%	72%	-20%
Nelspruit	92%	85%	-7%
Polokwane	88%	87%	-1%
Port Elizabeth	83%	63%	-20%

23.1 OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

Each region has an occupational health and safety committee which manages health and safety in that particular region, ensuring that health and safety practices are implemented to reduce hazards in the workplace, monitor incidents and manage health and safety risks.

23.2 HEALTH AND SAFETY TRAINING AND AWARENESS

Safety awareness is an ongoing practice within the RAF to ensure that employees are informed of the OHS procedures and policies.

23.3 ACCIDENT AND INCIDENT MONITORING

No major incidents were reported in 2025/26. However, minor incidents were managed by the relevant OHS offices in the respective RAF offices and centres.

24. CORPORATE SOCIAL RESPONSIBILITY

In support of its socio-economic development objectives and post-crash care mandate, the RAF continues to invest in Corporate Social Responsibility (CSR) initiatives during the year under review. These interventions focused on improving rehabilitation and trauma care services, supporting persons with disabilities, enhancing road user wellness, providing educational opportunities for students with special needs, and strengthening community support programmes.

Key achievements included the R4,6 million repurposing of the Barberton TB Hospital into a rehabilitation centre in partnership with the Mpumalanga Department of Health, caregiver training that benefited 24 RAF claimants and caregivers, participation in the Disability Summit and Career Expo involving more than 45 schools, and bursary support for 17 students with special needs across eight universities.

The Fund also expanded road safety and wellness interventions, reaching over 23 000 long-distance drivers and mobilising 320 employees across 10 offices to participate in Mandela Day community outreach activities.

In addition, the RAF allocated R8,38 million in grants and donations to strategic partners supporting disability inclusion, trauma care, tertiary education, community development and emergency medical services.

Total CSR expenditure for the year amounted to approximately R21.33 million, comprising:

- CSR project expenditure: R12.95 million
- Strategic partner grants and donations: R8,38 million

This investment demonstrates the RAF's continued commitment to creating sustainable social impact, promoting rehabilitation and inclusion, and supporting vulnerable communities affected by road crashes.

25. CORPORATE COMMUNICATIONS

25.1 INTRODUCTION

During the reporting period, the department made a significant contribution to advancing the RAF's strategic priorities by strengthening public awareness, enhancing stakeholder confidence, and improving the visibility of the Fund's services. Through targeted campaigns, consistent brand messaging, proactive media engagement, and evidence-based research insights, the department supported informed decision-making and reinforced the RAF's commitment to accessibility, accountability, and service delivery.

Notable successes included the rollout of a comprehensive public awareness campaign to support backlog reduction by encouraging claimants to take ownership of their claims and submit outstanding documentation. The department also played a critical role in protecting the RAF's reputation by responding to inaccurate claims of maladministration with factual communication on operational improvements, service enhancements, and cost-containment measures achieved during the year.

The year was not without challenges. Heightened public, media, and parliamentary scrutiny placed increased pressure on the department to communicate with speed, accuracy, and credibility. Despite this demanding environment, the department sustained clear and consistent messaging on the

RAF's mandate, accessibility, service improvements, and institutional achievements, ensuring that balanced and accurate information remained visible in the public domain.

25.2 MARKETING CAMPAIGNS

Multi-channel campaigns improved RAF visibility, public awareness, and service accessibility through national activations and targeted regional campaigns that supported claims finalisation. Success Stories educated the public on RAF benefits and claims processes through televised claimant recovery journeys. The Backlog Campaign encouraged claimants to submit outstanding documents to support the finalisation of aged claims. Road safety campaigns targeted high-risk periods in partnership with media partners, the RTMC, SANRAL, and the Department of Transport.

25.3 REPUTATION MANAGEMENT

Reputation management generated R156.8 million AVE, including R25.5 million in free coverage, with media monitoring informing responsive engagement and public education. Radio collaborations amplified RAF services and road-safety messages, including learner education through Intokozo FM. Media engagement addressed SCOPA, SIU matters, outstanding claims, fraud awareness, executive matters and vulnerable claimant issues, reinforcing transparency and accountability.

In the first half of the year, the organisation maintained consistent visibility regarding its mandate, key achievements, milestones, products, and services, while addressing emerging issues raised during media and public inquiries. In the latter part of the year, the organisation faced pressure primarily due to negative media coverage stemming from parliamentary oversight matters, fuel price increases, and court judgments. Most of the negative coverage came from articles on the parliamentary probe, followed by adverse comments about the fuel levy in the context of fuel price increases, and then adverse court judgments.

Media sentiment was made up of 609 positive clips, 2 644 negative clips, and 4 888 neutral clips.

25.4 SOCIAL AND DIGITAL MEDIA

Social and Digital Media expanded RAF's online presence through organic and paid campaigns aligned to national events and organisational priorities. Videos, reels, static posts, live coverage, and storytelling reinforced public education and road safety messaging across key national campaigns. Digital performance remained strong: Easter reached 17.8 million people and 36 million impressions; Festive Season generated 7.8 million Facebook views and 1.9 million Instagram reach; YouTube exceeded 1.6 million views.

26. ROAD SAFETY

Road safety remains a core component of the RAF's mandate to reduce the impact of road crashes in South Africa. In support of the Department of Transport's National Road Safety Strategy and the national target of halving road fatalities by 2030, the RAF continued to implement preventative road safety interventions aimed at addressing key crash risk factors, promoting safer road-user behaviour, and protecting vulnerable road users. Through targeted awareness, education, driver development and infrastructure initiatives, the Fund contributed to DoT's efforts to create a safer road environment and reduce the future burden of road crash injuries and fatalities.

26.1 YOUTH ROAD SAFETY AND DRIVER DEVELOPMENT

To contribute to safer driving behaviour among young road users and support the objectives of the National Road Safety Strategy, the RAF implemented youth-focused road safety interventions across four provinces with high crash rates.

The programme reached approximately 2 500 young people through awareness and education initiatives and supported the implementation of 15 youth ambassador projects promoting responsible road use within communities. In addition, the programme enhanced youth employability and road safety compliance by enabling 331 young people to obtain learner licences and 288 to obtain driving licences, thereby contributing to the development of safer and more responsible drivers.

26.2 LEARNER AND SCHOOL SAFETY

The RAF continued to prioritise learner safety through interventions aimed at protecting school-going children, who remain among the most vulnerable road users. During the year under review, the Fund provided 1 840 scholar patrol uniforms to 186 schools and implemented learner road safety awareness programmes that reached more than 100 000 learners across 261 schools. These initiatives strengthened road safety education, promoted safer road-crossing practices, and increased visibility around school environments.

26.3 ROAD-USER EDUCATION AND AWARENESS

The RAF implemented targeted road-user education and awareness programmes focusing on groups exposed to elevated road crash risks. The initiatives reached 986 commercial drivers, 604 scholar transport drivers, and more than 1 200 employees through road safety awareness campaigns and training interventions. To improve cyclist safety and visibility, the Fund also distributed over 1 500 reflective safety bibs. These interventions contributed to increased awareness of road safety responsibilities and encouraged safer road-user behaviour.

26.4 LOW-COST INFRASTRUCTURE INTERVENTIONS

To enhance safety in high-risk areas and support safer mobility for learners, the RAF implemented low-cost road safety infrastructure improvements at selected schools in KwaZulu-Natal, the Western Cape and Mpumalanga.

Interventions included the installation of traffic-calming measures such as speed humps and pedestrian crossings. These improvements contributed to creating safer school environments and reducing road safety risks for learners and surrounding communities.

26.5 OVERALL ROAD SAFETY CONTRIBUTION

Through these interventions, the RAF continued to support the Department of Transport's efforts to improve road safety outcomes and advance the implementation of the National Road Safety Strategy. By focusing on prevention, education, and behavioural change, the Fund's aim is to contribute to reducing road crash risks, protecting vulnerable road users, and promoting safer roads for all South Africans.

27. TECHNOLOGY & DIGITAL DELIVERY AND PERFORMANCE

Technology and Digital continued to play a critical role in enabling the RAF's strategic objectives through the provision of secure, resilient, and reliable technology services that support claims management, operational efficiency, governance, and service delivery. During the year under review, the focus remained on strengthening digital capabilities, improving technology governance, enhancing network performance, advancing cybersecurity, and laying the foundation for data-driven decision-making and digital transformation.

27.1 CLOUD STABILISATION AND APPLICATION RESILIENCE

The RAF continued to optimise and stabilise its cloud-based technology environment to improve the availability, performance, and scalability of critical business applications. These initiatives enabled the efficient processing of claims and payments.

Ongoing optimisation of cloud workloads is aimed at enhancing system reliability, performance, and security while ensuring that the technology environment remains responsive to business requirements.

Furthermore, the upgrade of the Citrix platform is aimed at improving user access and stability for legacy applications that continue to operate within the Citrix environment, thereby supporting uninterrupted business operations.

27.2 NETWORK MODERNISATION AND PERFORMANCE ENHANCEMENT

To improve connectivity and user experience across the organisation, the RAF upgraded its network infrastructure through the implementation of Software-Defined Wide Area Network (SD-WAN) technology and enhanced Wi-Fi capabilities across major regional offices.

The modernised network environment resulted in improved performance, reliability, and operational efficiency, enabling employees to access critical systems and services more effectively. Building on this progress, the Fund will continue extending these improvements to Service Centres during the next financial year to ensure consistent service delivery across all operational sites.

27.3 STRENGTHENING ICT GOVERNANCE, RISK MANAGEMENT AND ASSURANCE

Technology and Digital Department continued to strengthen the ICT control environment through proactive governance, risk management, compliance, and assurance activities.

During the year under review, the RAF continued to strengthen its governance, risk, compliance, and control environment through oversight provided by the Auditor-General of South Africa (AGSA) and Internal Audit reviews. Key focus areas included ICT governance, cybersecurity, and IT service

delivery. The implementation of corrective measures enhanced the effectiveness of technology controls and cybersecurity capabilities, demonstrating the RAF's ongoing commitment to sound governance, continuous improvement, and the proactive management of technology-related risks.

27.4 ADVANCING ICT GOVERNANCE MATURITY

The RAF enhanced its ICT governance framework to align with the latest Corporate Governance of ICT Policy Framework, applicable legislative requirements, and tailored COBIT 2019 governance objectives.

As part of these improvements, the establishment of the IT Steering Committee and Data Governance Committee commenced during the reporting period and is expected to further strengthen governance oversight, accountability, and decision-making relating to technology and data.

These initiatives support the principles of King IV by strengthening the governance of technology and information in a manner that supports the achievement of organisational objectives and value creation.

The Fund also demonstrated measurable progress in governance maturity. Following an independent ICT governance maturity assessment which rated the RAF at Level 2 during FY2023/24, a subsequent Internal Audit assessment conducted during FY2025/26 reported an average maturity level of 3 across prioritised COBIT 2019 governance domains. This improvement reflects strengthened governance practices, enhanced controls, and increased organisational capability to manage technology risks and opportunities effectively.

27.5 ENABLING DIGITAL TRANSFORMATION

Technology and Digital Department continued to support the RAF's digital transformation agenda through strategic investments in technology capabilities aimed at improving operational effectiveness, claimant experience, and organisational agility.

The focus remains on modernising business processes, improving integration across systems, and leveraging digital technologies to enhance service delivery and support the achievement of the Fund's strategic outcomes.

27.6 INTEGRATED CLAIMS MANAGEMENT SYSTEM (ICMS)

The Integrated Claims Management System (ICMS) remains the cornerstone of the RAF's digital claims environment.

During the year under review, efforts continued to enhance the platform's functionality and integration capabilities to support end-to-end claims management processes. Future enhancements will focus on increased integration with internal applications, external stakeholders, and additional technology solutions to improve efficiency, data sharing, and service delivery throughout the claims value chain.

27.7 EXPANDING CLAIMANT SELF-SERVICE CAPABILITIES

Improving accessibility and convenience for claimants remains a key strategic priority. The RAF is putting plans in place to advance digital self-service capabilities aimed at simplifying claimant interactions and improving service responsiveness.

Planned enhancements will enable faster onboarding of claims, improved access to claims information, and greater transparency regarding claim status and processing progress. These initiatives are expected to enhance claimant experience while supporting operational efficiency.

27.8 ENHANCING CYBERSECURITY RESILIENCE

Cybersecurity remained a strategic priority as the RAF continued to strengthen its protection of critical information assets, technology infrastructure, and digital services.

The Fund implemented and enhanced cybersecurity controls to address evolving cyber threats and improve organisational resilience. Employee cybersecurity awareness and training programmes continued to be rolled out to promote a culture of security awareness and responsible information management.

Additional cybersecurity solutions will be implemented in the forthcoming financial year to further strengthen the security posture of the organisation and protect critical systems and data.

27.9 DATA GOVERNANCE AND DATA QUALITY MANAGEMENT

Recognising the strategic value of reliable data in decision-making and performance management, the RAF continued to advance its Data Governance Programme through a hybrid top-down and bottom-up approach.

Significant progress was made in establishing a technical data quality framework, supported by the

implementation of a Data Quality Compliance Portal. The portal was configured to automate periodic data quality assessments and monitor the health of critical data domains, products, and assets within the Bokamoso (Guidewire) Claims Centre environment.

The Fund also progressed the establishment of a formal Data Governance framework and Data Governance Committee, which will provide oversight of organisational data management practices. Once implemented, an integrated data ownership and stewardship model will be operationalised to strengthen accountability for data quality, data integrity, and compliance across the enterprise.

These initiatives will support improved decision-making, enhanced reporting reliability, stronger regulatory compliance, and greater confidence in organisational information assets.

27.10 LOOKING AHEAD

Technology and Digital will continue to implement key strategic initiatives aimed at supporting the RAF's four strategic outcomes, enhancing service delivery, strengthening governance, and enabling digital transformation.

Priorities for the coming year include the completion of procurement processes, onboarding of implementation partners, expansion of self-service capabilities, further cybersecurity enhancements, and the continued advancement of ICT and data governance maturity. Through these initiatives, the Fund aims to build a secure, integrated, and digitally enabled operating environment that supports sustainable organisational performance and improved claimant outcomes.



28. PERFORMANCE INFORMATION ON B-BBEE COMPLIANCE

The following information has been completed in accordance with requirements of the Broad-Based Black Economic Empowerment Act (2013) and as determined by the Department of Trade, Industry and Competition.

Table 24: Performance information on B-BBEE compliance

Has the entity applied any relevant code of good practice (B-BBEE certificate levels 1-8) with regards to the following?		
Criteria	**Response Yes/No**	**Discussion/Comments**
Determining the qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	The RAF does not issue licences, concessions, or other authorisations
Developing and implementing a preferential procurement policy	Yes	Procurement policy is in place and in line with the latest SCM prescripts.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering partnerships with the private sector	No	
Determining the criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE	Yes	The RAF applies criteria such as the percentage of ownership by Black women when evaluating and awarding grants to ESD beneficiaries in line with the provisions and principles of the B-BBEE Codes of Good Practice and broader policy framework. The RAF's budget for 2025/26 to support Black-Owned enterprises is in line with the ESD imperative and amounted to R9.7 million. This was committed to support 27 beneficiaries.

Approved by:

Accounting authority:
Road Accident Fund
Date: / /



PART D:
PEOPLE MANAGEMENT

29. INTRODUCTION

The people management (PM) department is at the centre of the RAF's transformation journey. It aspires to lead by example as a service-oriented team that provides expert (PM) advice and support to foster a transformative and buoyant environment that is based on excellence and accountability.

The RAF's demand for transformative, strategic, and collaborative people management services continues to grow. This is because it is committed to maximising individual potential, increasing organisational capacity and positioning the RAF as an employer of choice.

29.1 RAF EMPLOYMENT EQUITY

Employment equity targets are continuously monitored and reported, in line with the RAF's employment equity obligations through employment equity committees.

This forms part of the RAF's wider people management transformation effort.

The table below reflects the RAF's Employment Equity Statistics (excl. white males).

It is noted that the RAF has submitted a five-year EE plan with targets for the next five years to ensure demographic representivity.

Table 25: RAF's Employment Equity Statistics

Occupational Category	Male				Female					Grand Total
	African	Coloured	Indian	Total	African	Coloured	Indian	White	Total	
Top Management	3			3	5			1	6	9
Senior Management	24	2	3	29	21		1	4	26	55
Professional qualified	164	16	12	192	209	15	24	13	261	453
Skilled	587	37	22	646	835	60	63	49	1 007	1 653
Semi-skilled	257	26	8	291	391	27	9	9	436	727
Unskilled	4			4	16	1			17	21
Grand Total	**1 039**	**81**	**45**	**1 165**	**1 477**	**103**	**97**	**76**	**1 753**	**2 918**

People living with Disabilities Statistics

The representation of people living with disabilities is **2.00%**. This is below the target of **4.00%** for 2025/26 financial year. Various interventions are planned to address this under-representation.

Conducting ongoing awareness campaigns to encourage employees to voluntarily disclose disabilities, thereby improving the accuracy of disability representation data.

Establishing targeted recruitment objectives, including the appointment of at least five (5) People with Disabilities per region, as well as the recruitment of learners, interns, and graduates with disabilities during the 2025/26 financial year.

Identifying and earmarking suitable vacancies across all divisions specifically for the recruitment of People with Disabilities.

Strengthening partnerships with institutions of higher learning, disability forums, and relevant stakeholders to attract suitably qualified graduates and interns with disabilities.

Ensuring that recruitment and selection processes are inclusive, accessible, and aligned with employment equity objectives.

Monitoring and reporting on disability representation targets quarterly to track progress and implement corrective measures where required.

Promoting reasonable accommodation and an inclusive work environment to support the attraction, retention, and advancement of employees with disabilities.

Table 26: People living with disabilities

Occupational Category	Male				Female					Grand Total
	African	Coloured	White	Total	African	Coloured	Indian	White	Total	
Professional qualified	2		1	3	2	2			4	7
Skilled	10		1	11	11	2	1	5	19	30
Semi-skilled	6	1		7	12	1	2		15	22
Unskilled					1				1	1
Grand Total	**18**	**1**	**2**	**21**	**26**	**5**	**3**	**5**	**39**	**60**

During the 2025/26 financial year, People Management at the RAF focused on strengthening organisational capability through targeted strategic initiatives to enhance talent attraction, retention, employee engagement, and organisational performance. These initiatives were implemented in alignment with the RAF's strategic objectives and transformation agenda, ensuring a resilient, capable, and future-ready workforce.

29.2 STRATEGIC PEOPLE MANAGEMENT INTERVENTIONS

The representation of people living with disabilities is **2.00%**. This is below the target of **4.00%** for 2025/26 financial year. Various interventions are planned to address this under-representation.

People Management executed a range of focused interventions to support the employee lifecycle, including strengthening performance management practices, advancing organisational effectiveness, enhancing employee engagement, and investing in skills development. These initiatives collectively contributed to building a high-performance culture and improving the employee value proposition across the organisation.

Recognising the link between performance and engagement, the RAF developed and implemented an Employee Engagement Framework during the year under review. This framework established structured platforms to promote employee participation, reinforce organisational culture, and entrench the ICARE^2 values, ultimately supporting a motivated and engaged workforce.

Employee engagement was further enhanced through the development of a comprehensive Employee Value Proposition (EVP), which articulates the RAF's offering in terms of rewards, development opportunities, work environment, and overall employee experience.

Learning and Development remained a strategic enabler of organisational transformation. The implementation of a structured training plan aligned to the L&D strategy supported capability building across the organisation. A hybrid learning approach facilitated the delivery of 7 707 training interventions to 2 257 employees, addressing both operational and strategic skills requirements.

Employee wellness remained a priority, with comprehensive programmes implemented to support employee health, resilience, and productivity. The Employee Assistance Programme recorded strong engagement levels at 59%, reflecting effective utilisation of counselling and support services.

Wellness initiatives focused on preventative health, mental well-being, and lifestyle management, including gender-based programmes, physical wellness activities, HIV/AIDS awareness, and support for employees navigating organisational change.

The RAF demonstrated strong talent acquisition and retention capabilities, with 195 permanent appointments made during the year and a low attrition rate of 3.68%, significantly below market benchmarks. This performance reflects the effectiveness of the RAF's competitive remuneration framework and its commitment to maintaining a supportive and enabling work environment.

29.3 OVERALL STATISTICS

Table 27: Personnel Cost by Programme

2025/2026	Total Expenditure for the Entity (R'000)	Personnel Expenditure (Total Employment Cost (TEC) and Non-TEC People Management-related Costs) (R'000)	Personnel Expenditure as a Percentage of Total Expenditure %	No.of Permanent Employees	Average Personnel Cost per Employee (R'000)
All	7 901 353	2 909 216	37%	2 472	1 177

Table 28(a): Personnel Cost by Salary Band (TEC)

2025/26 Level	Personnel Expenditure (TEC) (R'000)	Percentage of personnel Expenditure to total personnel cost	Employees	Average cost per employee (R'000)
Top management	32 306	2%	9	3 590
Senior management	103 805	5%	50	2 076
Professionally qualified	580 526	30%	461	1 259
Skilled	971 768	50%	1 332	730
Semi-skilled	262 679	13%	608	432
Unskilled	3 051	0%	12	254
Total	**1 954 135**	**100%**	**2 472**	**791**

Personnel expenditure (TEC) is total annual TEC paid. The number of employees is the total employed as at 31 March 2026.

Table 28(b): Personnel Cost by Salary Band (TEC) – Non-Permanent Employees

2025/26 Level	Personnel Expenditure (TEC) (R'000)	Percentage of personnel Expenditure to total personnel cost	Employees	Average cost per employee (R'000)
Fixed Term Contractors	240 839	94%	471	511
Graduate	3 043	1%	8	380
Internship / Learnership	13 730	5%	203	68
Total	**257 613**	**100%**	**682**	**378**

Personnel expenditure (TEC) is total annual TEC paid. The number of contractors is the total for the year.

Table 29(a): Performance Rewards – Permanent Employee

2025/26 Level	Performance Rewards (R'000)	Personnel Expenditure (TEC) (R'000)	Percentage of Performance Rewards to Total Personnel Cost
Top management	6 952	32 306	22%
Senior management	17 097	103 805	16%
Professionally qualified	83 511	580 526	14%
Skilled	116 233	971 768	12%
Semi-skilled	32 160	262 679	12%
Unskilled	336	3 051	11%
Total	**256 289**	**1 954 135**	**13%**

Bonus payment to Top Management excludes Executives.

Table 29(b): Performance Rewards – Non-Permanent Employee

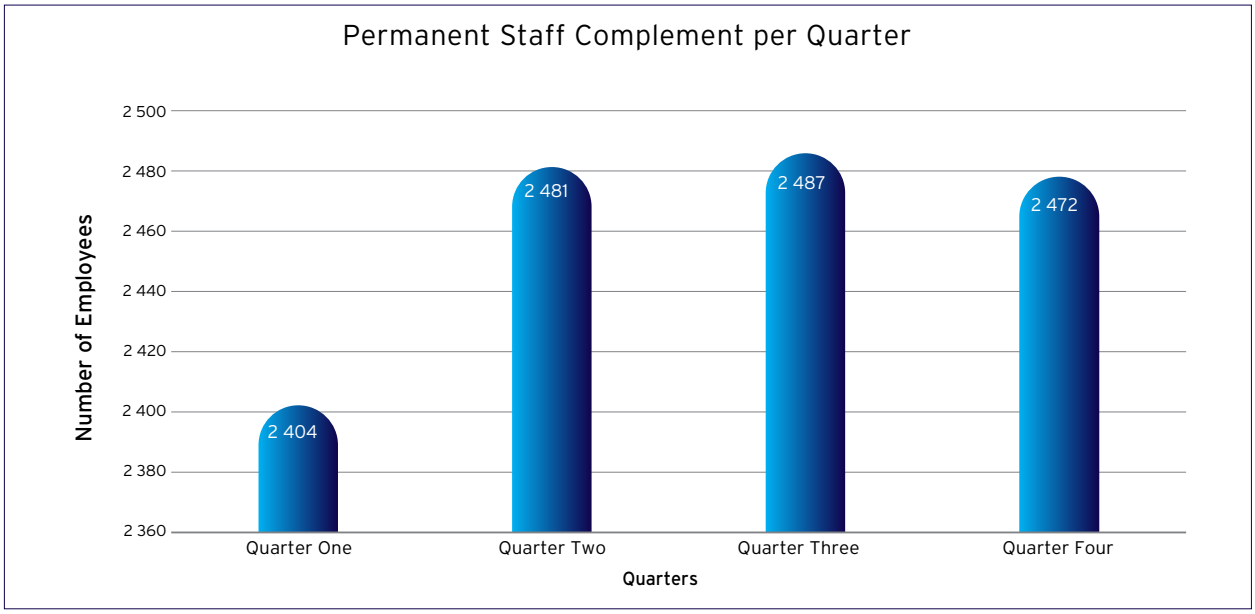
2025/26 Level	Performance Rewards (R'000)	Personnel Expenditure (TEC) (R'000)	Percentage of Performance Rewards to Total Personnel Cost
Fixed Term Contractors	13 110	240 839	5%
Graduate	0	3 043	0%
Internship/Learnership	0	13 730	0%
Total	**13 110**	**257 613**	**5%**

Table 30: Training Costs

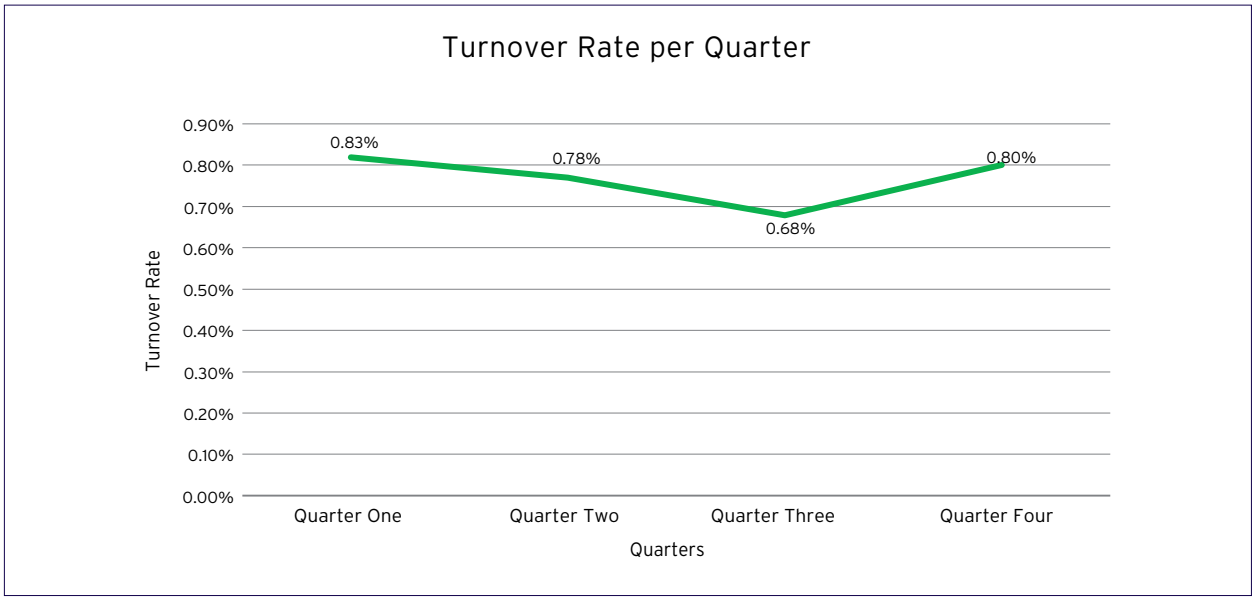
2025/26	Personnel Expenditure (TEC-related costs) (R'000)	Training Expenditure (R'000)	Training Expenditure as a percentage of personnel cost	Employees Trained	Average training cost per Employee (R'000)
Business unit					
Learning and development	1 954 135	4 376	0%	2 257	2

29.4 EMPLOYMENT STATISTICS

Graph 18: Permanent staff complement per quarter (2025/26)



Graph 19: Staff turnover rate per quarter (2025/26)





Staff movement

The RAF strives to attract and retain competent and capable staff. Emphasis is placed on candidates who will enhance equitable representation in the organisation, in terms of the national economically active population statistics guidelines.

Table 31: Staff movement

2025/26 Level	Employment as at 1 April 2025*	Appointments External	Terminations	Employment as at 31 March 2026
Top Management	13	0	4	9
Senior Management	46	4	1	49
Professionally Qualified	370	98	24	444
Skilled	1 347	44	45	1 346
Semi-Skilled	620	10	18	612
Unskilled	12	0	0	12
Total	**2 408***	**156**	**92**	**2 472**

** The opening employment balance of 2 408 as at 1 April 2025 differs from the audited closing balance of 2 405 as at 31 March 2025 due to employees terminated on 31 March and appointments that took effect on 1 April 2025.*

Table 32: Reasons for staff leaving

2025/26	Number	Percentage of total number of staff leaving
Death	5	5%
Dismissal - Incapacity	8	9%
Dismissal	24	26%
Expiry of contract	2	2%
Resignation	51	56%
Retirement	2	2%
Total	**92**	**100%**

29.5 EMPLOYEE RELATIONS

The RAF considers its relations with trade unions as a key interface to meet employee expectations. Similarly, the RAF considers employee discipline and adherence to its code of conduct, as well as compliance to its policies, procedures and regulations as serious matters. During the period under review, a total of 24 employees were dismissed for serious offences and transgressions.

29.6 INCIDENTS AND GRIEVANCES

A total of 38 grievances were registered during the year under review.

Table 33: Misconduct and disciplinary action

Nature of disciplinary action	2022/23	2023/24	2024/25	2025/26
Counselling	4	2	0	0
Verbal Warning	2	3	3	2
Written Warning	17	17	3	6
Final written warning	14	33	15	5
Suspension Without Pay	13	6	1	0
Suspension with pay	47	50	41	20
Dismissal	19	23	23	25*
Total	**116**	**134**	**86**	**58**

**The table above is inclusive of all employees, both permanent and contract employees. There were 24 permanent employee dismissals and 1 contract employee dismissal.*

29.7 SUSPENSIONS

A total of 41 suspensions were carried over from the previous financial year 24/25, and an additional 20 employees were suspended during the financial year 25/26, bringing the overall suspensions to 61. Of the 61 suspensions it is noted that 34 have been concluded and 27 employees remained suspended as at 31 March 2026 (10 are still under investigation and 17 disciplinary processes are underway). Seven employee suspensions were lifted without charges after forensic investigations were completed.

The RAF continuously ensured that the number of suspensions was reduced through speedy resolution of the disciplinary matters.





PART E:
PFMA COMPLIANCE REPORTS

30. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

30.1 IRREGULAR EXPENDITURE

a) Reconciliation of irregular expenditure

Description	2025/2026 R'000	2024/2025 R'000
Opening balance	772 798	478 056
Adjustment to opening balance	-	203 948
Opening balance as restated	772 798	682 004
Add: Irregular expenditure confirmed	104 368	111 968
Less: Irregular expenditure condoned	-	(21 174)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**877 166**	**772 798**

The Road Accident Fund has a cumulative Irregular Expenditure balance of R 877 165 710.89 remaining. The status of the unresolved items is detailed below:

Description	Number of items	Total value R'000	Action required
Items under determination	33	464 358	The final determination report is awaited.
Items for which a request for condonation must be submitted	1	136	The request for condonation must be submitted to National Treasury.
Items being assessed for recoverability	1	75	The loss has been referred to the RAF Accounts Receivable Department for assessment of recoverability in accordance with the Management of Debtors Policy.
Items for which condonation was denied and must be removed from the Annual Financial Statements	12	412 597	All the matters were referred to National Treasury for condonation during the 2025/26 financial year and were not condoned. A request for removal by the relevant authority is underway.
Total	**47**	**877 166**	

Reconciling notes

Description	2025/2026 R'000	2024/2025 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	109 641
Irregular expenditure for the current year	104 368	2 327
Total	**104 368**	**111 968**

Amounts confirmed and incurred during the 2025/26 financial year

- R799 359.85 relates to a matter totalling R1 980 594.69 found to be Irregular Expenditure due to non-compliance with the mandatory bid requirements during the evaluation phase of the bid.
- R1 079 277.91 relates to a matter where payments in excess of the contract were made to the supplier.
- R14 558 691.78 relates to a matter totalling R22 562 727.79 found to be Irregular Expenditure due to non-compliance with the technical evaluation criteria during the evaluation phase of the bid.
- R514 525.10 relates to a matter confirmed as Irregular Expenditure due to non-compliance with the functionality requirements of the bid during the evaluation phase of the bid.
- R1 029 529.56 relates to a matter confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.
- R2 324 101.53 relates to a matter totalling R3 994 637.45 confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.

- R14 320 851.67 relates to an amount totalling R 33 604 817.67 confirmed to be Irregular Expenditure due to insufficient market analysis that resulted in a limited bidding process.
- R613 032.00 relates to a matter confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.
- R469 905.33 relates to expenditure found to be irregular due to non-compliance with emergency procurement and deviation requirements.
- R13 326 414.27 relates to expenditure incurred beyond the contract end date.
- R10 775 434.17 relates to expenditure found to be irregular expenditure due to non-compliance with the technical requirements during the evaluation phase of the bid process.
- R65 213.95 relates to a matter where the proper procurement process was not followed.
- R13 177.14 relates to a matter where the employee did not comply with the Travel Policy of the Fund.
- R2 738 106.17 relates to an amount that was paid in excess of the quoted price.
- R40 147 831.56 relates to payments totalling R299 222 808.22 made to suppliers where the appointment of the suppliers is thought to be irregular. Due to the nature of the matter, the Fund is in the process of appointing an independent party to complete the assessment and determination tests. The assessment process however has exceeded the allowable 30 days and the matter has therefore been recognised in the Annual Financial Statements as Irregular Expenditure to ensure completeness of the amounts disclosed.

Amounts incurred during the 2025/26 financial year relating to matter confirmed during the 2024/25 financial year

- R1 593 228.32 relates to matters confirmed in the 2024/25 financial year, where the winning bidders should have been disqualified as they did not comply with the mandatory requirements.

Amounts confirmed in 2026 and incurred during the 2024/25 financial year

- R 651 525.52 relates to a matter totalling R 1 980 594.69 found to be Irregular Expenditure due to non-compliance with the mandatory bid requirements during the evaluation phase of the bid.
- R8 004 036.01 relates to a matter totalling R22 562 727.79 found to be Irregular Expenditure due to non-compliance with the technical evaluation criteria during the evaluation phase of the bid.
- R1 036 807.98 relates to a matter found to be Irregular Expenditure due to the incorrect value being requested for a contract extension.
- R1 276.37 relates to a matter where a contract was utilised subsequent to the termination date.
- R4 976 462.08 relates to Irregular Expenditure arising due to non-compliance with the technical requirements of the bid during the evaluation phase of the bid.
- R1 670 535.92 relates to a matter totalling R3 994 637.45 confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.
- R13 704 166.66 relates to an amount totalling R 33 604 817.67 confirmed to be Irregular Expenditure due to insufficient market analysis that resulted in a limited bidding process.
- R196 480.00 was confirmed as irregular expenditure as the payments were made in excess of the contract value.
- R17 000.00 was confirmed as irregular due to non-compliance with the mandatory requirements on an RFQ.
- R655 904.00 was confirmed as irregular expenditure incurred outside the scope of the contract.
- R78 726 195.75 relates to payments totalling R299 222 808.22 made to suppliers where the appointment of the suppliers is thought to be irregular. Due to the nature of the matter, the Fund is in the process of appointing an independent party to complete the assessment and determination tests. The assessment process however has exceeded the allowable 30 days and the matter has therefore been recognised in the Annual Financial Statements as Irregular Expenditure to ensure completeness of the amounts disclosed.

Amounts confirmed and incurred during the 2024/25 financial year

- R600 881.09 relates to a matter totalling R1 328 755.85 where Irregular Expenditure occurred due to the winning bidder not complying with the mandatory requirements of the bid.
- R1 726 124.52 relates to a matter totalling R2 616 404.61 where the winning bidder should have been disqualified as they did not comply with the mandatory requirement

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

Description	2025/2026 R'000	2024/2025 R'000
Irregular expenditure under assessment	-	52 711
Irregular expenditure under determination	464 358	46 402
Irregular expenditure under investigation	-	-
Total	**464 358**	**99 113**

Irregular expenditure under assessment

There was 1 matter that relates to possible non-compliance with section 51(a)(iii) of the PFMA, section 217 of the Constitution, and Treasury Regulation 16A3.2(a), to the estimated amount of R 299 222 808.22.

Total irregular expenditure under determination

- R50 776.59 relates to non-compliance with the PFMA and National Treasury regulation requirements. Rental expenditure was incurred for two months beyond the contract period.
- R35 525 696.02 relates to the incurrence of expenditure beyond the validity period of the contract.
- R907 188.75 relates to procurement through other means where the market analysis could not be linked to the appointed supplier
- R1 328 755.85 relates to the appointment of a service provider who failed to meet the mandatory requirements of the bid.
- R2 616 404.61 relates to the appointment of a service provider who failed to meet the mandatory requirements of the bid.
- R196 480.00 was confirmed as irregular expenditure as the payments were made in excess of the contract value.
- R17 000.00 was confirmed as irregular due to non-compliance with the mandatory requirements on an RFQ.
- R6 398 048.00 was confirmed as irregular due to the appointment of a supplier who did not submit a declaration of interest.
- R33 604 817.67 was confirmed to be irregular expenditure due to insufficient market analysis that resulted in a limited bidding process.
- R20 795.45 was confirmed to be irregular expenditure due to the appointment of a service provider who was not tax compliant.
- R1 980 594.69 was found to be irregular expenditure due to non-compliance with the mandatory bid requirements during the evaluation phase of the bid.
- R1 029 529.56 relates to a matter confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.
- R2 952 802.24 was confirmed as irregular due to overpayments on the contract.
- R4 976 462.06 was found to be irregular expenditure due to non-compliance with the technical evaluation criteria during the evaluation phase of the bid.
- R9 833 431.48 was confirmed to be irregular due to lack of submission to National Treasury for contract variation approval and non-compliance with the contract management agreement.
- R22 562 727.79 was found to be Irregular Expenditure due to non-compliance with the technical evaluation criteria during the evaluation phase of the bid.
- R1 276.37 relates to a matter where a contract was utilised subsequent to the termination date.
- R1 079 277.91 relates to a matter where payments in excess of the contract were made to the supplier.
- R1 036 575.76 relates to a matter found to be Irregular Expenditure due to the incorrect value being requested for a contract extension
- R514 525.10 relates to a matter confirmed as Irregular Expenditure due to non-compliance with the functionality requirements of the bid during the evaluation phase of the bid.
- R3 994 637.45 was confirmed to be irregular expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.
- R5 851 442.68 relates to expenditure found to be irregular due to participation in a contract with another public entity in which the terms of the original contract were changed.
- R10 775 434.17 relates to expenditure found to be irregular expenditure due to non-compliance with the technical

specifications during the evaluation phase of the bid process.

- R613 032.00 relates to a matter confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.
- R469 905.33 relates to expenditure found to be irregular due to non-compliance with emergency procurement and deviation requirements.
- R13 326 414.27 relates to expenditure incurred beyond the contract end date.
- R65 213.95 relates to a matter where the proper procurement process was not followed.
- R13 177.14 relates to a matter where the employee did not comply with the Travel Policy of the Fund.
- R2 738 106.17 relates to an amount that was paid in excess of the quoted price.
- R655 904.00 was confirmed as irregular expenditure incurred outside the scope of the contract.
- R299 222 808.22 relates to payments made to suppliers where the appointment of the suppliers is thought to be irregular. Due to the nature of the matter, the Fund is in the process of appointing an independent party to complete the assessment and determination tests. The assessment process however has exceeded the allowable 30 days and the matter has therefore been recognised in the Annual Financial Statements as Irregular Expenditure to ensure completeness of the amounts disclosed

c) Details of irregular expenditure condoned

Description	2025/2026 R'000	2024/2025 R'000
Irregular expenditure condoned	-	(21 174)
Total	**-**	**(21 174)**

There were no matters that were condoned during the 2025/26 financial year.

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

Description	2025/2026 R'000	2024/2025 R'000
Irregular expenditure NOT condoned and removed	-	-
Total	**-**	**-**

Below is the detail of the 12 matters which were referred to National Treasury for condonation during the 2025/26 financial year and were not condoned. A request for removal by the relevant authority is underway.

- The instance was reported in 2017/18 – valued at R337 507 130.70 – and relates to a finding by the AGSA that the requirements of the Preferential Procurement Regulations were not met in 2013/14 when the bid process was performed. The bid document did not contain clear information on how the evaluation criteria were going to be applied and assessed. As a result, the evaluation of bids was not objective, fair and transparent. This matter is being investigated by the SIU and will be attended to once the investigation has been concluded.
- The instance was reported in 2019/20 - valued at R 3 573 765.55 - where three claim vendors were appointed for home modifications of claimants' homes without following the correct procurement process.
- R2 167 257.50 related to the extension of a contract before the necessary approval from National Treasury was received.
- R67 951 799.83 related to non-compliance with section 8 (1) of the Preferential Procurement Policy Framework Regulations and section 2 (1)(c) of the Preferential Procurement Policy Framework Act (2000), as the winning bid should have been disqualified. Poor contract management was also identified during the investigations.
- R117 305.11 related to not following the correct procurement process before incurring the expense. A request for deviation or contract extension should have been sent to National Treasury as the service provided by the supplier was not covered in the original contract.
- R34 239.08 related to non-compliance with National Treasury Regulation 16A 3.1. The correct procurement process was not followed through request for quotations (RFQs) as the responsible employee misinterpreted an existing contract.
- R14 750.01 related to non-compliance with the PFMA and National Treasury regulation section 16A6.1, 16A3.1 and 16A6.4. A maintenance and repairs contract was entered into without the necessary approvals.

- R148 156.47 related to non-compliance with National Treasury instruction note no. 03 of 2021/22, paragraph 7.4; and National Treasury regulation 16A6.3(a) The AGSA raised a finding that a supplier appointed through a deviation process had not submitted the SBD4 form as required.
- R 125 000.00 related to non-compliance with section 51 of the PFMA and National Treasury Instruction Note No. 09 of 2017/18. The verification of the bidder's tax compliance status was not conducted in accordance with National Treasury Instruction No. 09 of 2017/18 before awarding the contract..
- R 957 561.92 related to 3 RFQ processes that failed to comply with the CIDB regulations.

e) Details of irregular expenditure recoverable

Description	2025/2026 R'000	2024/2025 R'000
Irregular expenditure recoverable	-	-
Total	**-**	**-**

There was no irregular expenditure recoverable during the 2025/26 financial year

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

Description	2025/2026 R'000	2024/2025 R'000
Irregular expenditure written off	-	-
Total	**-**	**-**

There was no irregular expenditure written off during the 2025/26 financial year

Additional disclosure relating to Inter-Institutional Arrangements

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

Description	2025/2026 R'000	2024/2025 R'000
None	-	-
Total	**-**	**-**

There was no non-compliance in relation to inter-institutional arrangements.

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

Disciplinary steps taken
One matter is undergoing the disciplinary process. Matters confirmed during the 2025/26 financial year are currently
under determination. The necessary disciplinary processes will be followed once the determination is completed.

- R135 560.00 related to non-compliance with Instruction Note 9 of 2017/2018. A quotation from a supplier who was not tax-compliant at the time of the award was approved without confirming the supplier had rectified its tax affairs. The disciplinary process in this matter was completed; however, on submission for approval of the implementation of the recommended sanctions, certain concerns were raised with the then CEO regarding procedural matters of the disciplinary. The implementation was not approved, and the process must be reperformed under a different chairperson. A request for condonation has been prepared and is under review.

30.2 FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2025/2026 R'000	2024/2025 R'000
Opening balance	32 650	-
Adjustment to opening balance	-	29 690
Opening balance as restated	32 650	29 690
Add: Fruitless and wasteful expenditure confirmed	26 769	7 308
Less: Fruitless and wasteful expenditure recoverable	(4)	(4 348)
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**59 415**	**32 650**

Amounts confirmed and incurred during the 2025/26 financial year

- R4 323.57 of fruitless and wasteful expenditure was incurred in the form of additional travel costs.
- R26 760 255.28 a total of R53 002 681 in fruitless and wasteful expenditure was incurred due to prolonged suspensions of employees.

Amounts confirmed in 2025/26 and incurred during the 2024/25 financial year

- R1 831 476.00 relates to a matter totalling R2 022 932.00 where an employee fabricated expenditure for their own benefit. The remaining R191 456.00 was incurred in the 2023/24 financial year.
- R3 808 751.57 was incurred in the 2024/25 financial year in respect of a total financial loss of R53 002 681.89 in relation to extend suspension of employees.
- R 2 323 512.00 relates to a payment of a claim to the incorrect vendor account during the 2023/24 financial year.

Amounts confirmed and incurred in the 2024/25 financial year

- R1 666 473.83 relates to duplicate, wrong, and over payments made in the 2024/25 financial year which are not yet recovered.

Reconciling notes

Description	2025/2026 R'000	2024/2025 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	5 642
Fruitless and wasteful expenditure for the current year	26 769	1 666
Total	**26 769**	**7 308**

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

Description	2025/2026 R'000	2024/2025 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	59 415	6 408
Fruitless and wasteful expenditure under investigation	-	-
Total	**59 415**	**6 408**

c) Details of fruitless and wasteful expenditure recoverable

Description	2025/2026 R'000	2024/2025 R'000
Fruitless and wasteful expenditure recoverable	(4)	(4 348)
Total	**(4)**	**(4 348)**

As at 31 March 2026, the R4 232.57 transferred to recoveries was fully recovered from the employee and was deemed to be consequence management.

R4 347 914 of fruitless and wasteful expenditure has been transferred to amounts recoverable.

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

Description	2025/2026 R'000	2024/2025 R'000
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

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

Disciplinary steps taken
There was no disciplinary action taken in relation to Fruitless and wasteful expenditure.

- As at 31 March 2026, the R4 232.57 was fully recovered from the employee and was deemed as appropriate corrective action.

30.3 ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) &(III)

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2025/2026 R'000	2024/2025 R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

No material losses in accordance with the materiality framework were identified during the 2025/26 and 2024/25 financial years.

b) Details of other material losses

Nature of other material losses	2025/2026 R'000	2024/2025 R'000
None	-	-
Total	**-**	**-**

No material losses in accordance with the materiality framework were identified during the 2025/26 and 2024/25 financial years.

c) Other material losses recoverable

Nature of losses	2025/2026 R'000	2024/2025 R'000
	-	-
Total	**-**	**-**

No material losses in accordance with the materiality framework were identified during the 2025/26 and 2024/25 financial years.

d) Other material losses not recoverable and written off

Nature of losses	2025/2026 R'000	2024/2025 R'000
	-	-
Total	**-**	**-**

No material losses in accordance with the materiality framework were identified during the 2025/26 and 2024/25 financial years.

30.4 LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	16 388	1 545 962
Invoices paid within 30 days or agreed period	14 502	1 500 831
Invoices paid after 30 days or agreed period	1 886	45 131
Invoices older than 30 days or agreed period (unpaid and without dispute)	293	60 366
Invoices older than 30 days or agreed period (unpaid and in dispute)	52	13 163

Delays in invoice payments during the 2025/2026 financial year were primarily driven by process inefficiencies, high invoice volumes, and non- adherence to internal procedures.

The review and approval of legal invoices remain a significant contributor due to their complexity and volume. Detailed validation is required to confirm the accuracy and relevance of amounts billed, often exceeding the prescribed approval timeframe and delaying submission to Finance.

Travel-related invoices were also a major source of delays, largely due to Business Units not adhering to required timelines for returning approved invoices. Additional challenges included unrecorded changes to travel arrangements, absence of Purchase Orders at the time of invoicing, and delays in updating procurement documentation. Capacity constraints within Accounts Payable, coupled with occasional processing oversights and delays in vendor verification, further impacted turnaround times.

Invoice disputes during the period were mainly attributable to supplier queries requiring clarification and insufficient contract funding. Invoices were placed on hold pending resolution of these issues, further affecting payment timelines.

Overall, the delays highlight the need for strengthened compliance, improved process controls, and enhanced resourcing to support efficient invoice management.

31. SUPPLY CHAIN MANAGEMENT

31.1 PROCUREMENT BY OTHER MEANS

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Data Privacy and Protection Conference	Umbono Conference and Events (Pty) Ltd	Single source	Once-off	35
Security services	Santenga Security	Emergency	N/A	183
Renewal of RAF Private Bag and Post Box for East London, Menlyn, Johannesburg and Durban Office.	South African Post Office (SAPO)	Single source	Once-off	12
Rental of a Career Exhibition Stand	Inkanyezi Event Organisers	Single source	Once-off	18
Club Affiliation Fee and Athletics South Africa (ASA) Licenses	Athletics Gauteng North (AGN), Central Gauteng Athletics (CGA), and Western Province Athletics (WC Athletics)	Single source	Once-off	29
Postage Download Facility services at the regional office of Durban and Cape Town	DG Incentives	Single source	Once-off	48
Server Studio Licenses	SoftwareOne Experts	Single source	Once-off	79
Medico-Legal Experts	Multiple Experts	Limited bid	Panel - Various Contracts	501 170
Temporary Office accommodation for the East London Region	SKG Africa (Pty) Ltd	Single source	4600001680	2 829
Connecting SAP Fusion Conference	Eventful People PTY (LTD)	Single source	Once-off	48
LinkedIn Recruitment Services	Ayanda Mbanga Communications	Single source	Contracting underway	2 288
Furniture removal and relocation services	Tend Logistics (Pty) Ltd	Participation	4600001683	1 281
Document Scanning Services	Qneticx	Single source	4600001681	10 855
LNP Attorneys	LNP Attorneys	Single source	Once-off	100
ACL Scripting Module 1 and 2 Training	Suretech Solutions RSA (Pty) Ltd	Single source	Once-off	121
Data Hosting Services	Vodacom (Pty) Ltd	Single source	4600001706	16 452
Annual Renewal and Maintenance for the Franking Machine	Earlyworx 282 Pty (Ltd)	Single source	Once-off	6
DataFest conference in Cape Town	Dalebrook Media (Pty) Ltd	Single source	Once-off	150
CEM Africa Summit	Spintelligent (Pty) Ltd t/a Vuka Group	Single source	Once-off	90
Amashova Cycling Show	Right on the Night Promotions	Single source	Once-off	91
Annual Renewal, Maintenance and Loading of Credit for the Franking Machine (Francotyp-Postalia).	Earlyworx 282 (Pty) Ltd	Single source	Once-off	107
Mandela Day Walk and Run 2025	Nelson Mandela Foundation	Single source	Once-off	14
Temporary document storage services for Cape Town Regional Office	Metrofile (Pty) Ltd	Single source	4600001608	1 000
Temporary document storage services for Johannesburg Regional Office	Metrofile (Pty) Ltd	Single source	4600001609	1 000
Temporary document storage services for Menlyn Regional Office	Metrofile (Pty) Ltd	Single source	4600001616	1 000
Temporary document storage services for Durban Regional Office	Metrofile (Pty) Ltd	Single source	4600001613	1 000
Temporary document storage services for East London Regional Office	Metrofile (Pty) Ltd	Single source	4600001610	1 000
Property Lease - Pretoria Regional Office	Passenger Rail Agency South Africa (PRASA)	Single source	Once-off	7 410
GovTech conference	SITA	Single source	Once-off	125
Printing paper	Government Printing Works	Single source	4600001600	4 455
Thembisa Mile race	Central Gauteng Athletics	Single source	Once-off	85
Grammarly Software Business Subscription Licenses and Support	Grammarly Inc.	Single source	Once-off	913
MIRO Collaboration Software Licenses.	MIRO	Single source	Once-off	83
CCMA matters on a month-to-month basis	Mothle Jooma Sadiba Attorneys	Single source	4600001262	2 000

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Furniture removal and relocation services	Trend Logistics (Pty) Ltd	Participation	4600001543	6 618
Rental of parking bays for the Pretoria Office	Savyon Building Proprietary Limited	Single source	4600001559	16 718
Rental of sixty (60) document scanners	Qneticx	Single source	4600001681	10 855
Tenant installation	Prominent Properties	Participation	4600001577	17 738
Employee computer device allowance programme	Dell Technologies	Single source	N/A	120 000
Comrades Runners Club Hospitality Tent.	Midwicket Events cc t/a Ward Events	Single source	Once-off	16
Post Implementation Review for Project	Deloitte	Single source	N/A-Withdrawn Contract negotiations failed	3 018
South African Spinal Cord Congress	Europa Organisation Africa (Pty) Ltd (EO Africa)	Single source	Once-off	77
SAPHILA SAP Conference registration and ticket billing taking place from 02 - 03 June 2025.	Ovation Audience Relationship Team	Single source	Once-off	82
Data Festival (DataFest) taking place from 03 to 05 June 2025	Dalebrook Media (Pty) Ltd	Single source	Once-off	272
Workshop on Global Internal Audit Standards and Internal Audit External Quality Assurance Review Readiness Assessment.	Leadership Academy for Guardians of Governance	Single source	Once-off	74
Re instatement of SAP On Premise licenses including maintenance and support	SAP South Africa	Single source	4600001569	23 686
Tenant installation PRASA house	Prominent Properties	Participation	4600001577	28 251
Total				**783 482**

31.2 CONTRACT VARIATIONS AND EXPANSIONS

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract valueR'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Bloemfontein CSC office lease	SKG Africa (Pty) Ltd	Expansion	4600000826	6 773	2 749	2 066
Printer rentals	Apex Business Systems	Expansion	4600001459	2 744	13 313	7 175
Additional licences and support (once-off payment),	Oracle Corporation South Africa (Pty) Ltd	Variation	4600001114	15 633	36 968	10 785
Security services at Menlyn Regional Office	Distinctive Protection and Cleaning	Expansion	4600001582	515	-	343
Durban Regional Office lease	Delta Property Fund (Pty) Ltd	Expansion	4600000817	21 329	88 353	26 576
East London office lease	Eagle House (Pty) Ltd	Expansion	4600000992	34 609	75 061	6 875
Cape Town office lease	Thibault Investments (Pty) Ltd	Expansion	4600001051	43 279	92 078	22 542
Bloemfontein CSC Lease	SKG Africa (Pty) Ltd	Expansion	460000826	6 773	2 749	2 066
Gqheberha CSC office lease	Premier Precision Properties (Pty) Ltd	Expansion	4600000658	1 239	1 161	628
Leasing of Beaufort West Office space	N1 Support (Pty) Ltd	Expansion	4600000988	503	210	211
Rental and support of ICT End-user equipment	Sizwe Africa IT Group (Pty) Ltd	Expansion	4600000607	49 500	27 115	3 927
Storage, data back-up	Iron Mountain (Docufile Services)	Expansion	4600000753	27 700	15 312	9 021
Power billing	Vodacom (Pty) Ltd	Expansion	4600000184	50 346	74 211	617

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract valueR'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Employee Wellness Programme	Lyra Southern Africa	Variation	4600000900	15 023	-	-
Polokwane CSC Security services	Ompwa Trading Enterprise	Expansion	4600001546	664	-	332
Mafikeng CSC Security	Katshe Construction and Security services	Expansion	4600001551	442	-	442
Kimberley CSC Security	Maswoswota Security Services	Expansion	4600001544	474	-	474
Maintenance of security system at Cape Town Regional Office	Multi-locking Vehicle Tracking Security Systems CC	Expansion	4600001432	394	-	197
Maintenance of Guidewire licenses	Oracle Corporation (South Africa) (Pty) Ltd	Expansion	4600001114	15 633	22 135	1 652
Rental of printers	Apex Business System (Pty) Ltd	Expansion	4600001459	2 744	8 105	5 208
Gqheberha CSC lease	Premium Precision Properties	Expansion	4500000658	1 239	1 109	52
Citrix maintenance and support service	Troye Interactive Solutions CC	Expansion	4600001412	670	-	330
Oracle maintenance and support service	Oracle Corporation (South Africa) (Pty) Ltd	Expansion	4600001114	15 633	17 071	4 862
Support of ICT End-user equipment	Sizwe Africa IT Group (Pty) Ltd	Expansion	4600000607	49 500	22 823	4 292
Security guarding services	Megameno Security (Pty) Ltd	Expansion	4600001480	692	-	231
Maintenance of Menlyn lift	OTIS (Pty) Ltd	Expansion	4600000633	90	402	28
Close protection services for the Chairperson of the RAF board	Prime African Security (Pty) Ltd	Expansion	4600001362	1 925	-	2 932
"Microsoft Enterprise Agreement"	Microsoft Ireland Operations Ltd	Expansion	4600001157	108 389	-	12 991
Head office lease	Faerie Glen Waterpark (Pty) Ltd.	Expansion	4600000887	41 061	252 432	65 557
Johannesburg office lease	Mowana Properties (Pty) Ltd	Expansion	4600000991	62 064	18 000	25 461
Security guarding services at Beaufort West CSC	Kunye Security (Pty) Ltd	Expansion	4600001490	128	-	128
SuccessFactors eRecruitment	SAP South Africa	Variation	4600001085	9 584	-	266
Performance and goals	SAP South Africa	Variation	4600001329	7 912	-	187
Johannesburg cleaning services	NAS II Facilities Group (Pty) Ltd	Expansion	4600001478	768	-	110
Additional licenses, support and maintenance of Oracle licenses	Oracle Corporation (South Africa) (Pty) Ltd	Variation	4600001114	15 633	21 474	660
Total				**611 605**	**792 831**	**219 224**



PART F:
FINANCIAL INFORMATION

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REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ROAD ACCIDENT FUND

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Road Accident Fund set out on pages 121 to 181, which comprise the statements of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant acc ounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Road Accident Fund as at 31 March 2026 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 Public Finance Management Act (PFMA) of South Africa, 1999 (Act no. 1 of 1999).

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

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

Material uncertainty related to going concern

6. I draw attention to note 32 to the financial statements, which indicates that a net loss of R145,7 billion was incurred during the year ended 31 March 2026 and, as of that date the total liabilities exceeded its total assets by R439,49 billion. As stated in note 32, these events or conditions, along with other matters as set forth in note 32, indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. My opinion is not modified in respect of these matters.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 35 to the financial statements, the corresponding figures for 2024-25 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 2025-26.

Irregular expenditure

9. As disclosed in note 25 to the financial statements, irregular expenditure of R104,4 million was incurred, as supply chain management prescripts were not adhered to.

Responsibilities of the accounting authority for the financial statements

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

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

Responsibilities of the auditor-general for the audit of the financial statements

12. 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.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 118 , forms part of my auditor's report.

Report on the audit of the annual performance report

14. 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 outcomes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

15. I selected the following outcomes presented in the annual performance report for the year ended 31 March 2026 for auditing. I selected outcomes that measures the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Outcome	Page numbers	Purpose
Outcome 1: A transformed and sustainable Road Accident Fund (RAF)	51-55	The purpose of the outcome is to optimise the claims processing in the early stages of a claim, thus reducing the average time taken to settle and finalise claims and avoid lengthy litigation processes and legal-related costs, and also ensuring the financial ability of the entity to pay the claims
Outcome 2: System modernisation	56	The purpose of the outcome is to automate and improve the business processes i.e. digitisation, implement an integrated web-enabled claims management system that will simplify the claiming processes, thus, allowing the fund to have real time reporting for informed business decision making and reduce the risks of fraud and corruption.

16. I evaluated the reported performance information for the selected outcomes 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 entity's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:

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

18. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

19. The material findings on the reported performance information for the selected outcomes are as follows:

Outcome 1: A transformed Road Accident Fund

20. Adequate processes had not been established to consistently measure and reliably report on various indicators. Consequently, the entity would have found it difficult to determine the correct achievements to be reported against the planned targets.

Indicator	Target	Achievement
Percentage (%) of new compliant personal claimed products settled within 120 days	15%	0,97%
Percentage (%) of new personal claimed products validated and verified within 60 days	95%	92,09%
Percentage (%) reduction in net open claimed products	10%	15,71%

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.

23. The table that follows provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages [51 to 56].

Outcome 2: System modernisation

Targets achieved: 0%		
Key indicator not achieved	**Planned target**	**Reported achievement**
Integrated Claims Management System (ICMS) rolled-out	Release 2 of the ICMS rolled out	Release 2 of the ICMS not rolled out

Material misstatements

24. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for a transformed and sustainable RAF and system modernisation outcomes. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

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

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

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

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

Annual financial statements and annual report

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA. Material misstatements of non-current liabilities, current liabilities, claims expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

30. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 25 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with the mandatory requirements during the evaluation phase of the bid.

31. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 25 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure was caused by prolonged suspensions of employees.

Other information in the annual report

32. The accounting authority is responsible for the other information included in the annual report which includes the foreword by the chairperson of the board, the chief executive officer's overview, the audit committee's report and the board secretary' certificate. The other information does not include the financial statements, the auditor's report and those selected outcomes presented in the annual performance report that have been specifically reported on in this auditor's report.

33. 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

34. 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 outcomes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

35. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

36. 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.

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

38. Adequate reviewing processes were not implemented to ensure that the reported achievements in the annual performance report were accurately disclosed and supported by reliable evidence.

39. Management did not implement effective preventative controls to prevent irregular, fruitless and wasteful expenditure and ensure that all instances of transgressions with supply chain management prescripts were timely referred for assessment and expenditure incurred was disclosed in the annual financial statements as irregular expenditure.

Material irregularities

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

Material irregularities identified during the audit

41. The material irregularities identified are as follows:

Interception of payments by means of the SAP system breach

42. The entity did not comply with section 51(1)(a)(i) of the PFMA, which states that an accounting authority of a public entity must ensure that the public entity has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

43. An information technology (IT) security breach occurred where vendor banking details were modified through unauthorised changes in payment files to the bank, resulting in payments of R35,6 million being redirected to incorrect accounts. This incident affected creditor and claim payments. The entity did not have adequate internal controls to prevent interception of payments and redirection of payments to fictitious bank accounts.

44. The weaknesses resulted in unauthorised access and manipulation of the vendor details in the payment file and the non-compliance resulted in a material financial loss of R35,6 million.

45. The accounting authority was notified of the material irregularity on 15 September 2025 and invited to make a written submission on the actions taken or to be taken to address the matter. The accounting authority responded on 14 October 2025 and indicated that since the SAP breach came to their attention, the following actions were taken:

    - Two independent investigations were initiated
    - Criminal cases were opened at the South African Police Service, and the incidents were reported to the Financial Intelligence Centre for further investigation
    - One employee has been charged for gross negligence
    - The contract with the SAP support partner has been terminated and
    - The matter was referred to the Asset Forfeiture Unit by the Serious Commercial Crime Unit as part of their criminal investigation process to attempt to recover the loss. Preservation orders to the value of R17 million had been granted but no amount had been recovered yet.

46. The accounting authority further indicated that after the breach, management has implemented immediate and on-going actions focused on enhancing the technical and system controls that were compromised to prevent recurrence, however it cannot be independently confirmed or denied that the circumstances that gave rise to the material irregularity continue to exist, as no external assurance to the effect can be provided.

47. Based on the assessment of the responses of the accounting authority and substantiating documentation provided, I concluded that appropriate actions were not being taken to address the material irregularity. I referred the material irregularity to the Special Investigating Unit (SIU) on 18 May 2026 for investigation, as provided for in section 5(1A) of the PAA. The referral was acknowledged by the SIU on 28 May 2026, and the matter is under assessment for further investigation.

48. I further notified the accounting authority on 30 July 2026 of the following recommendations to address the material irregularity, which should be implemented by 1 March 2027 with a progress report by 30 October 2026:

    - Appropriate action should be taken to enhance the implementation plan on internal controls and system controls within the entity, which should, as a minimum, include:

        a) Strengthening cybersecurity, user access governance, and system controls across the payment and SAP environment, through:

            - Implementation of independent monitoring of privileged user activities
            - Remediation of segregation of duties conflicts
            - Periodic user access recertification reviews, and validation of access appropriateness; and
            - Enhanced governance and oversight controls over financial transactions to detect and prevent unauthorised or inappropriate activities.

        b) Strengthening the governance, enforcement, and monitoring of information security controls to address identified deficiencies in vulnerability management, technology lifecycle management, third-party oversight, and privileged access management.
        c) Enhancing audit logging, exception reporting, interface monitoring, and reconciliation controls to ensure unauthorised activities, inappropriate financial period changes, fraudulent transactions, data manipulation, control overrides, and cyber threats are promptly detected, investigated, and addressed.

49. I will follow-up on the implementation of the recommendations at the due date for implementation.

Overpayment of claims due to inadequate verification

50. The entity did not comply with section 51(1)(a)(i) of the PFMA, which states that an accounting authority of a public entity must ensure that the public entity has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

51. The entity processed incorrect, duplicate, and overpayments totalling R1 538 031 in the normal course of business. As of 31 March 2025, the cumulative unrecovered amount of such payments totalled R6 407 652, which includes similar payment errors from prior financial years.

52. These incorrect, duplicate and overpayments were due to inadequate verification procedures, beneficiary validation, and payment reconciliation when finalising and paying claims. The recurrence of these errors indicates that preventative controls within the claims processing and payment systems are not functioning effectively. If these control weaknesses are not addressed, there is a high risk of continued financial losses through future incorrect, duplicate, or excessive payments.

53. The accounting authority was notified of the material irregularity on 15 September 2025 and invited to make a written submission on the actions taken or to be taken to address the matter. The accounting authority responded on 14 October 2025. The planned actions to address the material irregularity were incomplete and although there is commitment to implement controls focussing on system configuration and financial integrity checks, there is no definitive timelines for implementation. Furthermore, letters of demand were issued in an attempt to recover financial losses, however it has not achieved effective in recovery thus far.

54. Based on the assessment of the responses of the accounting authority and substantiating documentation provided, I concluded that appropriate actions were not being taken to address the material irregularity. I referred the material irregularity to the SIU on 18 May 2026 for investigation, as provided for in section 5(1A) of the PAA. The referral was acknowledged by the SIU on 29 May 2026, and the matter is under assessment for further investigation.

55. I further notified the accounting authority on 30 July 2026 of the following recommendations to address the material irregularity, which should be implemented by 30 November 2026 with a progress report by 30 September 2026:

- Ensure that appropriate controls are implemented to detect and prevent duplicate payments, overpayment, and wrong payments, which should as a minimum include the following:

  a) The matching of key fields, such as bank account number, payee name, amount, claim number, and motor vehicle registration; and
  b) Implementation of validation rules within the system to reject payment amounts that do not match approved claim amounts.

- Enhance the claims procedure manual to include as a minimum:

  a) Mandatory verification of vendor banking details in the payment process;
  b) Monthly review of the implementation of controls; and
  c) Monthly reporting to the executive committee and quarterly reporting to the audit and risk committee on the review of the implementation of controls and identified exceptions.

56. Ensure the provision of training to officials responsible for processing, authorisation, and payment of claims.

57. I will follow-up on the implementation of the recommendations at the due date for implementation.

Material irregularities in progress

Prolonged suspensions

58. I identified a material irregularity during the audit and notified the accounting authority, as required by material irregularity regulation 3(2). By the date of this audit report, I had not yet completed the process of evaluating the response from the accounting authority. This material irregularities will be included in next year's auditor's report.

Other reports

59. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

60. The SIU is investigating allegations of maladministration, unlawful or improper conduct and irregularities of the entity's affairs and assets by order of the President, covering the period 1 April 2018 to 10 December 2021. At the date of this audit report, the investigation was still ongoing.

61. The Public Protector South Africa is investigating allegations of maladministration and financial mismanagement into the entity. At the date of this audit report, the investigation was still ongoing.



Pretoria

31 July 2026

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulations 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraphs 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraphs 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraphs 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraphs 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2026.

The Audit and Risk Committee is an independent statutory committee appointed by the Board of the RAF. The duties and responsibilities of the Audit and Risk Committee, as delegated by the Board of the RAF, are included in this report.

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

The Audit and Risk Committee has adopted formal Terms of Reference as its Audit and Risk Committee Charter, which has been approved by the Board of the RAF. The committee has conducted its affairs and has discharged its responsibilities in compliance with its Charter.

AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

The Audit and Risk Committee consists of six independent, non-executive Board members. It meets at least four times per year, as specified in terms of the Audit and Risk Committee Charter.

The Chairperson of the Board, Chief Executive Officer, Chief Financial Officer, Chief Internal Audit Officer, external auditors and other assurance providers (legal, compliance, risk, health and safety) attend meetings by invitation only.

During the year under review, twelve Audit and Risk Committee meetings were held.

AUDIT COMMITTEE HELD FROM 01 APRIL 2025 - 15 JULY 2025 (PREVIOUS BOARD) *

Name of member	11 April 2025	24 April 2025	22 May 2025	08 June 2025	07 July 2025	Total
Mr Lekau Nyama (Chairperson)	a	a	a	a	a	5 of 5
Dr Pholile Dladla	a	a	a	a	a	5 of 5
Ms Bongiwe Khumalo	a	a	a	a	a	5 of 5
Mr Kwena Komape	a	a	a	a	a	5 of 5
Mr Khotso Sello	a	a	a	a	a	5 of 5

* *The previous Board was dissolved by the Minister of Transport on 15 July 2025.*

AUDIT AND RISK COMMITTEE HELD FROM 29 AUGUST 2025 – 31 MARCH 2026 (INTERIM BOARD)**

Name of member	29 August 2025	17 September 2025	22 October 2025	24 October 2025	21 January 2026	23 January 2026	27 January 2026	Total
Ms Innocentia Pule (Chairperson)***	a	a	r	a	a	a	a	6 of 7
Ms Alfredina Themba (Chairperson)****	a	a	a	a	a	a	a	7 of 7
Ms Nonhlanhla Mabusela-Aikhuere	a	a	a	a	a	a	a	7 of 7
Mr Richard Dyantyi	a	a	a	r	a	a	a	6 of 7
Mr Neeshan Balton	n/a	n/a	a	a	a	a	a	5 of 7

** *The Audit and Risk Committee is part of the Board appointed by the Minister of Transport on 08 August 2025.*

*** *Appointed as the Chairperson on 26 February 2026.*

**** *Appointed as the Chairperson on 18 August 2025 and replaced by Ms Pule on 26 February 2026 following the reconstitution of the Board Committees by the Board.*

r *Apologies were tendered by the member for being unable to attend the meeting.*

n/a *The member was not yet appointed to the Audit and Risk Committee at this date.*

DIRECTOR-GENERAL'S REPRESENTATIVE

Name of member	08 June 2025	07 July 2025	29 August 2025	17 September 2025	22 October 2025	24 October 2025	21 January 2026	23 January 2026	27 January 2026	Total
Ms Tsakani Mashimbye*	a	a	a	a	a	a	r	a	a	8 of 9

* *Appointed as the Director-General Representative on 6 June 2025.*

r *Apologies were tendered by the member for being unable to attend the meeting.*

ROLES AND RESPONSIBILITIES

The Audit and Risk Committee's roles and responsibilities include its statutory duties as per the PFMA, 1999 (Act No. 1 of 1999), as well as the NT Regulations issued in terms of the PFMA, and the responsibilities assigned to it by the Board.

The committee was responsible for performing its duties as set out in the Audit and Risk Committee Terms of Reference, which included reviewing the following:

- The effectiveness of the RAF's internal control systems;
- The risk areas of the RAF's operations to be covered in the scope of the internal and external audits;
- The accounting and auditing concerns identified as a result of the internal or external audits;
- The RAF's compliance with legal and regulatory provisions, the Road Accident Fund Act, 1996 (Act No. 56 of 1996) (RAF Act); the Road Accident Fund Amendment Act, 2005 (Act No. 19 of 2005) (RAF Amendment Act); the PFMA, as well as NT Regulations;
- The activities of the Internal Audit function, including its work programmes, coordination with the external auditors, the reports of significant investigations, and the responses of Management to specific recommendations;
- The independence and objectivity of the external auditors;
- The Financial Statements with specific attention to:
    - Underlying accounting policies or changes thereto;
    - Major estimates and Managerial judgements;
    - Significant adjustments flowing from the year-end audit;
    - Compliance with effective South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the PFMA, and other statutory precepts; and
    - The appropriateness of the going concern assumption.

The Audit and Risk Committee also undertook the following activities during the year under review:

- Reviewing and recommending the Internal Audit Department's Charter for approval by the Board;
- Reviewing and approving the Internal Audit Plan;
- Requesting investigations to be performed within its Terms of Reference; and
- Encouraging communication between members of the Board, Senior and Executive Management, the Internal Audit Department, and the external auditors.

EXTERNAL AUDITORS

During the year, the Audit and Risk Committee met with the external auditors and with the Chief Internal Audit Officer without Management being present. The Audit and Risk Committee is satisfied that it complied with its legal, regulatory, and other responsibilities.

The Audit and Risk Committee, in consultation with Executive Management, agreed to the Engagement Letter and the Audit Strategy and budgeted audit fees for the financial year ended 31 March 2026.

FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

The Audit and Risk Committee evaluated the Accounting Policies and Annual Financial Statements of the RAF for the year ended 31 March 2026 and concluded that they comply, in all material respects, with the requirements of the PFMA, and were prepared in accordance with the effective SA Standards of GRAP issued by the Accounting Standards Board (ASB).

The Audit and Risk Committee has established a process to receive and deal appropriately with any concerns and complaints relating to the reporting practices of the RAF. No matters were raised in the past financial year.

IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

The Audit and Risk Committee is working on improving the processes to detect and disclose irregular and fruitless and wasteful expenditure. For the year under review, there were no material financial losses, irregular expenditure or fruitless and wasteful expenditure that exceeded the overall materiality of R567 million, as documented in the Materiality Framework either individually or in aggregate. However, all irregular expenditure and fruitless and wasteful expenditure incurred and confirmed have been disclosed and reported in accordance with the PFMA and National Treasury Instruction No.4 of 2022/23.

OVERALL INTERNAL CONTROLS

Based on the recommendation by the Audit and Risk Committee to the Board for approval for submission to the NT and the DoT, whilst requiring some improvement in certain areas, internal financial controls in place form a sound basis for the preparation of reliable Annual Financial Statements.

WHISTLE-BLOWING

The Audit and Risk Committee receives and deals with any concern or complaint, whether from within or outside the RAF, relating to the accounting practices and Internal

Audit of the RAF, the content or auditing of the RAF's Annual Financial Statements, the internal financial controls of the RAF, and related matters.

The predominant sources of information in respect of concerns raised to the Audit and Risk Committee in relation to these matters are the reports issued by the Internal Audit Department, the Management and Audit Report of the AGSA, as well as quarterly reports provided by the Combined Assurance Forum discussed below. Reporting mechanisms, such as hotlines, are also in place to enable employees and other stakeholders to report suspected non-compliance and other matters to the various departments constituting the Combined Assurance Forum.

REPORTING AND COMBINED ASSURANCE

The Audit and Risk Committee fulfils an oversight role regarding the RAF's Annual Report and the reporting process, including the system of internal financial control. Furthermore, the committee oversees cooperation between the internal and external auditors and other service providers. A Combined Assurance Forum has been formed, which is chaired by the Head: Enterprise Risk Management and reports to the Audit and Risk Committee on a quarterly basis.

GOING CONCERN

The Audit and Risk Committee reviewed a documented assessment by Management of the going-concern premise before agreeing that the adoption of the going-concern premise is appropriate in preparing the Annual Financial Statements (refer to the Report of the Board as it pertains to the section on 'going concern').

GOVERNANCE OF RISK

The Board has assigned oversight of the RAF's Risk Management function to the Audit and Risk Committee.

The Audit and Risk Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud, and IT risks as they relate to financial reporting.

INTERNAL AUDIT

The Audit and Risk Committee is responsible for ensuring that the RAF's Internal Audit function is independent and has the necessary resources, standing, and authority within the RAF to enable it to discharge its duties. Its duties are focused on the evaluation and improvement of the effectiveness of risk management, control and governance processes.

The Internal Audit function reports centrally, with responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all the RAF's operations. The Chief Internal Audit Officer is responsible for reporting the findings of the internal audit work against the agreed Internal Audit Plan to the Audit and Risk Committee on a regular basis.

The Chief Internal Audit Officer has a functional reporting line to the Audit and Risk Committee, primarily through its Chairperson, and reports administratively to the Chief Executive Officer. The Audit and Risk Committee is also responsible for the assessment of the performance of the Chief Internal Audit Officer and the Internal Audit function.

EVALUATION OF THE EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

The position of Chief Financial Officer remains subject to an ongoing disciplinary and precautionary process. While interim arrangements were successfully established to maintain business continuity and robust financial governance, the Audit and Risk Committee notes the need for enhanced executive capacity to manage the Fund's complex and evolving regulatory and financial reporting requirements. Consequently, the Committee is actively collaborating with the Board to secure an appropriately qualified alternative interim executive leadership with the requisite expertise to further strengthen the finance portfolio's performance. The Committee remains satisfied that these proactive measures, alongside the commitment of the existing finance team, will fully preserve the integrity of the Fund's internal controls, compliance, and reporting standards throughout this transition.



MS. INNOCENTIA MMULE PULE
Chairperson of the Audit and Risk Committee
Date: 31 July 2026

STATEMENT OF RESPONSIBILITY BY THE BOARD

The Annual Financial Statements have been prepared in accordance with SA Standards of GRAP, including any interpretations, guidelines and directives issued by the ASB. The PFMA requires the Accounting Authority to ensure that the RAF keeps full and proper records of its financial affairs. The Financial Statements should fairly present the state of affairs of the RAF, its financial results, its performance against predetermined objectives, and its financial position at the end of the financial year in terms of the effective SA Standards of GRAP.

The Annual Financial Statements are the responsibility of the Board. The external auditors are responsible for independently auditing and reporting on the Annual Financial Statements. To enable the Accounting Authority to meet the above-mentioned responsibilities, the Board sets standards and oversees systems of internal control. The controls are designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.

Policies, procedures, structures, and approval frameworks provide direction, accountability, and division of responsibilities, and contain self-monitoring mechanisms. The controls throughout the RAF focus on the critical risk areas identified by Operational Risk Management and confirmed by Executive Management. Both Management and the Internal Audit Department closely monitor the controls and actions taken to correct deficiencies as they are identified.

Based on the information and explanations provided by Management, which are recommended by the Audit and Risk Committee to the Board for approval of the NT and the DoT, whilst requiring improvement in certain areas, internal financial controls form a sound basis to ensure that the financial records may be relied upon for preparing reliable Annual Financial Statements.

Nothing significant has come to the attention of the Board to indicate that any material breakdown has occurred in the functioning of these controls, procedures, and systems during the year under review.

In the opinion of the Board, based on the information available, the Annual Financial Statements fairly present the financial position of the RAF as at 31 March 2026 and the results of its operations and cash flow information for the year.

The Annual Financial Statements, which have been prepared on the going-concern basis, were approved for submission to the Auditor General of South Africa for audit by the Board on 28 May 2026. The Annual Financial Statements were signed on behalf of the Board by:



MR K BROWN
Chairperson of the Board
Date: 31 July 2026

REPORT OF THE BOARD

INTRODUCTION

The Board presents its report on the Annual Financial Statements of the RAF, for the year ended 31 March 2026 to the Minister of Transport, who is the Executive Authority in terms of section 55(1)(d) of the PFMA.

The RAF, as established by the RAF Act, is listed as a National Public Entity in accordance with schedule 3A of the PFMA and operates in the Republic of South Africa. The Board acts as the Accounting Authority in terms of the PFMA.

BOARD

The Board that held office in the beginning of the 2025/26 financial year was appointed by Cabinet on 1 October 2023 and dissolved by the Minister of Transport on 14 July 2025. An Interim Board was appointed by Cabinet on 08 August 2025.

The Board members who held office during the year under review are as follows:

NON-EXECUTIVE BOARD MEMBERS 1 APRIL 2025 TO 14 JULY 2025

Ms LZ Francois (Chairperson)
Dr NB Mabuya (Deputy Chairperson)
Mr SP Bulose
Dr P Dladla
Ms B Khumalo
Mr K Komape
Dr PB Mathebula
Adv N Njeza
Mr LM Nyama
Mr TS Tshabalala
Mr K Sello
Ms T Mashimbye (DG's representative)*

NON-EXECUTIVE BOARD MEMBERS APPOINTED ON 08 AUGUST 2025

Mr K Brown (Chairperson)
Ms N Mabusela-Aikhuere (Deputy Chairperson)
Ms N Kutumela
Ms I Pule
Mr R Dyantyi
Mr AM Mpontshane
Mr N Balton
Ms A Themba
Ms T Mashimbye (DG's representative)*

* *Appointed 06 June 2025*
The Director-General of the DoT or any other Senior Officer in the DoT, designated by him or her for a purpose, serves as an ex officio member of the Board.

CHIEF EXECUTIVE OFFICER

Mr CP Letsoalo (contract ended – 6 August 2026)
Mr P Lukhwareni (acting from 30 May 2025 and placed on precautionary suspension 07 November 2025)
Mr V Songelwa (interim CEO 10 November 2025 to 30 November 2025)
Mr D Phora (acting from 01 December 2025)

CHIEF FINANCIAL OFFICER

Ms B Potgieter (placed on precautionary suspension on 07 November 2025)
Mr MJ Molefe (acting from 10 November 2025)

BOARD SECRETARY

Mr M Penane

PURPOSE AND OBJECTIVES OF THE RAF

To provide appropriate cover to all road users within the borders of South Africa; to rehabilitate persons injured; compensate for injuries or death; indemnify wrongdoers as a result of motor vehicle accidents in a timely, caring and sustainable manner; and to support the safe use of our roads.

SOLVENCY AND GOING CONCERN

We draw attention to the fact that as at 31 March 2026, RAF had an accumulated deficit of R439,6 billion (2024/25 Restated: R293,9 billion) and that RAF's total liabilities exceeded its assets by R439,5 billion (2024/25 Restated: R293,8 billion).

The RAF has been technically insolvent for a considerable amount of time. This is mainly due to the funding model, which has no relationship between the revenue (assets) and expenditure (liabilities) of the Fund. The revenue collected is not based on the risk profile attributable to claims or occurrence of road accidents; but on the amount of fuel, in litres, that are produced each month. In receiving these funds, RAF then pays out compensation, mostly in lump sums, to the claimants.

On an annual basis, following the Minister of Finance's Budget Speech in Parliament, the Taxation Amendment Act indicates what the RAF Fuel Levy will be for the applicable financial year. The RAF Fuel Levy for the 2024/25 financial year was 218 c/l. This rate remained unchanged for the 2025/26 financial year.

The Statement of Financial Position as at 31 March 2026 reported current assets of R12,6 billion (2024/25: R13,8 billion) of which Cash and Cash Equivalents was a total of R968 million (2024/25: R2,1 billion) and Fuel Levies receivable was R11,2 billion (2024/25: R11,2 billion). The current asset position in comparison with the Accrual for claims requested for payment but not yet paid as at 31 March 2026 of R21,1 billion (2024/25 Restated: R10,7 billion) reflects a decline in the liquidity position for the RAF in the 2025/26 financial year. Even though the fuel levy for the 2026/27 financial year will increase from 218c/l to 225c/l, the increase will not fill the gap between claims arising and funding on a monthly basis but will merely reduce it. This represents a material uncertainty as to the ability of the Fund to meet its obligation to pay claims as they fall due in the next 12 months.

The RAF reported a deficit of R145,7 billion (2024/25 Restated: R64,3 billion) in the Statement of Financial Performance for the period ended 31 March 2026. The deficit during the 2025/26 financial year was mainly due to the significant increase in the Provision for the RAF 1 Form obligation.

The increase in the Accrual for Claims Requested but not yet Paid demonstrates the strain placed on the cash position of the Fund. Furthermore, a portion of the increase in the accrual resulted from SARS withholding R3,1 billion of the Fuel Levy receivable in April, May, and June 2025 in respect of a R5,1 billion diesel refund claim by Eskom. The amounts were withheld despite an intergovernmental dispute being declared, a hold over order granted by the high court on 14 March 2025, and an interim interdict awarded by the high court on 26 March 2025, prohibiting the withholding of these funds by SARS.

The total Claims Liability reported as at 31 March 2026 is R449,1 billion, of which R52,6 billion is expected to be realised within the next 12 months and R396,5 billion, which will be requested in the long term. The Fuel Levy Income to be received during the 2026/27 financial year is projected to amount to R50 billion.

The projected levies to be received will not provide sufficient funding to make payment to the R52,6 billion Claims Liability expected to be realised within the next 12 months. It must therefore be understood that the RAF is classified as pay-as-you-go, instead of a fully funded Fund. Even though GRAP 1 acknowledges that assessments of the going concern assumption are not predicated on the solvency test usually applied to business enterprises, the above information indicates that there is a material uncertainty regarding the going concern of the Fund.

In attempts to mitigate the going concern risk of the Fund, the RAF has implemented the following measures to improve its financial sustainability:

- Investigate other possible sources of revenue i.e. introduction of the RAF levy for all foreign registered motor vehicles entering South Africa and the RAF levy on motor vehicle registration and or licence renewal introduced to cover electric and Hybrid electric vehicles.
- Implement the asset and liability matching strategy and payment in annuities.
- Review of the operating model to improve efficiencies to replace the current litigation model, which has proven to incur significant legal costs. Objectives such as decreasing the settlement period of a claim and reducing the validation time of claims will assist in decreasing the legal costs incurred through the lengthy litigation process;
- Enhancement of the claim's administration process and the introduction of an integrated claims management system; and
- Review the current regulations to introduce efficiencies.
- Updated cash flow forecasts are performed. These are prepared on a weekly and monthly basis.
- Extensive reporting mechanisms exist to monitor cash flows on a real time basis and to report as is relevant to the various affected parties and stakeholders, as well as to develop a proactive response to the extent possible.
- Writs instances and the processes followed in responding thereto are actively monitored and tracked by the Operations and Investment teams, whilst being supported by the Corporate Legal Department. This process has been reviewed to ascertain that all gaps are identified, and appropriate mitigating measures have been put in place.
- The Corporate Legal Department with the support of the Investment team, has implemented measures to drastically reduce the issuance of Writs through engagements in legal process which aim to provide relief from Writs instances.
- Assess the risk against the risk bearing capacity of the Institution and respond accordingly on an ongoing basis.
- Continuously considered the fact that the RAF Act contemplated that the RAF may be 'unable' to pay and may be insolvent, but to liquidate the RAF is not possible. To wind up the RAF will furthermore require an Act of Parliament.
- A Cash Management Strategy has been revised to ensure available funding is distributed in an equitable and fair manner. The revision has since evolved to cash management in the ordinary course of business, and the revision is a response to the RAF business environment.

Ongoing engagements between Operations and the Investments team are facilitated to ensure that the revised strategy covers all challenges as they are being identified.
- The RAF continuously seeks to optimise its own cost base and any funds that are not committed due to general savings are further channelled into operations to address other obligations.
- Extensive engagement with the Stakeholders - National Treasury, Department of Transport (DoT), and other relevant parties and forums - is ongoing to ensure awareness, to present status updates, and to seek solutions.
- Reporting on Going Concern in the Annual Financial Statements and Annual Report.

In the context of the above and considering the guidance provided by GRAP 1, Management considers the following assumptions in its assessment of the going concern of the RAF:

- RAF is not a commercial enterprise.
- The RAF is, as its name implies, a fund. It is a receptacle of all monies procured from the National Treasury pursuant to section 5(1) of the RAF Act, from which all claims for damages arising from bodily injuries are to be paid. The RAF, therefore, has no realistic alternative other than to continue to operate in accordance with the above-mentioned legislation despite the significant constraints on the cash flow of the Fund.
- Conventional means of assessing the going concern of RAF will always yield negative results, which are not indicative of the realities of the ability of RAF to continue its operations as contemplated in GRAP 1.25.
- The Insolvency Act applies only to individuals and partnerships. The RAF is neither.
- The Companies Act, 2008 applies to the various categories of entities which fall within the definition of a "company" under that Act and under the 1973 Companies Act. The RAF does not fall within such a category.
- In the case of the statutory body, one must consider the statute in question to determine precisely when the body is to be regarded as insolvent and what consequences are to flow from that state of affairs. Thus, factually, the body may be insolvent, but whether any legal consequence flows from this is a matter to be determined by having regard to the empowering statute.
- The RAF Act does not deal with the insolvency of the RAF. It is clear, however, from section 21(2)(a) of the RAF Act that the legislature contemplated that the RAF may be "unable" to pay "any compensation" and, in that sense, the liability will fall on the wrongdoer.
- The RAF is incapable of being liquidated. To wind up the business of the RAF will require an intervention through an Act of Parliament. The winding up process will, however, not absolve the RAF from the claims that it would have incurred as at the time of the culmination of such a process.

Despite the material uncertainties identified, there is no indication that the Fund will cease to operate in the foreseeable future. An interruption of the normal business operations of the Fund may occur should writs be executed on the available assets of the Fund. The interim Board has met with plaintiff attorneys in order to constructively resolve this challenge outside of the courts.

Based on the above, Management is of the opinion that the Going Concern basis is appropriate for the presentation of the Annual Financial Statements for 31 March 2026, and the going concern risk has been considered as a risk that will not materialise to the RAF as at 31 March 2026, and the Fund will be able to fulfil its mandate and meet its obligations over the next 12 months.

The accumulated deficit has increased by the deficit for the year of R145,73 billion in the 2025/26 financial year.

EVENTS AFTER THE REPORTING DATE

On 30 April 2026, the Supreme Court of Appeal handed down a judgement that the RAF 1 form implemented in 2022 is not valid and the Fund must revert to the 2008 version of the RAF 1 form. Claims previously declined may be re-submitted on the 2008 RAF 1 form until 30 September 2026. This judgement could result in an influx of claims previously rejected on the basis of the 2022 RAF 1 form. The estimated obligation in respect of this exposure has been recognised as a Provision in the Annual Financial Statements. Where specific claims have arisen as a result of court orders and auctions, the liability for these claims has been included in the Accrual for claims requested but not yet paid.

During the 2025/26 financial year, engagements with SARS revealed disputes with taxpayers for potential Large Business and International Rebates totalling R5,03 billion that would potentially be deducted from the Fuel Levy to be paid to the RAF during the 2025/26 financial year. In the May 2026 monthly report for March 2026, one of the disputes was finalised and SARS withheld R1,48 billion. The deduction was not disputed by the Road Accident fund.

The impact of this decision on the RAF 1 form and the deduction by SARS are events after the reporting date and have been accounted for in the amounts presented and information

disclosed in the Annual Financial Statements. No further undisclosed material events have taken place between the Statement of Financial Position date and the authorisation of the Annual Financial Statements for issue to the Executive Authority.

ACCOUNTING POLICIES

During the 2025/26 financial year, the Board resolved to amend the accounting policies related to the obligation to compensate victims of Road Accidents previously derived from IPSAS 42. The accounting policies in respect of claims liabilities are now derived from GRAP 19, as this standard most faithfully represents the transactions and economic realities of the obligation. The Annual Financial Statements were prepared in accordance with the prescribed Standards of GRAP issued by the ASB as the prescribed framework by NT. The impact of the revised GRAP 104 on the Annual Financial Statements has been presented in Note 2. There were no further material changes to GRAP standards applicable to the Fund that became effective during the current financial year.

MATERIALITY FRAMEWORK

During the year under review, the Materiality Framework was updated and approved by the Board to include the compliance for Accounting Authorities in relation to material and significant transactions or information, in line with section 55(2) and 54(2) of the PFMA as well as the reporting of losses through criminal conduct and irregular, fruitless and wasteful expenditure, or for significant transactions that require approval by the Executive Authority, as envisaged in section 54(2) of the PFMA. Treasury Regulation 28.3.1 requires the Accounting Authority to develop and agree a framework of acceptable levels of materiality and significance with the relevant Executive Authority. The framework was finalised by the RAF and approved by the Board on 29 April 2025.

FRUITLESS AND WASTEFUL AND IRREGULAR EXPENDITURE

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure incurred during the year totalled R26,77 million (Restated 2024/25: R7,31 million) and comprised of payments made due to additional travel costs, expenditures fabricated by an employee for their own benefit and, the prolonged suspension of employees. Fruitless and wasteful expenditure has been disclosed in Note 25 of the Annual Financial Statements in accordance with the National Treasury Instruction No.4 of 2022/23 on the Compliance and Reporting Framework

Irregular Expenditure

Irregular expenditure totalling R104,37 million (Restated 2024/25: R111,97 million) was incurred during the year. Note 25 of the Annual Financial Statements contains only the amounts incurred and confirmed in the current financial year, and the prior year amounts will comprise of the amounts confirmed in the prior financial year, amounts that were under assessment in the prior year and were confirmed in the current financial year, and amounts that were not identified and are identified and confirmed in the current financial year.

ADDRESSES

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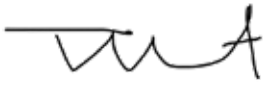
Website: www.raf.co.za

APPROVAL

The Annual Financial Statements, which have been prepared on the going-concern basis, were approved by the Interim Board for issue to the Executive Authority on 31 July 2026.



MR K BROWN
Chairperson of the Interim Board
Date: 31 July 2026



MR D PHORA
Acting Chief Executive Officer
Date: 31 July 2026

BOARD SECRETARY'S CERTIFICATION

I hereby certify that the RAF has lodged all reports as required by the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended by Act No. 29 of 1999.

Mokete Penane

MR M PENANE
Board Secretary
Date: 31 July 2026

STATEMENT OF FINANCIAL POSITION

Assets	Note(s)	2026 R '000	Restated 2025 R '000
Current Assets			
Cash and cash equivalents	3	967 612	2 123 461
Receivables from non-exchange transactions	4	11 222 593	11 290 300
Receivables from exchange transactions	5	-	-
Other receivables	6	83 926	123 606
Other financial assets	7	296 852	256 049
Consumable stock	8	5 267	5 423
		12 576 250	**13 798 839**
Non-Current Assets			
Property, plant and equipment	9	142 874	158 656
Intangible assets	10 & 35	206 081	216 353
		348 955	**375 009**
Total Assets		**12 925 205**	14 173 848
Liabilities			
Current Liabilities			
Short term employee benefit liabilities	11	441 460	327 916
Financial liabilities	12	265 209	248 952
Claims liabilities	13 & 35	52 591 737	52 364 978
Other provision	14	2 499 669	822 796
Operating lease liability	16	2 278	372
		55 800 353	**53 765 014**
Non-Current Liabilities			
Claims liabilities	13 & 35	396 557 335	254 120 058
Employee benefit obligation	15	38 437	30 187
Operating lease liability	16	16 260	11 279
		396 612 032	**254 161 524**
Total Liabilities		**452 412 385**	**307 926 538**
Net Liabilities		**(439 487 180)**	**(293 752 690)**
Net Liabilities			
Reserves			
Revaluation reserve		134 686	135 799
Accumulated deficit	35	(439 621 866)	(293 888 489)
Total Net Liabilities		**(439 487 180)**	**(293 752 690)**

STATEMENT OF FINANCIAL PERFORMANCE

Revenue	Note(s)	2026 R '000	Restated 2025 R '000
Revenue from Exchange Transactions			
Other income	18	1 156	2 330
Investment revenue	19	287 681	680 365
Reinsurance income		-	465
Total Revenue from Exchange Transactions		**288 837**	**683 160**
Revenue from Non-exchange Transactions			
Transfer revenue			
Net fuel levies	17	47 816 067	50 070 497
Total Revenue		**48 104 904**	**50 753 657**
Expenditure			
Claims expenditure	20 & 35	(185 936 928)	(108 844 545)
Depreciation and amortisation	9 & 10	(73 564)	(54 518)
Employee costs	22	(2 909 216)	(2 468 416)
Finance costs	23	(372 440)	(152 910)
Impairment loss on statutory receivables	4	(3 081 817)	(1 990 544)
Reinsurance premiums	21	(5 859)	(5 240)
General expenses	24	(1 458 391)	(1 486 102)
Loss on Disposal of Property, Plant and Equipment		(66)	(2 623)
Total Expenditure		**(193 838 281)**	**(115 004 898)**
Deficit for the Year		**(145 733 377)**	**(64 251 241)**

STATEMENT OF CHANGES IN NET ASSETS

	Note	Revaluation reserve R '000	Accumulated deficit R '000	Total net assets R '000
Opening balance at 1 April 2024 (Previously reported)		**126 230**	**(25 526 731)**	**(25 400 501)**
Adjustments				
Correction of errors	35		(204 110 517)	(204 110 517)
Balance as at 01 April 2024 (Restated)		**126 230**	**(229 637 248)**	**(229 511 018)**
Adjustments				
Correction of errors	35		(61 929 912)	(61 929 912)
Revaluation of land	9	3 000	-	3 000
Revaluation of building	9	6 569	-	6 569
Deficit for the year as previously reported		-	(2 321 329)	(2 321 329)
Total changes		9 569	(64 251 241)	(64 241 672)
Balance at 31 March 2025 (Restated)		**135 799**	**(293 888 489)**	**(293 752 690)**
Changes in net assets		-	-	-
Revaluation of land	9	1 600	-	1 600
Revaluation of building	9	(2 713)	-	(2 713)
Surplus/(Deficit) for the year		-	(145 733 377)	(145 733 377)
Total changes		(1 113)	(145 733 377)	(145 734 490)
Balance at 31 March 2026		**134 686**	**(439 621 866)**	**(439 487 180)**

CASH FLOW STATEMENT

	Note(s)	2026 R '000	2025 R '000
Cash Flows from Operating Activities			
Receipts			
Fuel levies		46 478 830	47 357 882
Interest income		287 681	730 031
Other income		1 156	2 330
Reinsurance income		-	465
		46 767 667	**48 090 708**
Payments			
Employee costs		(2 909 216)	(2 468 416)
Claims paid		(43 272 891)	(42 629 726)
Finance costs		(372 440)	(152 910)
Reinsurance premiums		(5 859)	(5 240)
Other expenditure		(1 314 420)	(1 441 771)
		(47 874 826)	(46 698 063)
Net Cash Flows from Operating Activities	26	**(1 107 159)**	**1 392 645**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	9	(1 535)	(3 672)
Purchase of other intangible assets	10	(47 155)	(80 755)
Proceeds on sale of property, plant and equipment		-	-
Net Cash Flows utilised in Investing Activities		**(48 690)**	**(84 427)**
Net Increase in Cash and Cash Equivalents		**(1 155 849)**	**1 308 218**
Cash and cash equivalents at the beginning of the year		2 123 461	815 243
Cash and Cash Equivalents at the End of the Year	3	**967 612**	**2 123 461**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	NoteApproved budget R '000	Adjustments R '000	Final budget R '000	Actual amounts on comparable basis R '000	Difference between final budget and actual R '000	Note
Statement of Financial Performance						
Revenue						
Revenue from Exchange transactions						
Other income	2 575	-	**2 575**	1 156	**(1 419)**	34
Investment revenue	273 077	-	**273 077**	287 681	**14 604**	
Reinsurance income			**-**	-	**-**	
Total Revenue from Exchange Transactions	**275 652**	**-**	**275 652**	**288 837**	**13 185**	
Revenue from Non-exchange Transactions						
Transfer Revenue						
Net fuel levies	49 064 432	-	**49 064 432**	47 816 067	**(1 248 365)**	
Total Revenue	**49 340 084**	**-**	**49 340 084**	**48 104 904**	**(1 235 180)**	
Expenditure						
Employee costs	(2 958 235)	-	**(2 958 235)**	(2 909 216)	**49 019**	
Claims expenditure	(58 371 814)	-	**(58 371 814)**	(185 936 928)	**(127 565 114)**	34
Depreciation and amortisation	(76 888)	-	**(76 888)**	(73 564)	**3 324**	
Finance costs	(247 895)	-	**(247 895)**	(372 440)	**(124 545)**	34
Impairment loss on statutory receivables	(8 111 983)	-	**(8 111 983)**	(3 081 817)	**5 030 166**	34
Reinsurance premiums	(6 093)	-	**(6 093)**	(5 859)	**234**	
General expenses	(1 957 970)	-	**(1 957 970)**	(1 458 391)	**499 579**	34
Total Expenditure	**(71 730 878)**	**-**	**(71 730 878)**	**(193 838 215)**	**(122 107 337)**	
Operating deficit	**(22 390 794)**	**-**	**(22 390 794)**	**(145 733 311)**	**(123 342 517)**	
Loss on Disposal of Property, Plant and Equipment	**-**	**-**	**-**	**(66)**	**(66)**	34
Deficit for the Year	**(22 390 794)**	**-**	**(22 390 794)**	**(145 733 377)**	**(123 342 583)**	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the ASB in accordance with section 91(1) of the PFMA,1999 (Act No. 1 of 1999).

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise. It is presented in South African Rand and rounded to the nearest thousand rand. Assets, liabilities, revenues, and expenses are not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant Accounting Policies applied in the preparation of these Annual Financial Statements are disclosed below and are consistent with those applied in the prior period.

1.1 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 Statements and related disclosures. Use of available information and the application of judgement are 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 as new information becomes known, circumstances change, or more experience is obtained. The RAF recognises the effect of these changes in accounting estimates prospectively, by including the effects in surplus or deficit in the period of the change if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant judgements include:

Impairment Testing

A cash-generating or non-cash-generating asset is impaired when the carrying amount of the asset exceeds its recoverable service amount. These calculations require the use of estimates and assumptions.

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

Claims, Liabilities, and the Reliability of Measurement

The measurement of Claims Liabilities is subject to inherent uncertainty. Management must exercise judgement to determine whether a "best estimate" represents a sufficiently reliable measurement as defined in the Reporting Framework.

The Information Gap and Measurement Reliability

Management has determined that for claims not yet lodged (IBNR), the absence of claimant-specific data contributes significantly to the uncertainty when establishing a sufficiently reliable measurement of the obligation. At the reporting date, the Fund lacks the following fundamental valuation inputs for potential claimants:

- Demographic Profile: Age, gender, and life expectancy.
- Socio-Economic Data: Employment status, qualifications, and earnings history.
- Medical Complexity: The severity of injuries and the long-term cost of medical undertakings.
- Observable Experience: For the most recent accident quarters, there is limited to no observable claims experience available at the reporting date. Because primary valuation data is typically released a quarter in arrears, any value attributed to the final quarter of the reporting period remains purely theoretical and cannot be empirically validated.

Furthermore, unlike similar entities that receive contributions from those who would receive compensation from their schemes, a pre-existing relationship with those who will become entitled to receive benefits is absent. The Fund's obligation is not anchored to a defined or identifiable group of people. Any person in the Republic of South Africa may become entitled to compensation from the Fund if they are seriously injured in a motor vehicle accident. Consequently, the extent of potential claims that may exist at any given date is not subject to a defined or identifiable group of people.

These variables are the primary drivers of claim severity, particularly

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

for loss-of-earnings and loss-of-support components. Without this data, any estimate is based on broad population averages rather than the specific characteristics of the obligation, leading to uncertainty impacting the reliable measurement for financial recognition.

Post-retirement Benefits

The RAF provides a defined benefit post-retirement medical plan to some of its employees. The measurement of the obligations (and assets) in respect of this liability requires actuarial estimates and valuations. An actuary is engaged to perform these calculations.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 15.

Impairment of Financial Assets Held at Amortised Cost

Financial Assets at Amortised cost consist of amounts owed to the Fund by current and ex-employees and a Rent-a-Captive Insurance Deposit. A loss allowance for expected credit losses is measured at the amount equal to the lifetime expected credit losses. The estimation of lifetime expected credit losses requires judgement using information available at the reporting date. Additional information is disclosed in Notes 7 and 24.

Revenue Recognition on the RAF Fuel Levy and Statutory Receivables

With effect from 1 April 2006, the responsibility for the collection of the RAF Fuel Levy was devolved from the Central Energy Fund (CEF) to the South African Revenue Service (SARS).

The changes to the Customs and Excise Act, 1964 (Act No. 91 of 1964) have introduced new provisions that require fuel companies to pay 50% of the RAF Fuel Levy at the end of the month following the month of removal of the fuel from the refinery, and the remaining 50% at the end of the following month.

The effect of these provisions is that cash receipts of RAF Levies do not correspond with the accrual of fuel levy revenue by the RAF. This particularly impacts the year-end revenue receivable raised from the RAF Fuel Levy. To correctly accrue for the revenue for the period, RAF Management makes an estimate as to what the expected RAF Fuel Levy income should be based on historical evidence. Additional information is disclosed in Notes 4 and 17.

Diesel Refunds

Diesel refunds are concessions deducted from the fuel levy received. Diesel concessions are granted to certain sectors of the economy based on the level of use by the diesel consumer in primary production activities.

In terms of section 5(2) of the RAF Act, after being amended by the Revenue Laws Amendment Act, 2005 (Act No. 31 of 2005), the RAF receives the RAF Fuel Levy net of diesel refund after it has been collected by SARS.

Diesel refunds affect the net amount of Fuel Levy revenue to be recognised and cannot be measured accurately at the point of revenue recognition.

Consequently, estimates are made by Management as to what the value of the diesel refunds will be. The estimates are based on historical evidence. There are at any given point in time, Diesel Refunds for 3 months that have not yet been deducted from the Fuel Levy accrued. A provision is recognised for these three months using historical evidence from the past 10 months. At the reporting date, the final provision for Diesel Rebate is estimated by management to be the value of the refunds deducted from the Fuel Levy over the 3 months following the reporting date. Management's best estimate of the provision at the reporting date is adjusted for information that is received after the reporting date but before the Financial Statements are approved for issue to the Executive Authority, as more reliable information becomes available to Management and impacts Management's best estimate of the Provision for Diesel Rebate. Additional information is disclosed in Notes 14 and 17.

Short-term employee benefits

Where a constructive obligation exists for short-term employee benefits, management measures the obligation using an estimate of the expected cash flows required to settle the obligation.

Revaluation of Land and Buildings

Land and buildings held for administrative purposes are carried at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed by an independent valuer on a yearly basis, such that the carrying amounts do not differ materially from those that would be determined using fair values at the reporting date. The fair value of land and buildings, measured using the Valuation Model, is based

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

on market values. The market value of property is determined by considering the market rentals that are paid in the immediate area. The

applicable relevant market rental is used to determine potential income. Thereafter, the relevant expenditure is deducted to determine the net income, and with a relevant capitalisation rate, the market value is calculated.

Additional information is disclosed in Note 8.

1.2 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Property, plant and equipment are initially measured at cost.

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

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.

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

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

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

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

Major inspection costs, which are a condition of continuing use of an item of property, plant and equipment, and which meet the recognition criteria above, are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses, except for land and buildings, which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Any increase in an asset's carrying amount as a result of a revaluation is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount as a result of a revaluation is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is not distributed to owners of net assets as no such parties exist to the RAF and the revaluation surplus is not supported by cash reserves. The revaluation surplus will be transferred directly to retained earnings when the asset is derecognised.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

Item	Depreciation Method	Average Useful Life
Buildings	Straight line	30 years
Office furniture	Straight line	15 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	10 years
IT equipment	Straight line	7 years
Leasehold improvements	Straight line	3 years

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

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

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

amended to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

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

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

1.3 INTANGIBLE ASSETS

An asset is identifiable if it either:

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

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

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

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

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

- It is technically feasible to complete the asset so that it will be available for use or sale;
- There is an intention to complete and use or sell it;
- There is an ability to use or sell it;
- It will generate probable future economic benefits or service potential;
- There are available technical, financial, and other resources to complete the development and to use or sell the asset; and

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- The expenditure attributable to the asset during its development can be measured reliably.

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

The intangible assets of the RAF all have a finite useful life, and amortisation is provided on a straight-line basis over their useful life.

Amortisation commences when the asset 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. Amortisation ceases at the date that the asset is derecognised.

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

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

Internally, generated brands, mastheads, publishing titles, customer lists, and items similar in substance are not recognised as intangible assets.

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

Item	Useful Life
Acquired Computer software	5 years

Intangible assets are derecognised:

- On disposal; or
- When no future economic benefits or service potential is expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is included in surplus or deficit when the asset is derecognised (unless the SA Standard of GRAP on leases requires otherwise on a sale and lease-back).

1.4 OTHER RECEIVABLES

Receivables due to the Fund that do not meet the definition of a Financial Instrument are accounted for in accordance with the principles set out in the Conceptual Framework for General Purpose Financial Reporting and GRAP 1. These receivables have been disaggregated from Financial Assets to enhance the fair presentation of Financial Assets in the Annual Financial Statements.

The RAF has the following types of receivables disclosed in note 6, which do not meet the definition of a Financial Asset as the Fund does not have a contractual right to receive cash, another financial asset, or to exchange financial assets or liabilities:

Class	Description
Advance payment in respect of suppliers' claims	Prepayments for services that are unwound over the short term as the services are received.
Sundry debtors	Sundry receivables arising from rights set out in legislation, amounts recoverable from suppliers not arising from a contract.
Claims debtors	Amounts recoverable for duplicate, wrong, or over payments to claimants or plaintiff attorneys or amounts attached by the Sheriff of the Court during the invalid execution of a writ of execution.
Other deposits	Deposits held by attorneys in respect of ongoing CCMA matters and by lessors in relation to operating leases on leased premises.

Other receivables are classified as current assets as they are expected to be recovered within 12 months and are repayable on demand.

Recognition

Other receivables are recognised when the RAF has made a payment and a right to receive either goods or services or a right to recover the payment exists.

Measurement

Other receivables are measured at the value of the consideration paid.

Impairment

Other receivables are considered for impairment at each reporting date. Other receivables are considered to be impaired when recovery of the consideration paid becomes doubtful. The most significant indicator of impairment of amounts recoverable is when the receivable has aged beyond 90 days.

Advanced payments are considered to be impaired when there is clear evidence that the goods or services in respect of the advanced payments will not be received.

Derecognition

Advanced payments are expensed over the term of the license (usually 12 months). Amounts to be recovered are derecognised when the funds are received by the fund or the recovery is approved for write-off.

1.5 FINANCIAL INSTRUMENTS

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A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Specifically, financial assets are either cash, a residual interest in another entity or a contractual right to receive cash or another financial asset or exchange financial assets or liabilities with another entity under conditions favourable to the Fund.

Classification

Cash and cash equivalents are distinguished from Other financial assets as cash holdings available on demand with no maturity date as well as physical cash on hand.

The RAF has the following types of receivables disclosed in note 7, which meet the definition of a Financial Asset as the Fund has a contractual right to receive cash, another financial asset, or to exchange financial assets or liabilities:

Class	Description
Employee debtors	Amounts recoverable from employees not governed by a contract.
Rent-a-Captive insurance	A cell captive deposit used as a self-insurance/ reinsurance facility.

All items presented as Other financial assets are categorised as Financial Assets measured at amortised cost, as they are managed to collect contractual cash flows over time and contain no embedded derivatives or characteristics requiring fair value measurement.

RAF has the following types of financial liabilities (classes and categories) as reflected in the Statement of Financial Position or the Notes thereto:

Class	Category
Trade and other creditors	Financial liability measured at amortised cost

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 adjusted for any loss allowance.

Amounts presented as Financial Assets or Financial Liabilities are all payable on demand or will be realised within 12 months.

Initial Recognition

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

The RAF recognises financial assets using trade date accounting.

Initial Measurement of Financial Assets and Financial Liabilities

As the RAF only carries receivables and payables, the RAF measures a financial asset and financial liability initially at its transaction price, as they do not contain a material financing transaction.

Subsequent Measurement of Financial Assets and Financial Liabilities

The RAF measures all financial assets and financial liabilities after initial recognition using the category 'financial instruments at amortised cost'.

All financial assets measured at amortised cost are subject to an expected credit loss review. Interest revenue is recognised in surplus or deficit using the effective interest rate method.

Impairment and Un-collectability of Financial Assets

The RAF estimates the lifetime credit losses on receivables and recognises credit losses in surplus or deficit through the use of an accumulated credit losses account. The RAF measures the lifetime expected credit losses in a way that reflects:

a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
b) The time value of money; and
c) Reasonable and supportive information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

A gain or loss on a financial asset that is measured at amortised cost is recognised in surplus or deficit when the financial asset is derecognised or reclassified, through the amortisation process, or in order to recognise impairment gains or losses. A gain or loss on a financial liability that is measured at amortised cost is recognised in surplus or deficit when the financial liability is derecognised and through the amortisation process.

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Derecognition

Financial Assets

The RAF derecognises financial assets using trade date accounting.

The RAF derecognises a financial asset only when the rights to the cash flows from the financial asset expire, are settled, or waived.

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

RAF 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, waived, or expires.

Presentation

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

1.6 STATUTORY RECEIVABLES

Identification

Statutory receivables comprise of the Fuel Levy receivable and are receivables that arise from legislation and require settlement by SARS from the RAF levies collected from fuel refineries.

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.

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

RAF recognises statutory receivables using the policy on Revenue from non-exchange transactions (Taxes and transfers)

Initial measurement

RAF initially measures statutory receivables at their transaction amount.

Subsequent measurement

RAF 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.

Derecognition

RAF derecognises a statutory receivable, or a part thereof, when the rights to the cash flows from the receivable are settled.

Any difference between the consideration received and the amounts derecognised and those amounts recognised, is recognised in surplus or deficit in the period of the transfer.

Impairment

Statutory Receivables are assessed for impairment at the reporting date by identifying whether there is any indication that the receivable may be impaired. The Fuel Levy Receivable is the only receivable classified as a Statutory Receivable, which is receivable from SARS, who have collected the RAF Fuel Levy on the Fund's behalf. Therefore, the likelihood that there is an indication that the receivable is generally impaired is remote, and a test for impairment of groups of Statutory Receivables cannot be applied.

Indicators of impairment of the Fuel Levy receivable are most often taxpayer specific matters where SARS has already withheld funds from the RAF, and the matter is in dispute. It is at this point that the RAF has sufficient information to impair the receivable.

1.7 TAX

Tax Expenses

In accordance with section 16(1) of the RAF Act, 1996 (Act No. 56 of 1996), the RAF is exempt from income tax and all customs, excise and stamp duties, as well as any liability for payment, withholding or collecting of any tax or duty.

1.8 LEASES

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

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incidental to ownership. The RAF was not party to any finance lease agreements during the reporting period.

When a lease includes land and building elements, RAF assesses the classification of each element separately.

Operating Leases – Lessee

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

1.9 CONSUMABLE STOCK

Consumable stock is recognised as an asset if, and only if, (a) it is probable that future economic benefits or service potential associated with the item will flow to RAF, and (b) the cost of the consumable stock can be measured reliably.

Consumable stock is initially measured at cost except where it is acquired through a non-exchange transaction, then its costs represent its fair value as at the date of acquisition.

Subsequently, consumable stock is measured at the lower of cost and net realisable value.

Consumable stock is measured at the lower of cost and current replacement cost, where it is held for distribution at no charge or for a nominal charge.

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

The cost of consumable stock comprises all costs of purchase, conversion, and other costs incurred in bringing it to its present location and condition.

The cost of consumable stock is assigned using the weighted average cost formula. The same cost formula is used for all consumable stock that has a similar nature and use to the RAF.

When consumable stock is utilised, the carrying amounts of the consumable stock are recognised as an expense in the period in which the stock is distributed. The amount of any write-down of consumable stock to net realisable value or current replacement cost, and all losses of consumable stock, are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of consumable stock, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of consumable stock recognised as an expense in the period in which the reversal occurs.

1.10 IMPAIRMENT OF CASH-GENERATING ASSETS

'Cash-generating assets' are assets managed 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.

'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, which 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 amount of an asset or a cash-generating unit' is the higher of its fair value less costs to sell and its value in use.

'Useful life' is either:

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

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Identification

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

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

Irrespective of whether there is any indication of impairment, the RAF 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 is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

Reversal of Impairment Loss

The RAF 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 RAF estimates the recoverable service 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. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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.

The RAF did not hold any cash-generating assets during the reporting period.

1.11 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

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

Identification

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

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

Irrespective of whether there is any indication of impairment, the RAF 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 is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

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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 asset is determined using the following approach:

Depreciated Replacement Cost Approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost 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 reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated based on such cost to reflect the already consumed or expired service potential of the asset.

The replacement and reproduction costs of an asset are determined on an 'optimised' basis. The rationale is that RAF 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 that 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.

Restoration Cost Approach

'Restoration cost' is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service Units Approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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

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 RAF 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 RAF 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 represents 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.

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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.

There was no reversal of impairment losses required during the reporting period.

1.12 EMPLOYEE BENEFITS

Employee benefits represent all forms of consideration given by an entity in exchange for service rendered by employees.

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 (e.g., medical care and free or subsidised goods or services such as housing, cars, and cell phones) for current employees.

When an employee has rendered service to the RAF during a reporting period, the RAF 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 RAF 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
- 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. All leave types are non-accumulating absences, with the exception of Annual Leave, which is accumulating. The RAF measures the expected cost of accumulating compensated absences as the additional amount that the RAF expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

Post-employment Benefits

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

Post-employment benefit plans are formal or informal arrangements under which an 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 RAF that employs the staff concerned.

The RAF contributes towards the Employees' Pension Fund administered by ABSA Consultants and Actuaries (Pty) Limited, the cost of which is recognised in surplus or deficit in the year that it is paid.

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Post-employment Benefits: Defined Medical 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 RAF recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a benefit fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits. These assets are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation) and cannot be returned to the reporting entity unless either the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity, or the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

'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 introduction of, or changes to, post-employment benefits or other long-term employee benefits in the current period. Past service cost may be either positive, i.e., when benefits are introduced or changed so that the present value of the defined benefit obligation increases, or negative, i.e., when existing benefits are changed so that the present value of the defined benefit obligation decreases.

In measuring its defined benefit liability, RAF 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 RAF accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the RAF's informal practices. Informal practices give rise to a constructive obligation where the RAF has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the RAF's informal practices could cause unacceptable damage to its relationship with employees.

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) from 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 (i.e., an asset). The RAF measures the resulting asset at the lower of the amount determined above, or 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 that reflects the time value of money.

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

The RAF 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.

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The RAF 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;
- The expected return on any plan assets and on any reimbursement rights;
- Actuarial gains and losses;
- Past service cost;
- The effect of any curtailments or settlements; and
- The effect of applying the limit on a defined benefit asset (i.e., a negative defined benefit liability).

The RAF 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 (also 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 RAF should attribute benefits 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, RAF should attribute the 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.

Actuarial Assumptions on the Post-Retirement Medical Scheme

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) reflect 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.

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

Estimated future salary increases;

- The benefits set out in 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
  - history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, e.g., in line with future changes in general price levels or general salary levels.

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

Termination Benefits

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

1.13 PROVISIONS, ACCRUALS AND CONTINGENCIES

The provisions of the RAF are divided into two classes, namely, Claims Provisions and Other Provisions.

Claims Provisions

The RAF has the following categories of Claims provisions at the reporting date:

- Provision for Claims Incurred but Not Yet Reported

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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- Provision for Claims Not Yet Requested for Payment
- Provision for RAF 1 Form obligation

The Provision for Claims Incurred but Not Yet Reported is recognised in respect of the obligation to compensate Road Accident Victims who have been injured in a motor vehicle accident before the reporting date but have not yet reported their claim to the Fund by the reporting date. Information in respect of these claims is limited, and the provision is subject to significant uncertainty as to the number and value of claims that will result in an outflow of cash for the Fund.

The Provision for Claims Not Yet Requested for Payment represents Claims reported to the Fund but have not yet been requested for payment at the reporting date. These claims are at various stages of the Claims administration process.

The Provision for the RAF 1 Form obligation relates to the obligation arising from the judgement handed down by the Supreme Court of Appeal on 30 April 2026, declaring the 2022 RAF 1 Form unlawful, resulting in the claims that were declined for lodgement using the 2022 RAF 1 Form to be eligible for lodgement using the 2008 RAF 1 Form until 30 September 2026. The judgement represents an adjusting event after the reporting date, and the Annual Financial Statements have been adjusted to reflect the obligation to accept the claims that are lodged before 30 September 2026. The estimation of these claims is still subject to uncertainty as the number of claims that will be re-submitted is not known at the reporting date.

Recognition and Measurement of Claims Provisions

The Fund recognises a provision for claims only when a present obligation exists as a result of a past event, it is probable that an outflow of economic benefits will occur, and the obligation can be measured reliably.

The obligation of the RAF to compensate victims of road accidents arises from the RAF Act, and the probability of cash outflows arising from the obligation is more likely than not. The obligation is, however, subject to significant uncertainty in the initial stages of the life cycle of a claim impacting the measurement of the obligation. Therefore, the claims provisions are measured at management's best estimate through actuarial valuations via a frequency-severity framework that weights possible outcomes by their likelihood.

Future cash flows expected to settle more than 12 months after the reporting date are discounted using a pre-tax risk-free yield curve derived from South African Government Bond (SAGB) yields (the R-series) as at the reporting date.

The Claims provisions are classified as current or non-current liabilities based on the expected timing of the estimated cash flows required to settle the obligations. The portion of the obligation expected to give rise to cash outflows within 12 months from the reporting date is classified as a current liability.

Subsequent measurement of claims provisions

Claims provisions are actuarially determined at each reporting date and estimate adjustments, such as changes in actuarial assumptions, experience gains and losses, unwinding of discount, and model adjustments are made to the carrying value of the provision to reflect the best estimate of the present obligation.

Adjustments to the provisions are recognised in surplus or deficit.

Derecognition of Claims provisions

Claims provisions raised are derecognised when the obligation no longer meets the definition of a provision. When the actual expected cash outflow in relation to specific claims is confirmed, and the claims are requested for payment, the value of the claims is no longer subject to uncertainty, and the respective provision is derecognised.

Accruals

Recognition of Accruals for Claims Requested for Payment but not yet Paid (RNYP)

When the actual expected cash outflow in relation to specific claims is confirmed, and the claims are requested for payment, the value of the claims is no longer subject to uncertainty, and an accrual is recognised for these claims.

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Measurement of Accruals for Claims Requested for Payment but not yet paid

Accruals for Claims Requested for Payment are initially and subsequently measured at the expected cash outflow required to extinguish the liability. The accruals are part of the normal operating cycle of the Fund and are therefore classified as current liabilities, even though they may be settled more than twelve months after the reporting date.

Derecognition of Accruals for Claims Requested for Payment but not yet Paid

Accruals for Claims Requested not yet paid are derecognised when the liability is extinguished through the outflow of cash required to settle the obligation.

Recognition of Claims Expenditure

The Fund recognises Claims Expenditure as an expense at the same point that it recognises a liability.

Reinsurance Contracts Held

The RAF procures reinsurance cover for the purposes of limiting its net loss potential. The Reinsurance Policies do not release the RAF from its direct obligations to its claimants, as the duty to compensate the claimants remains with the RAF, although reinsurance cover has been procured.

Reinsurance premiums are charged to the Statement of Financial Performance over the period that the reinsurance cover is provided, based on the expected pattern of the reinsured risks.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party (reinsurer), the reimbursement is recognised as a separate asset if, and only if, it is virtually certain that the reimbursement will be received if the entity settles the obligation. The amount recognised for the reimbursement shall not exceed the amount of the related provision. On the face of the Statement of Financial Position, the claims provision is not reduced by any potential reinsurance recoveries, which are presented separately as assets. Where the virtual certainty threshold is not met at the reporting date, no reimbursement assets are recognised.

Other provisions

Other provisions comprise the Provision for Diesel Rebate. Other Provisions are recognised when:

- The RAF 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.

The effect of time value of money is unlikely to affect the decisions of the users of the Financial Statements, as the provision is realised within 90 days after year end. Therefore, the undiscounted carrying amount of a provision is the present value of the expenditures expected to be required to settle the obligation, and no discount is applied.

The provision is reviewed at each reporting date and adjusted to reflect the current best estimate. The provision will only be 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.

The provision is used only for diesel refunds for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

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.

Contingent assets and contingent liabilities are not recognised.

Contingencies are disclosed in Note 31.

1.14 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions primarily comprises Investment Revenue.

Investment revenue comprises interest received from short-term investments, a Rent-a-captive deposit, and amounts owed to the RAF by attorneys. Investment revenue is recognised in surplus or deficit on the effective interest rate method.

Re-insurance income and other income are not considered significant revenue streams due to their incidental nature and are not related to the mandate of the RAF.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Measurement

Revenue is measured at the fair value of the consideration received or receivable.

Income

Income arising from the use by others of entity assets yielding interest, reinsurance income, and other income is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the RAF, and the amount of the revenue can be measured reliably.

'Investment revenue' comprises interest received and is recognised in surplus or deficit using the effective interest rate method.

'Reinsurance income' comprises income received in terms of high-value claims insured by reinsurance companies and commutation offers received from the same.

'Other income' comprises fees that are collected for published tenders, vending machines, and parking fees received from employees and other immaterial inflows not related to the mandate of the RAF.

1.15 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions is comprised of the Gross RAF Fuel Levy, which is levied on petroleum products in accordance with the Customs and Excise Act, 1964 (Act No. 91 of 1964).

'Transfers' are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The RAF Fuel Levy represents such a transfer.

Recognition

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

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

Measurement

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

The main income received by the RAF is a levy that is based on fuel sales, known as the RAF Fuel Levy. The RAF Fuel Levy income is a charge levied on fuel throughout the country, and the quantum of the RAF Fuel Levy per litre is determined by NT. The RAF Fuel Levy amendments are communicated through the Budget Speech.

The RAF recognises revenue from fuel levies when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the RAF.

Revenue is measured at the fair value of the consideration received or receivable (net of the diesel rebate).

1.16 FINANCE COSTS

Finance costs are recognised as an expense in the period in which they are incurred.

1.17 TRANSLATION OF FOREIGN CURRENCIES

Foreign Currency Transactions

A foreign currency transaction is recorded on initial recognition in rand, 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.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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Cash flows arising from transactions in a foreign currency are recorded in rand by applying to the foreign currency amount the exchange rate between the rand and the foreign currency at the date of the cash flow.

1.18 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure, as defined in section 1 of the PFMA, is 'expenditure which was made in vain and could have been avoided had reasonable care been exercised'. Fruitless and wasteful expenditure is recorded in the disclosures of the annual financial statements in accordance with National Treasury Instruction No. 04 of 2022/23 and the PFMA Compliance and Reporting Framework.

Fruitless and wasteful expenditure is recorded in the annual financial statements disclosure when incurred and confirmed. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a analysis one-year comparative analysis of the previous financial year.

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

a) fruitless and wasteful expenditure incurred and confirmed in the previous financial year;
b) fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
c) fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

Additional information relating to fruitless and wasteful expenditure under assessment, determination, investigations, narratives, and a process of dealing with the concerned fruitless and wasteful expenditure is recorded in the annual report.

1.19 IRREGULAR EXPENDITURE

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

- This Act; or
- The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations drafted in terms of the Act; or
- Any provincial legislation providing for procurement procedures in that provincial government. Irregular expenditure is recorded in the annual financial statements disclosures when incurred and confirmed. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis.

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

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

Additional information relating to irregular expenditure under assessment, determination, investigation, narratives, and the process of dealing with the irregular expenditure must be recorded in the annual report.

1.20 BUDGET INFORMATION

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

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

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 1 April 2025 to 31 March 2026.

The Annual Financial Statements and the budget are prepared on the same basis of accounting. Therefore, a comparison with the budgeted amounts for the reporting period has been included in the Statement of Comparison of Budget and Actual Amounts. Material movements will be explained in the Statement of Comparison of Budget and Actual

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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Amounts, and movements of greater than 10% will be assumed material.

1.21 RELATED PARTIES

Related parties include any entity or individual with the ability to control or significantly influence the RAF, or entities under common control, across all spheres of government, if material transactions occur outside of normal operating relationships.

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

Close members of the family of a person are considered to be those family members who may be expected to influence or be influenced by that Management in their dealings with the RAF. As a minimum, a person is considered to be a close member of the family of another person if they:

a) are married or live together in a relationship similar to a marriage; or
b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

EVENTS AFTER REPORTING DATE

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

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

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

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

1.22 COMPARATIVE AMOUNTS

Comparative amounts have been included in the annual financial statements and are consistent with the prior annual financial statements, except where otherwise indicated. Certain immaterial balances have been reclassified from Other Financial Assets to Other Receivables to enhance the understandability and faithful presentation of Financial Assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

The Accounting Standards Board issued GRAP 104: Financial Instruments and IGRAP 22: Foreign Currency Transactions and Advance Consideration during the current financial year, effective 1 April 2025.

The RAF has assessed the requirements of these pronouncements in accordance with GRAP 3.

GRAP 104: Financial Instruments

As a result of the revised GRAP 104 standard becoming effective in the current reporting period, certain receivables not meeting the definition of a financial instrument or a financial asset were reclassified to Other receivables to ensure faithful presentation of the value and nature of Other financial assets in the Annual Financial Statements.

The accounting treatment of financial assets and liabilities prescribed by the revised GRAP 104 standard has been applied in these Annual Financial Statements and did not materially impact the carrying amounts of the financial assets, as the credit quality of Cash and Cash Equivalents and the Rent-a-Captive deposit is high, and no credit losses are expected on these instruments. The remaining financial assets have already been fully impaired, where any credit losses were expected.

The presentation and disclosures of Financial Assets and Financial Liabilities have been updated to comply with the revised GRAP 104 requirements.

IGRAP 22: Foreign Currency Transactions and Advance Consideration

The entity has assessed IGRAP 22 and concluded that it is not applicable to its operations and will not have any impact on the financial statements, as the entity does not enter into foreign currency advance consideration transactions. Accordingly, no changes to recognition, measurement, presentation, or disclosure have resulted from the issuance of these pronouncements.

2.2 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

There were no new Standards of GRAP or Interpretations issued that are not yet effective and applicable to the entity during the current financial year. Accordingly, no disclosure is required in terms of GRAP 3 in respect of new pronouncements not yet effective.

3. CASH AND CASH EQUIVALENTS

	2026 R '000	2025 R '000
Cash and cash equivalents include the following:		
Short-term deposits	959 995	1 823 772
Current accounts	7 567	299 639
Cash on hand	50	50
	967 612	**2 123 461**

The effective interest rate on call deposits in 2025/26 was on average 7.03% and 7.5% in 2024/25. The credit quality of cash balances are high as amounts are held by reputable financial institutions are subject to low credit risk.

Included in short-term deposits is a guaranteed deposit to the value of R1 621 000 held in respect of the building rental contract with PRASA.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Statutory Receivables

	2026 R '000	2025 R '000
Fuel Levy receivable	16 294 954	13 280 844
Impairment of statutory receivable	(5 072 361)	(1 990 544)
	11 222 593	**11 290 300**

The RAF Fuel Levy is recovered directly from the oil refineries by SARS and is paid into the National Revenue Fund. SARS pays the funds into the National Revenue Fund after certain deductions are made in terms of section 47 of the Customs and Excise Act, 1964 (Act No. 91 of 1964), section 5 of the RAF Act, as well as Schedule No. 6 of the Customs and Excise Act, 1964. NT then pays these levies from the National Revenue Fund to the RAF.

Approximately 50% of the levies due are payable by the refineries at the end of the month following the month of removal from the refinery, and the remaining 50% at the end of the following month.

This amount is reduced by any bad debts that the refineries have sustained that need to be refunded by the RAF.

Statutory Receivables past due and impaired

Reconciliation of Accumulated Allowance for impairment Losses on Statutory Receivables

	2026 R '000	2025 R '000
Fuel Levy Receivable		
Opening Balance	1 990 544	-
Provision for impairment	3 081 817	1 990 544
Amounts recovered	-	-
Amounts written off as uncollectable	-	-
Closing balance	**5 072 361**	**1 990 544**

During the months of April, May and June 2025, SARS withheld R3.1 billion in respect of Diesel Refunds claimed retrospectively by Eskom to the value of R5.1billion. An interdict was successfully obtained by the Fund to prohibit SARS from deducting the funds from the Fuel Levy Revenue accrued to the RAF. An inter-governmental dispute has been declared between the RAF and SARS regarding the legality of the refund claimed by Eskom. As the amounts withheld are past due and their collectability is subject to the outcome of an Intergovernmental dispute, the statutory receivable has been impaired for the amounts past due.

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2026 R '000	2025 R '000
Interest receivable from short-term investments	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. OTHER RECEIVABLES

	2026 R '000	2025 R '000
Advance payments i.r.o. supplier claims and other	64 731	81 629
Sundry debtors	89 124	94 805
Claims debtors	104 630	103 774
Other deposits	12 415	12 415
	270 900	292 623
Accumulated impairment on other receivables	(186 974)	(169 017)
	83 926	**123 606**

7. OTHER FINANCIAL ASSETS

	2026 R '000	2025 R '000
At amortised cost		
Employee debtors	3 620	3 786
Rent-a-captive insurance	296 737	255 919
	300 357	259 705
Accumulated allowance for expected credit losses	(3 505)	(3 656)
	296 852	**256 049**
Current assets		
At amortised cost	296 852	256 049

Financial Assets at Amortised Cost

Financial Assets at Amortised Cost Past Due but Not Impaired

As at 31 March 2026 the Financial Assets which are past due but are not considered to be impaired amount to R0.00.

Financial Assets at Amortised Cost Impaired

Employee debtors impaired totalled R3 505 000.00 as at 31 March 2026 and R3 656 000.00 as at 31 March 2025.

	2026 R '000	2025 R '000
The breakdown of amounts is as follows:		
Employee debtors	3 505	3 656
	3 505	**3 656**
Reconciliation of Accumulated Allowance for Expected Credit Losses oo Financial Assets at Amortised Cost		
Employee debtors		
Opening balance	3 656	4 220
Provision for impairment	55	272
Amounts recovered	(206)	(443)
Amounts written off as uncollectable	-	(393)
	3 505	**3 656**

The creation and release of provision for impairment receivables have been included in Note 24: General Expenses.

The impairment of financial assets was estimated using the factors set out in the Accounting Policies.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The RAF does not hold any collateral as security.

The credit quality of the Rent-a-Captive deposit is high as the deposit is held at a reputable financial institution and has minimal credit risk.

8. CONSUMABLE STOCK

	2026 R '000	2025 R '000
Consumable stock	5 267	5 423

Included in consumable stock are printing paper, printer cartridges, and stationery, and are utilised in the ordinary course of business.

9. PROPERTY, PLANT AND EQUIPMENT

	2026			2025		
	Cost / Valuation R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000	Cost / Valuation R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000
Land	28 600	-	28 600	27 000	-	27 000
Buildings	85 000	-	85 000	91 700	-	91 700
Office furniture	41 710	(35 453)	6 257	42 831	(35 206)	7 625
Motor vehicles	4 604	(1 967)	2 637	4 604	(1 087)	3 517
Office equipment	34 107	(29 264)	4 843	34 022	(28 633)	5 389
IT equipment	242 677	(227 961)	14 716	247 787	(224 362)	23 425
Leasehold improvements	18 374	(17 553)	821	17 433	(17 433)	-
Total	**455 072**	**(312 198)**	**142 874**	**465 377**	**(306 721)**	**158 656**

Reconciliation of Property, Plant and Equipment – 2026

	Opening balance R '000	Additions R '000	Disposals R '000	Transfers R '000	Revaluations R '000	Accumulated depreciation on disposals R '000	Depreciation R '000	Total R '000
Land	27 000	-	-	-	1 600	-	-	28 600
Buildings	91 700	-	-	-	(2 713)	-	(3 987)	85 000
Office furniture	7 625	-	(1 121)	-	-	1 065	(1 311)	6 257
Motor vehicles	3 517	-	-	-	-	-	(880)	2 637
Office equipment	5 389	593	(508)	-	-	500	(1 131)	4 843
IT equipment	23 425	-	(2 458)	-	-	2 458	(8 709)	14 716
Leasehold Improvements	-	942	-	-	-	-	(120)	821
	158 656	**1 535**	**(4 087)**	**-**	**(1 113)**	**4 023**	**(16 138)**	**142 874**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Reconciliation of Property, Plant and Equipment – 2025

	Opening balance R '000	Additions R '000	Disposals R '000	Transfers R '000	Revaluations R '000	Accumulated depreciation on disposals R '000	Depreciation R '000	Total R '000
Land	24 000	-	-	-	3 000	-	-	27 000
Buildings	89 000	-	-	-	6 569	-	(3 869)	91 700
Office furniture	11 736	-	(7 804)	-	-	5 725	(2 032)	7 625
Motor vehicles	4 397	-	-	-	-	-	(880)	3 517
Office equipment	5 273	1 551	(1 606)	-	-	1 507	(1 336)	5 389
IT equipment	34 873	2 121	(4 569)	-	-	4 135	(13 134)	23 425
Leasehold Improvements	-	-	-	-	-	-	-	-
	169 279	**3 672**	**(13 979)**	**-**	**9 569**	**11 367**	**(21 251)**	**158 656**

The carrying amount of fully depreciated property, plant and equipment that are still in use is as follows:

	2026 R'000	2025 R'000
Cost	418 675	418 787
Accumulated depreciation	(418 656)	(418 768)
Carrying amount	**19**	**19**

Repairs and Maintenance

	2026 R'000	2025 R'000
Buildings	1 712	1 716
IT equipment	12 525	11 693
	14 237	**13 409**

Revaluations

The effective date of the revaluations was 31 March 2026. Revaluations were performed independently by Mr Sydney Lukhele (Reg. No. 7274/0), professional valuer of Valuers Afrika Pty (Ltd). Neither the valuer nor Valuers Afrika Pty (Ltd) is a related party of the RAF.

Land and buildings are revalued independently every year in terms of the RAF Policy.

The valuation was performed using the Income Capitalisation Method to determine the market value by applying the market capitalisation rate to the net annual market rental income. A capitalisation rate of 11% (2024/25: 11%) was applied to the net annual income to arrive at the capitalised value. The building is however, in a below-average state of maintenance and will require considerable maintenance in order to achieve market related rental rates.

During March 2007, the RAF purchased the vacant land from SANRAL and erected an office building for its staff on this property. Registration of the land in the name of the RAF has not yet taken place due to circumstances beyond the control of the Fund. The Deed of Sale specifically states that all risks and rewards incidental to ownership pass to the RAF upon signature of the Deed of Sale. In the meantime, economic benefits are flowing to RAF in the form of use of the land, as well as any appreciation in value. The cost of the land was measured reliably at recognition as the cash paid for the purchase of the property. The asset has therefore been recognised in the Annual Financial Statements in accordance with the definition of an asset, as set out in GRAP 1 *Presentation of Financial Statements*, and recognition criteria, as set out in *GRAP 17 Property, Plant and Equipment*.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

10. INTANGIBLE ASSETS

	2026			2025		
	Cost R '000	Accumulated amortisation and impairment R '000	Carrying value R '000	Cost R '000	Accumulated amortisation and impairment R '000	Carrying value R '000
Computer Software	499 464	(293 383)	206 081	452 336	(235 983)	216 353

Reconciliation of Intangible Assets - 2026

	Opening balance R '000	Additions R '000	Disposals R '000	Accumulated Amortisation on Disposals R '000	Amortisation R '000	Total R '000
Computer Software	216 353	47 155	(27)	27	(57 427)	206 081

Reconciliation of Intangible Assets - 2025

	Opening balance R '000	Additions R '000	Disposals R '000	Accumulated Amortisation on Disposals R '000	Amortisation R '000	Total R '000
Computer Software	168 890	80 755	(33 926)	33 900	(33 266)	216 353

11. SHORT-TERM EMPLOYEE BENEFIT LIABILITIES

	2026 R '000	2025 R '000
Accrual for overtime	14 444	10 154
Accrual for leave	101 862	80 475
Accrual for 13th cheque	21 153	19 731
Accrual for incentive bonus	304 001	217 556
Total	**441 460**	**327 916**

12. FINANCIAL LIABILITIES

	2026 R '000	2025 R '000
At amortised cost		
Trade payables	225 607	228 939
Unidentified deposits	11 432	10 004
Third party payables	28 170	10 009
Total	**265 209**	**248 952**

Unidentified deposits represent deposits received for which insufficient information is available to identify and allocate the amount accurately at the reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. CLAIMS LIABILITIES

	2026 R '000	Restated 2025 R '000
Provision for Claims Incurred but Not yet Reported	16 756 053	19 318 883
Provision for RAF 1 Form obligation	322 892 123	154 452 644
Provision for claims not yet requested for payment	88 410 341	122 034 620
Accrual for claims requested for payment but not yet paid	21 090 556	10 678 888
Total Claims Liabilities	**449 149 072**	**306 485 036**

Claims liabilities are classified as follows:

Current liabilities	52 591 737	52 364 978
Non-current liabilities	396 557 335	254 120 058
Total Claims Liabilities	**449 149 072**	**306 485 036**

Reconciliation of opening balance to closing balance

	Opening Balance R'000	Estimate Adjustment R'000	Provisions derecognised R'000	Provisions raised R'000	Closing Balance R'000
Provision for Claims Incurred but Not yet Reported	19 318 883	828 805	(18 433 304)	15 041 668	16 756 053
Provision for RAF 1 Form obligation	154 452 644	-	-	168 439 479	322 892 123
Provision for claims not yet requested for payment	122 034 620	11 267 010	(225 504 081)	180 612 791	88 410 341
	295 806 148	**12 095 815**	**(243 937 384)**	**364 093 937**	**428 058 516**

	Opening Balance R'000	Claims Paid R'000	Claims requested for Payment R'000	Closing Balance R'000
Accrual for claims requested for payment but not yet paid	10 678 888	(43 272 891)	53 684 559	21 090 556
	10 678 888	**(43 272 891)**	**53 684 559**	**21 090 556**

The Claims liability for claims requested not yet paid at year end includes amounts owing to suppliers of the RAF for services rendered related to the settlement of the claims requested.

Further information on the Provision for claims not yet requested for payment is summarised in the tables below:

Claims Provisions in respect of applicable amendments to the RAF Act

	Provision for Claims Incurred but not yet Reported R '000	Provision for RAF 1 Form obligation R'000	Provision for claims not yet requested for payment R'000	Total Provisions for Claims R'000
Amendment Period				
Pre-Amendment Act	2 278	170 905	3 399 954	3 573 137
Post-Amendment Act	16 753 775	322 721 218	85 010 387	424 485 379
	16 756 053	**322 892 123**	**88 410 341**	**428 058 516**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Claims Provisions summarised by direct and represented claims

	Provision for Claims Incurred but not yet reported R '000	Provision for RAF 1 Form obligation R'000	Provision for claims not yet requested for payment R'000	Total Provisions for Claims R'000
Representation				
Direct Claims	905 090	1 726 754	2 718 565	5 350 409
Represented Claims	15 850 962	321 165 369	85 691 776	422 708 107
	16 756 053	**322 892 123**	**88 410 341**	**428 058 516**

The Claims provisions are classified as current or non-current based on the expected timing of the cash flows that will be required to settle the obligation. The expected realisation of the provisions is detailed below:

	Provision for Claims Incurred but not yet reported R '000	Provision for RAF 1 Form obligation R'000	Provision for claims not yet requested for payment R'000	Total Provisions for Claims R'000
Timing				
1-12 months	433 407	-	31 067 775	31 501 182
13-24 months	767 380	46 403 212	10 502 074	57 672 666
25-60 months	8 012 462	181 281 485	28 628 005	217 921 952
60+ months	7 542 805	95 207 426	18 212 487	120 962 717
	16 756 053	**322 892 123**	**88 410 341**	**428 058 516**

The timing of the cash flows arising from the RAF 1 claim forms is highly uncertain, as the court ruling is recent, and it is not clear the timing and pace at which the claims will be resubmitted. A best estimate approach was followed to bridge this uncertainty.

Measurement of Recognised Provisions

The measurement of provisions reflects the following economic parameters:

Discounting and the Time Value of Money

Where the settlement is expected to occur more than 12 months after the reporting date, the liability is discounted.

- **The Yield Curve:** The discount rate is derived from a pre-tax risk-free yield curve based on South African Government Bond (SAGB) yields as at the reporting date.
- **Application:** The full yield curve is applied to projected cash flows relative to their expected settlement timing. This ensures that the measurement reflects the market assessment of the time value of money without embedding risk adjustments that are already accounted for in the cash flow projections. The sensitivity of the estimate to the yield curve and risk adjustments are set out in the table below.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Current Valuation 31 Mar 2026 R'000	Sensitivity Testing			
		Inflation		Discount Rate	
		+1%	-1%	+1%	-1%
		R'000	R'000	R'000	R'000
Exposure Component					
Provision for Claims Incurred but Not yet Reported	16 756 053	16 846 183	16 666 705	16 650 209	16 864 456
Provision for RAF 1 Form obligation	322 892 123	322 892 123	322 892 123	322 892 123	322 892 123
Provision for claims not yet requested for payment	88 410 341	92 260 808	84 890 248	86 200 456	90 899 095
Total Recognised Provisions	**428 058 516**	**431 999 114**	**424 449 075**	**425 742 787**	**430 655 673**

Measurement Uncertainty and Sensitivity

The estimation of the IBNR is highly sensitive to long-term economic assumptions, particularly the pre-tax risk-free yield curve and inflation rates. Management's assessment of the "Neutral Best Estimate" indicates that a parallel shift of only 1% in the discount rate or CPI results in a valuation variance of approximately 8.5% to 10.3% (representing a multi-billion Rand "swing"). This extreme volatility, coupled with the absence of claimant-specific data (mainly identity and demographics, earnings and earnings profile as well as medical evaluation reports), confirms that the range of plausible outcomes is extremely wide and introduces significant uncertainty into the measurement estimation of the IBNR obligation.

Furthermore, the data in respect of the total number of accidents in each accident year is no longer available from the Road Traffic Management Corporation. The available data is limited to the number of fatal accidents. This represents only a small portion of the exposure of the RAF.

The data available for estimating the value of the RAF 1 Form obligation is rejected claims data. This type of data set is not ideal for typical actuarial valuation purposes. Therefore, the best possible approach was followed to quantify this liability with data that does not fully describe the exposure.

14. OTHER PROVISIONS

2026

	Diesel Rebate R '000	Total R '000
Movement in other provisions	822 796	822 796
Opening balance	4 981 712	4 981 712
Increase in the provision charged to surplus or deficit Provision utilised	(3 304 839)	(3 304 839)
Total	**2 499 669**	**2 499 669**

2025

	Diesel Rebate R '000	Total R '000
Movement in other provisions		
Opening balance	963 489	963 489
Increase in the provision charged to surplus or deficit	3 174 358	3 174 358
Provision utilised	(3 315 051)	(3 315 051)
Total	**822 796**	**822 796**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

In terms of legislation, the RAF has an obligation to refund a portion of the RAF Fuel Levy, 218 c/l (2024/25: 218 c/l), relating to the diesel usage in other economic sectors where vehicles are not used. The provision is calculated based on actual claims from these sectors processed through SARS. The provision is settled

on a quarterly basis, with the provision at year-end being based on the last quarter's results. These results are generally finalised after year-end and after all rebates have been taken into account.

Contingent Liability in relation to the Diesel Rebate Provision

A contingency in respect of amounts withheld by SARS in relation to a disputed claim by Eskom has been disclosed in Note 31.

15. EMPLOYEE BENEFIT OBLIGATION

Defined Benefit Plan

Post-retirement Medical Aid Plan

The RAF operates a post-employment medical benefit scheme that covers employees who were appointed prior to 1 May 1998.

The latest valuation of the RAF's liability in respect of post-retirement medical benefits for the financial year-end was performed on 31 March 2026, and it will be valued at annual intervals thereafter.

36 pensioners qualify for this benefit, and 58 employees are prospectively entitled to this benefit. The initial liability and future increases or decreases thereof are charged to surplus or deficit.

No plan assets are shown, as the medical benefits are unfunded.

	2026 R'000	2025 R'000
Changes in the present value of the defined benefit obligation are as follows:		
Opening balance	30 187	35 805
Contributions by plan participants	(905)	(913)
Net (gain)/expense recognised in the Statement of Financial Performance	9 155	(4 705)
	38 437	30 187
Net (gain)/expense recognised in the Statement of Financial Performance		
Current service cost Interest cost	570	754
Actuarial (gains) / losses:	3 300	4 449
Arising from changes in financial assumptions	1 927	1 947
Arising from experience adjustments	3 358	(11 855)
	9 155	(4 705)
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	10.30%	11.44%
Healthcare cost inflation	7.39%	8.03%
Real discount rate	2.71%	3.58%
Spouse age gap (years)	Actual	3
Expected average age of retirement	65	65
Normal retirement age	65	65
Proportion married at retirement	80%	80%
Continuation at retirement	100%	100%
Mortality: Pre-expected retirement age	SA85-90 light	SA85-90 light
Mortality: Post-expected retirement age	PA(90) - 1	PA(90) - 1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

There are currently no assets set aside in respect of the post-employment medical scheme liability. Therefore, no assumption specific to the assets has been made.

Expected contributions to the plan during the 2026/27 financial year is R1 648 000.00 and the present value of benefit payments maturing over the next 5 years are as follows:

	2027 R'000	2028 R'000	2029 R'000	2030 R'000	2031 R'000
Benefit payments	1 648	1 770	1 901	2 042	2 193

Sensitivity Analysis

The liability at the Valuation Date was recalculated to show the effect of:

- A one percentage point increase and decrease in the discount rate.
- A one percentage point increase and decrease in the medical inflation rate.
- A one-year age increase and decrease in the assumed rates of post-employment mortality.
- A one-year increase and decrease in the assumed retirement age; and
- A decrease of ten percentage points in the assumed proportion of in-service members that remain members at retirement.

The following table shows a Sensitivity Analysis on the Accrued Liability as at 31 March 2026.

Assumption	Change	Liability R'000	% Change
Central Assumption		**38 437**	
Discount Rate	1%	34 191	-11.05%
	-1%	43 554	13.31%
Medical Inflation Rate	1%	43 570	13.25%
	-1%	34 115	-11.25%
Post-Employment Mortality	+1 Year	39 895	3.79%
	-1 Year	36 985	-3.78%
Retirement Age	+1 Year	37 863	-1.49%
	-1 Year	40 306	4.86%
Membership Continuation	-10%	36 330	-5.48%

Amounts for the current and previous four years are as follows:

	2026 R'000	2025 R'000	2024 R'000	2023 R'000	2022 R'000
Defined benefit obligation	38 437	30 187	35 805	57 577	57 726

The discount rate should be set with reference to the market yield on government bonds of appropriate term.

16. OPERATING LEASE LIABILITY

	2026 R '000	2025 R '000
Current Liability	2 278	372
Non-current liability	16 260	11 279
	18 538	**11 651**

The operating lease liability relates to the portion of operating lease expenses recognised resulting from the equalisation of operating lease payments. The lease contracts are in respect of the leasing of certain office buildings occupied by the RAF. Refer to Note 30 for the disclosure of the minimum payments due in respect of operating leases.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. NET FUEL LEVIES

	2026 R '000	2025 R '000
Gross fuel levies	52 797 779	53 244 855
Less: diesel rebate	(4 981 712)	(3 174 358)
Total	**47 816 067**	**50 070 497**

18. OTHER INCOME

	2026 R '000	2025 R '000
Recoveries	1 156	2 029
Foreign exchange gains	-	301
Total	**1 156**	**2 330**

Recoveries relate to minor recoveries that do not form part of the normal business of the RAF, such as recoveries from training and PAIA requests.

19. INVESTMENT REVENUE

	2026 R '000	2025 R '000
Interest revenue		
Interest received from short-term investments	269 666	661 898
Interest received from Rent-a-captive insurance	18 015	17 821
Interest received - claims related matters	-	646
Total	**287 681**	**680 365**

20. CLAIMS EXPENDITURE

	2026 R '000	Restated 2025 R '000
Claims paid	43 272 891	42 629 726
Claims liability as at	449 149 072	306 485 036
Reversal of prior year Claims liability	(306 485 036)	(240 270 216)
Total	**185 936 928**	**108 844 545**
Claimant compensation (loss of earnings and support, general damages and funeral costs)	33 213 967	36 429 316
Claimant medical costs	1 823 904	1 344 919
Claimant legal and other costs	7 889 480	4 235 800
Other costs related to Claims payments	345 540	619 691
	43 272 891	**42 629 726**

21. REINSURANCE PREMIUMS

	2026 R '000	2025 R '000
Paid to reinsurers during the year	**5 859**	**5 240**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. EMPLOYEE COSTS

	2026 R '000	2025 R '000
Total staff costs	**2 909 216**	**2 468 416**

Included in staff costs are:

Net loss on Defined Benefit Plan (see note 13)	9 155	(4 705)
	9 155	**(4 705)**

As at 31 March 2026, 2 959 staff members (of which 2 472 are permanent) were employed by the RAF (2024/25: 3 033 staff members of which 2 405 are permanent).

23. FINANCE COSTS

	2026 R '000	2025 R '000
Foreign exchange losses	103	-
Interest charged by creditors	1	60
Interest charged on claims	372 336	152 850
Total	**372 440**	**152 910**

24. GENERAL EXPENSES

Included in general expenses presented in the Statement of Financial Performance are the following expense categories.

	2026 R '000	2025 R '000
Advertising	41 790	76 200
Auditors' remuneration	14 750	10 939
Board members' expenses	1 519	1 949
Computer expenses	469 019	397 039
Consulting and professional fees	291 016	259 302
Electricity	29 461	23 323
Enterprise Supplier Development	6 663	5 235
Impairment of other financial assets adjustment	19 768	45 475
Insurance	11 063	13 930
Lease rentals on operating lease	124 175	88 146
Legal costs	90 751	96 220
Marketing	119 424	272 193
Motor vehicle expenses	36 585	28 643
Operating costs	59 794	42 115
Printing and stationery	7 815	7 790
Repairs and Maintenance: Building	1 712	1 716
Repairs and maintenance: IT Equipment	12 525	11 693
Repairs and maintenance: Other	35 751	12 647
Security	27 256	30 437
Telephone and fax	13 742	16 511
Travel local	43 552	43 877
Travel overseas	260	722
Total	**1 458 391**	**1 486 102**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

25. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2026 R '000	Restated 2025 R '000
Irregular Expenditure	104 368	111 968
Fruitless and wasteful expenditure	26 769	7 308
Total	**131 137**	**119 276**

Irregular expenditure

2026

Amounts confirmed and incurred during the 2025/26 financial year

R799 359.85 relates to a matter totalling R1 980 594.69 found to be Irregular Expenditure due to non-compliance with the mandatory bid requirements during the evaluation phase of the bid.

R1 079 277.91 relates to a matter where payments in excess of the contract were made to the supplier.

R14 558 691.78 relates to a matter totalling R22 562 727.79 found to be Irregular Expenditure due to non-compliance with the technical evaluation criteria during the evaluation phase of the bid.

R514 525.10 relates to a matter confirmed as Irregular Expenditure due to non-compliance with the functionality requirements of the bid during the evaluation phase of the bid.

R1 029 529.56 relates to a matter confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.

R2 324 101.53 relates to a matter totalling R3 994 637.45 confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.

R14 320 851.67 relates to an amount totalling R33 604 817.67 confirmed to be Irregular Expenditure due to insufficient market analysis that resulted in a limited bidding process.

R613 032.00 relates to a matter confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.

R469 905.33 relates to expenditure found to be irregular due to non-compliance with emergency procurement and deviation requirements.

R13 326 414.27 relates to expenditure incurred beyond the contract end date.

R10 775 434.17 relates to expenditure found to be irregular expenditure due to non-compliance with the technical requirements during the evaluation phase of the bid process.

R65 213.95 relates to a matter where the proper procurement process was not followed.

R13 177.14 relates to a matter where the employee did not comply with the Travel Policy of the Fund. R2 738 106.17 relates to an amount that was paid in excess of the quoted price.

R40 147 831.56 relates to payments totalling R299 222 808.22 made to suppliers where the appointment of the suppliers is potentially irregular. Due to the complex nature of the matter, the Fund is in the process of appointing an independent party to complete the assessment and determination tests. The assessment process however has exceeded the allowable 30 days prescribed by Section 4.1 of the PFMA and Compliance Reporting Framework. The matter has therefore been recognised in the Annual Financial Statements as Irregular Expenditure to ensure completeness of the amounts disclosed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Amounts incurred during the 2025/26 financial year relating to matters confirmed during the 2024/25 financial year

R1 593 228.32 relates to matters confirmed in the 2024/25 financial year due to the winning bidder not complying with the mandatory requirements of the bid.

2025

Amounts confirmed in 2025/26 and incurred during the 2024/25 financial year

R 651 525.52 relates to a matter totalling R1 980 594.69 found to be Irregular Expenditure due to non-compliance with the mandatory bid requirements during the evaluation phase of the bid.

R8 004 036.01 relates to a matter totalling R22 562 727.79, found to be Irregular Expenditure is due to non-compliance with the technical evaluation criteria during the evaluation phase.

R1 036 807.98 relates to a matter found to be Irregular Expenditure due to the incorrect value being requested for a contract extension

R1 276.37 relates to a matter where a contract was utilised subsequent to the termination date.

R4 976 462.08 relates to Irregular Expenditure arising due to non-compliance with the technical requirements of the bid during the evaluation phase of the bid.

R1 670 535.92 relates to a matter totalling R3 994 637.45 confirmed to be Irregular Expenditure due to non-compliance with the mandatory requirements during the evaluation phase of the bid.

R13 704 166.66 relates to an amount totalling R33 604 817.67 confirmed as Irregular Expenditure due to insufficient market analysis that resulted in a limited bidding process.

R196 480.00 was confirmed as irregular expenditure as the payments were made in excess of the contract value.

R17 000.00 was confirmed as irregular due to non-compliance with the mandatory requirements on an RFQ.

R655 904.00 was confirmed as irregular expenditure incurred outside the scope of the contract.

R78 726 195.75 relates to payments totalling R299 222 808.22 made to suppliers where the appointment of the suppliers is potentially irregular. Due to the complex nature of the matter, the Fund is in the process of appointing an independent party to complete the assessment and determination tests. The assessment process however has exceeded the allowable 30 days prescribed by Section 4.1 of the PFMA and Compliance Reporting Framework. The matter has therefore been recognised in the Annual Financial Statements as Irregular Expenditure to ensure completeness of the amounts disclosed.

Amounts confirmed and incurred during the 2024/25 financial year

R600 881.09 relates to a matter totalling R1 328 755.85 where Irregular Expenditure was incurred due to the winning bidder not complying with the mandatory requirements of the bid.

R1 726 124.52 relates to a matter totalling R2 616 404.61, where the winning bidder should have been disqualified as they did not comply with the mandatory requirements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Fruitless and wasteful expenditure

2026

R4 323.57 and R4 924.07 of fruitless and wasteful expenditure was incurred in the form of additional travel costs.

R26 760 255.28 of a total of R53 002 681.00 fruitless and wasteful expenditure was incurred due to prolonged suspensions of employees.

2025

Amounts confirmed in 2025/26 and incurred during the 2024/25 financial year

R1 831 476.00 relates to a matter totalling R2 022 932.00 where an employee fabricated expenditure for their own benefit.

R3 808 751.57 was incurred in the 2024/25 financial years in respect of a total financial loss of R53 002 681.89 in relation to extend suspension of employees.

R2 323 512.00 relates to a payment of a claim to the incorrect vendor account during the 2023/24 financial year.

Amounts identified, confirmed, and incurred during the 2024/25 financial year

R1 666 473.83 relates to duplicate, wrong and over payments made in the 2024/25 financial year which are not yet recovered.

26. CASH FLOWS FROM OPERATING ACTIVITIES

		Restated
	2026 R '000	**2025 R '000**
Surplus/(Deficit) for the year	(145 733 377)	(64 251 241)
Depreciation and amortisation	73 565	54 518
Loss on sale or derecognition of assets	66	2 638
Movements in retirement benefit assets and liabilities	8 250	(5 618)
Movements in Claims liabilities	142 664 038	66 214 819
Movement in diesel rebate provision	1 676 873	(140 693)
Movement in operating lease liability	6 887	8 157
Changes in Working Capital		
Consumable stock	156	375
Receivables from exchange transactions	-	49 666
Receivables from non-exchange transactions	67 707	(581 378)
Other receivables	39 680	(53 265)
Other financial assets	(40 803)	(40 128)
Short term employee benefit liabilities and financial liabilities	129 799	134 794
	(1 107 159)	**1 392 645**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27. RELATED PARTIES

Related Party Relationships

The RAF is an entity created by statute, with the Minister of Transport being the Executive Authority representing the DoT and, by extension, the government of South Africa. The RAF is a Schedule 3A Public Entity in terms of the PFMA. The related party disclosures are in terms of the requirements of GRAP 20. The related parties of the RAF mainly consist of Departments, SOEs, other public entities in the national sphere of government, and key Management personnel of the RAF, or its Executive Authority, and close family members of related parties. The list of public entities in the national sphere of government is provided by NT on their website, www.treasury.gov.za. The NT also provides the names of subsidiaries of public entities.

Related Party Transactions and Balances

During the financial year, the RAF transacted with the Passenger Rail Agency of South Africa (PRASA) in the form of the rental of office space in Pretoria from PRASA) to the RAF. The RAF entered into an office rental agreement with PRASA. Both the RAF and PRASA are related as they are both under common control and report to the same Executive Authority (DoT). Refer to note 30 Commitments for the significant terms of the lease contract and note 31 Contingencies in respect of a Guarantee Deposit held in relation to this lease agreement.

The RAF also transacted with the Department of Justice and Constitutional Development during 2025/26. Certain employees of the RAF are stationed at the offices of the State Attorney, and operating costs in relation to these employees are invoiced to the RAF by the Department of Justice and Constitutional Development. The RAF, the Department of Justice and Constitutional Development are related as they are under common control (National Sphere of Government). The transactions are subject to normal terms and conditions, are unsecured, will be settled in cash, and that no guarantees have been given or received.

The RAF was also invoiced for investigations performed by the Special Investigations Unit (SIU). The RAF and SIU are related parties because they are under common control (National Sphere of Government).

The transactions with related parties in the 2025/26 financial year took place at arm's length. The transactions are subject to normal terms and conditions, are unsecured, will be settled in cash, and that no guarantees have been given or received.

	2026 R '000	2025 R '000
Transactions and Trade payables owing to related Parties		
PRASA		
Amounts paid in respect of rental of office space	31 910	3 992
Amounts owing at reporting date	3 485	-
Department of Justice		
Invoices paid on behalf of the RAF	5 429	9 392
Amounts owing at reporting date	1 089	355
Special Investigation Unit		
Amounts paid in respect of investigations performed	8 583	3 570
Amounts owing at reporting date	4 580	4 374

There were no further transactions with entities under the Minister of Transport during the 2025/26 financial year, which represented the purchase of goods or services directly from the related entity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Although the RAF transacted with other public entities within the national sphere of government, the transactions occur in the ordinary course of business, are conducted on normal terms and conditions, and occur within the normal operating parameters of the entities' respective mandates. Transactions and related balances considered relevant to users' understanding of their effect on the financial statements have been disclosed.

The following transactions were concluded with key Management of the RAF in terms of employment contracts entered into with the RAF (please refer to Note 28 – Board and Executive members' Emoluments for detailed information relating to compensation of Board members and other key Management staff).

	2026 R '000	2025 R '000
Compensation to members and other key Management		
Key Management compensation	30 689	32 552
Non-executive Board members	6 806	8 499

28. BOARD MEMBERS' AND EXECUTIVE MANAGEMENT'S EMOLUMENTS

Non-executive Board Members

The Executive Authority approves the remuneration of the Board. Remuneration of non-executive members is benchmarked against the norms for organisations of a similar size and in line with the guidelines issued by the Executive Authority.

Non-executive Board members receive a fixed monthly remuneration. Remuneration is not determined by the frequency the attendance of meetings and it is escalated by inflationary adjustments only.

Executive Remuneration

The Chief Executive Officer makes recommendations to the Board concerning the remuneration of Executives (EXCO) and the Board approves the remuneration of EXCO members, including that of the Chief Executive Officer, in accordance with the approved Remuneration Policy. The organisation conducts an annual Salary Survey/Benchmark to ensure that Management rewards and remuneration are market-related and kept at levels that will assist in retaining and attracting key leadership skills. The RAF aims to remunerate in line with the 50th percentile (median) of the market to recruit and retain the Management team to lead the organisation. Over and above the basic salary, staff members receive a performance incentive as a percentage of their total cost of employment.

All EXCO members are employed on fixed-term contracts of employment.

The table below reflects amounts paid to the Board members and Executive remuneration.

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Executive Remuneration

2026

	Period*	Salary R'000	Leave pay R'000	Performance Bonus R'000	Pension Contributions R'000	Medical Contributions R'000	Travel Allowance R'000	Acting Allowance R'000	Termination benefits R'000	Total R'000
Chief Executive Officer										
Daniel Phora (Acting)	from 01 December 2025	1 830	-	-	107	-		216	-	2 153
Victor Mzokhanyo Songelwa (Acting)	03 to 30 November 2025	270	15	-	-	-		-	-	285
Phathutshedzo Lukhwareni (Acting)	30 May 2025 to 07 November 2025	1 414	-	-	-	53	494	283	-	2 243
Collins Phutjane Letsoalo	contract ended 06 August 2025	2 603	1 032	-	-	-	-	-	-	3 635
Chief Financial Officer										
Motseoeme James Molefe (Acting)	from 10 November 2025	864	-	-	109	-	-	159	-	1 132
Bernice Potgieter		3 564	-	-	255	109		-	-	3 928
Chief Claims Officer										
Ramotlhatlhane Johannes Moatshe (Acting)	from 09 June 2025	1 436	-	-	140	89	-	342	-	2 007
Chief Strategy and Technology Officer										-
Rodney Mkhabela (Acting)	from 29 May 2025	1 930	-	-	-	-	-	319	-	2 250
Phathutshedzo Lukhwareni	until 29 May 2025 and from 08 November 20	1 110	-	-	-	41	629	-	-	1 780
Chief Governance Officer										
Mbali Faith Khubisa (Acting)	from 10 December 2025	419	-	-	45	24	209	129	-	827
Francina Mampe Kumalo		2 266	-	-	326	123	678	-	-	3 392
Chief Internal Audit Officer										
Shonisani Fhumulani Magatshavha (Acting)	from 01 December 2025	599	-	-	49	-	-	119	-	766
Daniel Phora Chief	until 03 December 2025	868	-	-	51	-	-	-	-	919
Investment Officer										
Shaun Herman Burger Smal (Acting)	from 13 June 2025	1 601	-	-	139	-	-	336	-	2 076
Samson Sefotle Modiba (Acting)	until 11 June 2025	286	-	-	-	8	159	83	-	536
Chief Corporate Support Officer										
Thembi Putience Mngomezulu (Acting)	from 23 September 2025	1 113	-	-	105	27	0	221	-	1 465
Mpho Manyasha (Acting)	until 22 September 2025	999	-	-	58	-	-	235	-	1 292
Total		**23 174**	**1 047**	**-**	**1 383**	**474**	**2 169**	**2 442**	**-**	**30 689**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2025

Period*	Salary R'000	Leave pay R'000	Performance Bonus R'000	Pension Contributions R'000	Medical Contributions R'000	Travel Allowance R'000	Acting Allowance R'000	Termination benefits R'000	Total R'000
Chief Executive Officer									
Collins Phutjane Letsoalo	7 066	-	2 773	-	-		-	-	9 839
Chief Financial Officer									
Bernice Potgieter	3 379	-	906	242	102		-	-	- 4 629
Chief Strategy and Technology Officer									
Phathutshedzo Lukhwareni	2 145	-	879	248	88	1 064	-	-	- 4 424
Chief Governance Officer									
Francina Mampe Kumalo	2 148	-	801	309	115	643	-	-	- 4 016
Chief Internal Audit Officer									
Daniel Phora	2 558	-	527	149	-		-	-	- 3 234
Chief Investment Officer									
Samson Sefotle Modiba (Acting)	1 643	-	447	58	32	444	422	-	- 3 046
Chief Corporate Support Officer									-
Mpho Manyasha (Acting) from 03 April 2024	1 965	-	411	114	-		418	-	2 908
Ian Granville Barriel (Acting) resigned 31 March 2024	-	-	-	-	-		-	456	456
Total	**20 904**	**-**	**6 744**	**1 120**	**337**	**2 151**	**840**	**456**	**32 552**

**The period is disclosed where the incumbent was in the position for less than one year.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Non-Executive Board Members

2026

	Members' fees R'000	Total R'000
Board from 06 August 2025		
Mr. KW Brown - Chairperson	682	682
Mr. QR Dyantyi	500	500
Mr. AM Mpontshane	455	455
Ms. NK Kutumela	500	500
Ms. I Pule	455	455
Ms. A Themba	500	500
Mr. NI Balton	455	455
Ms. N Mabusela-Aikhuere	523	523
	4 068	**4 068**
Board until 15 July 2025		
Ms. ZL Francois - Chairperson	341	341
Dr N Mabuya - Vice-Chairperson	261	261
Mr. LM Nyama - Chair Committee	250	250
Mr. TS Tshabalala - Chair Committee	227	227
Adv N Njeza - Chair Committee	250	250
Dr P Dladla - Chair Committee (from 10 September 2024 and Member until 09 September 2025	250	250
Mr. KC Komape - Member	227	227
Ms. BB Khumalo - Member	227	227
Dr PB Mathebula - Member	227	227
Mr. SB Bulose - Member	227	227
Mr. K Sello - Member	250	250
	2 738	**2 738**

2025

	Members' fees R'000	Total R'000
Ms. ZL Francois - Chairperson	1 023	1 023
Dr N Mabuya - Vice-Chairperson	784	784
Mr. LM Nyama - Chair Committee	750	750
Mr. TS Tshabalala - Chair Committee	750	750
Adv N Njeza - Chair Committee	750	750
Ms. T Mhlari - Chair Committee (resigned 31 August 2024)	312	312
Dr P Dladla - Chair Committee (from 10 September 2024 and Member until 09 S	720	720
Mr. KC Komape - Member	682	682
Ms. BB Khumalo - Member	682	682
Dr PB Mathebula - Member	682	682
Mr. SB Bulose - Member	682	682
Mr. K Sello - Member	682	682
	8 499	**8 499**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29. RISK MANAGEMENT

Overview

The RAF is exposed to a range of financial and insurance risks through its financial assets, financial liabilities, and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of financial risk are credit risk, liquidity risk, and market risk, which comprise interest rate risk, currency risk, and other price risks. The risks that the RAF primarily faces due to the nature of its assets and liabilities are liquidity risk, interest rate risk, and currency risk.

Liquidity Risk

Liquidity risk is the risk that the RAF will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Accounting Authority, which has established an

appropriate Liquidity Risk Management Framework for the management of the RAF's short-, medium- and long-term funding and liquidity management requirements.

- Cash management is rigorously applied to manage the liquidity risk of the RAF, which ensures available funding is distributed in an equitable and fair manner. Management has adopted the following initiatives in the Strategic Plan in an effort to mitigate and manage the liquidity risk the following measures to manage the liquidity risk:
- Reduction of operational and administrative costs;
- Reviewing of operating model to improve efficiencies to replace the current litigation model which has proven to incur significant legal costs. Objectives such as decreasing the settlement period of a claim and reducing the validation time of claims will assist in decreasing the legal costs incurred through the lengthy litigation process;
- Implementation of asset liability matching strategies and payments in annuities;
- Enhancement of the claim's administration process and the introduction of an integrated claims management system; and
- Review the current regulation to introduce efficiencies.
- Updated cash flow forecasts are prepared on a daily/weekly and monthly basis.
- Extensive reporting mechanisms exist to monitor cash flows on a real time basis and to report as is relevant to the various affected parties and stakeholders as well as to develop a proactive response to the extent possible.
- Writs instances and the processes followed in responding thereto are actively monitored and tracked by the Operations and Treasury teams, whilst being supported by the Corporate Legal Department.
- The Corporate Legal Department with the support of Treasury has implemented measures to drastically minimise the occurrence of Writs through engagements in legal process which have allowed for relief from Writs instances.
- Assess the risk against the risk bearing capacity of the Institution and respond accordingly on an ongoing basis.
- Continuously considered the fact that the RAF Act contemplated that the RAF may be 'unable' to pay and may be insolvent, but to liquidate the RAF is not possible. To wind up the RAF will furthermore require an Act of Parliament.
- A Cash Management Strategy was designed and implemented to ensure available funding is distributed in an equitable and fair manner. This has since evolved into cash management in the ordinary course of business, which is reviewed in response to the business environment. Ongoing engagements between Operations and Treasury are facilitated to ensure that the strategy is applied accurately across all payment categories.
- The RAF, on a continuous basis, seeks to optimise its own cost base, and any funds that are not committed due to general savings or an inability to procure services are allocated to the settlement of claims.
- Extensive engagement with the Stakeholders - National Treasury, Department of Transport (DoT), and other relevant parties and forums - is ongoing to ensure awareness, to present status updates, and to seek solutions.
- Reporting on Going Concern in the Annual Financial Statements and Annual Report.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Reinsurance is also used to manage liquidity risk.

The following table divides the RAF's 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 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 31 March 2026	Within 1 year R'000	2 - 5 years R'000	After 5 years R'000	Total R'000
Short term employee benefit liabilities	441 460	-	-	441 460
Other financial liabilities	265 209	-	-	265 209
Claims Liabilities	52 591 737	396 557 335	-	449 149 072

Restated As at 31 March 2025	Within 1 year R'000	2 - 5 years R'000	After 5 years R'000	Total R'000
Short term employee benefit liabilities	327 916	-	-	327 916
Other financial liabilities	248 952	-	-	248 952
Claims Liabilities	**52 364 978**	**254 120 058**	**-**	**306 485 036**

Other financial liabilities consist only of trade and other payables relating to administrative costs incurred, and the liquidity risk arising from these financial liabilities does not have a significant impact on the overall liquidity of the Fund. A base minimum threshold for cash holdings is maintained in order to meet obligations arising from normal administrative activities as and when they fall due in order to mitigate the liquidity risk arising from these financial liabilities.

Credit Risk

The RAF has exposure to credit risk, which is the risk of financial loss to the RAF if amounts receivable by the Fund are not collectable. Key areas where the RAF is exposed to credit risk are:

- Amounts due from claims debtors;
- Fuel Levy debtor;
- Amounts due with regard to study loans and bursaries (this risk is very minimal as the amounts are immaterial);
- Short-term call deposits; and
- The ultimate amount due from the self-funding Claims Reinsurance Policy.

The nature of the RAF's exposure to credit risk, as well as the policies and processes for managing the credit risk have not changed significantly from the prior period, as the RAF's exposure to credit risk is limited.

Potential concentrations of credit risk consist mainly of short-term cash. Money market instrument operations are only entered into with well-established and reputable financial institutions.

It is the RAF's policy to grant bursaries, relevant only to its line of business, to employees.

The primary risk concentration pertains to catastrophic claims. The RAF strategically places reinsurance coverage, employs Rent-a-Captive insurance, and allocates funds for a self-funded Claims Reinsurance Policy. This policy will be utilised to fund the primary layer of R100 million of the retention amount stipulated

in the Claims Reinsurance Policy in the event of a catastrophic claim per any one loss occurrence. The deposit amount of R296 737 000 (2024/25: R255 919 000) represents the balance of the special experience account, an account the insurer maintains for the purposes of recording this policy. The insurer is a well-established and reputable financial institution.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Under the terms of reinsurance agreements, reinsurers agree to reimburse the settled amount in the event that a gross claim is paid. The RAF, however, remains liable to its claimants regardless of whether the reinsurer meets the obligations it has assumed. Consequently, the RAF is exposed to credit risk.

The RAF monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically.

The carrying amounts of financial assets included in the Statement of Financial Position represent the RAF's exposure to credit risk in relation to these assets. As at 31 March 2026, the RAF did not consider there to be a significant concentration of credit risk, which had not been adequately provided for, and no terms have been renegotiated for any existing instruments.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the RAF's income or the value of its holdings of financial instruments, will bring about. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investment.

The RAF is also exposed to foreign exchange fluctuations where claims from foreigners have been lodged, and damages for future medical expenses and loss of earnings or support are claimed in a foreign currency. When such claims are settled, the RAF pays the compensation as soon as possible after settlement date to minimise the risk of foreign exchange fluctuations.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The RAF is exposed to interest rate risk, however limited to cash balances at Financial Institutions, as it invests funds in the money market at floating interest rates.

As at 31 March 2026, no derivative financial instruments were used to manage the RAF's exposure to interest rate risk.

All liquid funds are invested with registered South African banking institutions with maturities of 90 days or less, thereby minimising interest rate risk.

Interest rates of interest-bearing debts are linked to the prime overdraft rate.

Interest Rate Risk Sensitivity Analysis

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date. For financial instruments and insurance contracts, the sensitivity is solely associated with the former, as the carrying amounts of the latter are not directly affected by changes in the interest rate.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the RAF's deficit for the year ended 31 March 2026 would decrease/(increase) by R40 921 906.12 (2024/25: decrease/(increase) by R90 629 200). This is mainly attributable to the RAF's exposure to interest rates on its floating-rate investments. The sensitivity analysis has been determined based on the exposure to interest rates for the RAF's non-derivative instruments at the financial reporting date. The analysis was prepared assuming that the investments at year-end were constant throughout the year. A 100-basis point increase or decrease is used when reporting interest rate risk internally to key Management personnel and represents Management's assessment of the reasonably possible change in interest rates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Foreign Exchange Risk

The financial items that are exposed to currency risk at the reporting date are claims that have not been paid to foreign claimants yet and certain contracts for administrative costs. The engaging of forward cover is considered on a case-by-case basis if the period between making an offer and final payment is material. As at 31 March 2026, no derivative financial instruments were used to manage the RAF's exposure to foreign currency risk; only fixed term forward cover contracts were utilised.

The Carrying Amount of the RAF's Outstanding Foreign Currency Denominated Claims

Liabilities			**2026 R'000**	**2025 R'000**
USD	5,132	(2024/25: 5,091)	88 020	83 782
GBP	464	(2024/25: 464)	10 510	11 043
Euro	3,627	(2024/25: 2,103)	71 426	41 951
			169 956	**136 776**

The following table details the RAF's sensitivity to a 10% increase and decrease in the South African Rand against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key Management personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated claims at reporting date and adjusts their translation at the end of the period for a 10% change in foreign currency rates. The figures below indicate an increase in surplus or deficit where the presentation currency strengthens 10% against the relevant currency. For a 10% weakening of the presentation currency against the relevant currency, there would be an equal and opposite impact on the surplus or deficit, and the balances above would be negative.

	USD Impact R'000	**GBP Impact R'000**	**Euro Impact R'000**	**All Foreign Currencies R'000**
2026	8 802	1 051	7 143	16 996
2025	8 378	1 104	4 195	13 677

30. COMMITMENTS

The commitments below for property, plant and equipment and intangible assets represent unrecognised contractual commitments that exist on executory contracts entered into by the RAF at the reporting date, as well as future purchases of property, plant and equipment which have been approved but not yet contracted for at the reporting date.

The commitments in respect of operating expenses relate to unrecognised contractual commitments on non-cancellable (or only cancellable at significant cost), executory contracts for non-claims, administrative expenditures (not related to the routine, steady, state business of the RAF) that exist as at the reporting date, as well as non-claims, administrative expenditures which have already been approved, but not yet contracted for.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
Already contracted for but not provided for		
Property, plant and equipment	-	-
Intangible assets	256 279	721 812
Operating expenditure	218 877	284 426
	475 156	**1 006 238**
Not yet contracted for and authorised		
Property, plant and equipment	-	-
Intangible assets	-	40 942
Operating expenditure	18 673	171 781
	18 673	**212 723**
Total commitments		
Already contracted for but not provided for	475 156	1 006 238
Not yet contracted for and authorised by management	18 673	212 723
	493 829	**1 218 961**
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	57 456	19 293
- in second to fifth year inclusive	107 790	131 609
	165 246	**150 902**

Operating lease payments represent rentals payable by the RAF under non-cancellable operating leases for certain of its office properties.

The terms and escalation clauses of the significant lease agreements are set out below. No renewal rights are included in the contracts.

Lease	Escalation per year	Remaining term in months
Office space rental - Johannesburg	6.0%	9
Office space rental - Pretoria	5.5%	47
Office space rental - Cape Town	6.0%	19

31. CONTINGENCIES

Contingencies related to litigation

There are 934 outstanding legal matters as at 31 March 2026. The RAF is involved in various commercial and labour related litigation as well as challenges arising from claims disputes. The total value of the contingent liability in respect of the above legal matters and their related legal costs is estimated at R3,124,998,714 (2024/25: R1 749 758 216).

Contingent Liability related to the Diesel Rebate Provision

During the year under review, engagements with SARS revealed potential Large Business and International Rebates under dispute with taxpayers totalling R5.03 billion that would potentially be deducted from the Fuel Levy to be paid to the RAF during the 2025/26 financial year. Subsequent to the reporting date, one matter totalling R1,48 billion materialised and has been recognised as part of the Provision for Diesel Rebates in not 13. The remaining matters totalling R 3,55billion represent a potential liability to the Fund and the existence or non-existence of the liability will be confirmed at the point the disputes are finalised.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Guarantees

On 08 May 2025, the RAF entered into a property lease agreement where a lease demand guarantee of R1 621 000 was required from the RAF, as the tenant of the premises situated at Entire Building 001, Prasa House, 1040 Burnett Street, Hatfield, Pretoria. The lease guarantee will expire on 31 October 2029.

Description	2026 R'000	2025 R'000
Lease guarantees	1 621	-
Total	**1 621**	**-**

32. GOING CONCERN

We draw attention to the fact that as at 31 March 2026, RAF had an accumulated deficit of R439,62 billion (2024/25 Restated: R293,89 billion) and that RAF's total liabilities exceeded its assets by R439,49 billion (2024/25 Restated: R293,75 billion).

The RAF reported a deficit of R145,7 billion (2024/25 Restated: R 64,3 billion) in the Statement of Financial Performance for the period ended 31 March 2026 The deficit during the 2025/26 financial year was mainly due to the significant increase in the Provision for the RAF 1 Form obligation.

A liquidation application was lodged against the Fund. The application was brought in terms of the Companies Act for the RAF to be wound down. Our Legal Counsel is of the opinion that the prospects of success of this application are non-existent in that it has been brought under the provisions of the Companies Act. The RAF is not a company incorporated under the Companies Act; it is a creature of statute as established in terms of section 2 of the RAF Act. It can only cease to exist in its current form by repealing the current legislation. The application was placed in abeyance subsequent to the RAF filing its responding affidavits.

These conditions are indicative of a material uncertainty on the ability of RAF to continue as a going concern. However, management has considered the following matters in making an assessment of whether it is appropriate to prepare the financial statements on the going concern basis.

The RAF is, as its name implies, a fund. It is a receptacle of all monies procured from the National Treasury pursuant to section 5(1) of the RAF Act from which all claims for damages arising from bodily injuries are to be paid. The RAF therefore has no realistic alternative other than to continue to operate in accordance with the above said legislation.

The RAF is incapable of being liquidated. To wind up the business of the RAF will require an intervention through an Act of Parliament. The winding-up process will, however, not absolve the RAF from the debts that it would have incurred as at the time of the culmination of such a process. There is currently no indication of any intention to repeal the Act.

The Statement of Financial Position as at 31 March 2026 reported current assets of R12,6 billion (2024/25: R13,8 billion) of which Cash and Cash Equivalents was a total of R968 million (2024/25: R2,1 billion) and Fuel Levies receivable was R11,2 billion (2024/25: R11,3 billion). The current asset position in comparison with the Claims requested not yet paid as at 31 March 2026 of R21,1 billion (2024/25: R10,7 billion) reflects a decline in the liquidity position for the RAF.

The total Claims Liability reported as at 31 March 2026 is R449,1 billion of which R52,6 billion are claims expected to be realised within the next 12 months. The Fuel Levy Income to be received during the 2026/27 financial year is projected to amount to R50 billion.

The projected levies to be received will provide insufficient funding to make payment to the R52,6 billion Claims Liability expected to realise in the next 12 months. It must be understood that RAF is classified as pay-as-you-go, instead of a fully funded Fund. Refer to Liquidity Risk under Note 29 for steps taken by management to mitigate the going concern risk related to the liquidity and solvency of the Fund.

Based on the above, despite the existence of a material uncertainty, Management is of the opinion the Going Concern basis is appropriate for the presentation of the Financial Statements for 31 March 2026 based on this assessment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

33. EVENTS AFTER THE REPORTING DATE

On 30 April 2026, the Supreme Court of Appeal handed down a judgement that the RAF 1 form implemented in 2022 is not valid and the Fund must revert to the 2008 version of the RAF 1 form. Claims previously declined may be re-submitted on the 2008 RAF 1 form until 30 September 2026. This judgement could result in an influx of claims previously rejected on the basis of the 2022 RAF 1 form.

The estimated obligation in respect of this exposure has been recognised as a Provision in the Annual Financial Statements. Where specific claims have arisen as a result of court orders and auctions, the liability for these claims has been included in the Accrual for claims requested but not yet paid. The impact of this decision is an event after the reporting date and has been accounted for in the amounts presented and information disclosed in the Annual Financial Statements.

During the 2025/26 financial year, engagements with SARS revealed disputes with taxpayers for potential Large Business and International Rebates totalling R5.03 billion that would potentially be deducted from the Fuel Levy to be paid to the RAF during the 2025/26 financial year. In the May 2026 monthly report for March 2026, one of the disputes was finalised and SARS withheld R1,48 billion. The deduction was not disputed by the Road Accident fund and the exposure has been recognised as part of the Provision for Diesel rebate and the contingent liability was reduced by the amount withheld, in the Annual Financial Statements.

No further undisclosed material events have taken place between the Statement of Financial Position date and the authorisation of the Annual Financial Statements for issue to the Executive Authority.

34. BUDGET DIFFERENCES

Material Differences between Budget and Actual Amounts

A material difference between the Approved Budget and Actual Amounts is considered to be any variance larger than 10%. The material differences can be explained as follows:

Other Income

Other income is incidental and does not represent a recurring revenue stream. The budget is based on past trends and not specific events expected to generate income.

Claims expenditure

The variance was caused by the GRAP 19 accounting policies applied to claims liabilities in the current year. The budget estimate was performed prior to the implementation of the accounting policy. Refer to note 35 for more information.

Finance Costs

Finance costs were higher than projected, primarily attributable to the assumption that the 180-day moratorium would be extended at the time of preparing the budget. As the moratorium was not extended, interest began to accrue 15 days after the court order instead of 180 days after the court order, resulting in higher interest costs. Furthermore, the revised payment strategy targeted older claims first resulting in more interest being paid.

General Expenses

The favourable variance is due to the fact that there were projects and expenditures that either could not be carried out or less funds were used than anticipated. A cost cutting initiative was also performed during the reporting period to reduce general expenditures.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Loss on Disposal of Property, Plant and Equipment

Losses on disposals of Property, Plant and Equipment are not budgeted for, because it is incidental and does not represent a recurring expenditure stream.

Impairment Loss on Statutory Receivables

The budgeted amount for the impairment of statutory receivables included R3.1 billion for the amounts deducted by SARS in respect of the ESKOM claim and R5.03 billion in respect of potential deductions for the Large Business Rebates disclosed as a contingency under note 31. While the potential deductions are budgeted for under Impairment Loss on Statutory receivables, if the deductions should materialise, the related expense is recognised in the Annual Financial Statements in the Diesel Rebate Expense in accordance with GRAP. After the reporting date, R1.48 billion in Large Business Rebates materialised and the Provision for Diesel Rebates was adjusted to include this amount. The related expense was recognised in the Diesel Rebate Expense.

35. PRIOR PERIOD ERROR

In the 2020/21 financial year, the RAF reviewed the accounting policies in relation to its obligations in respect of claims arising from motor vehicle accidents (Claims Liabilities).

As there was no GRAP standard in the GRAP Reporting framework that specifically dealt with such transactions, the RAF applied GRAP 3 in identifying a standard from other permissible standard setters that could be used to develop accounting policies for its claims obligations. IPSAS 42, issued by the IPSASB, was identified as an appropriate standard. The RAF therefore developed accounting policies based on the principles of IPSAS 42 and applied them in the 2020/21 Annual Financial Statements of the Fund. The RAF maintained the accounting policies based on IPSAS 42 principles in financial statements from 2020/21 to the 2024/25 financial years.

As IPSAS 42 is not a standard approved by the ASB for use by entities and is not included in the GRAP reporting framework, the application of the accounting policies derived from the principles contained therein resulted in a material misstatement in the financial statements.

In the current year, Management therefore considered the accounting standards available for use in Directive 5 and identified GRAP 19 as the most appropriate standard to utilise to develop accounting policies in respect of the recognition and measurement of the Fund's obligations in respect of Claims Liabilities.

GRAP 19 provides a robust and conceptually sound basis for accounting for RAF's claims liabilities. It distinguishes between possible and present obligations, and between those that must be recognised and those that should only be disclosed. The standard offers a flexible yet disciplined framework that mirrors the RAF's operational processes, ensuring that liabilities are recognised only when sufficient evidence exists and disclosed when unbounded uncertainty remains.

The accounting policies applied to claims liabilities and expenditures are disclosed under the accounting policies above and have been applied in these Annual Financial Statements.

Furthermore, an immaterial error occurred in the amortisation of intangibles assets in the prior financial years. Intangible assets were amortised before the assets were ready for use as intended by management. The error has been retrospectively corrected.

Comparative figures have been restated from the opening balance of the earliest financial period presented, and the effect of the correction of the errors is set out below.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Effect of the restatement on line items of the Annual Financial Statements

Effect on the opening balances of the 2024/25 financial year

	01 April 2024 R'000	Effect of correction of error R'000	Restated 01 April 2024 R'000
Statement of Financial Position			
Non-current assets			
Intangible assets	158 403	10 487	168 890
Claims liabilities	(36 149 226)	(17 770 243)	(53 919 469)
Non-Current liabilities			
Claims Liabilities	-	(186 350 747)	(186 350 747)
Statement of Changes in Net Assets			
Accumulated deficit	25 526 731	204 110 517	229 637 248

Effect on the comparative amounts presented

	01 April 2024 R'000	Effect of correction of error R'000	Restated 01 April 2024 R'000
Statement of Financial Position			
Non-current assets			
Intangible Assets	192 981	23 372	216 353
Current Liabilities			
Claims liabilities	(40 421 248)	(11 943 730)	(52 364 978)
Non-Current liabilities			
Claims Liabilities	-	(254 120 058)	(254 120 058)
Statement of financial performance			
Claims expenditure	46 901 748	61 942 797	108 844 545
Amortisation	46 151	(12 885)	33 266
Statement of Changes in Net Assets			
Deficit for the year	2 321 329	61 929 912	64 251 241
Accumulated deficit	27 848 060	266 040 429	293 888 489

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