



Film and
Publication
Board

2025/26 ANNUAL REPORT





**Film and
Publication
Board**

FILM AND PUBLICATION BOARD

ANNUAL REPORT

2025/2026 FINANCIAL YEAR

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PART A:

GENERAL INFORMATION

SECTION 1

PG

PARENTAL GUIDANCE

Content that is generally suitable for viewers of all ages but may contain mild material that younger children may not fully understand.



PARENTAL GUIDANCE

Recommended for viewing with parental guidance.

Meaning:

Some content may be too intense, scary or confusing for younger children. Guidance helps them understand what they are seeing.

GENERAL INFORMATION

REGISTERED NAME:	Film and Publication Board
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EXTERNAL AUDITORS:	Auditor General of South Africa
BANKERS:	ABSA Bank
COMPANY/ BOARD SECRETARY:	FluidRock Governance Group
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LIST OF ABBREVIATIONS/ACRONYMS

AA	Accounting Authority	ICT	Information and Communications Technology
AFS	Annual Financial Statements	ISPs	Internet Service Providers
AGSA	Auditor-General of South Africa	ITU	International Telecommunication Union
AI	Artificial Intelligence	LEAs	Law Enforcement Agencies
AOP	Annual Operating Plan	M&E	Media and Entertainment
APIR	Annual Performance Information Report	MANCO	Management Committee
APP	Annual Performance Plan	MICSETA	Media, Information and Communication Technologies Sector Education and Training Authority
AR	Annual Report		
ARFC	Audit, Risk and Finance Committee	MoUs	Memorandum of Understandings
B-BBEE	Broad- Based Black Economic Empowerment	NCCP	National Centre for Child Protection
BRICS	Brazil, Russia, India, China, and South Africa	NPA	National Prosecuting Authority
CAE	Chief Audit Executive	NT	National Treasury
CEO	Chief Executive Officer	OCEO	Office of the Chief Executive Officer
CFO	Chief Financial Officer	OCR	Online Content Rating
CPI	Consumer Price Index	OD	Organisational Design
CSAM	Child Sexual Abuse Material	OGBV	Online Gender Based Violence
DBE	Department of Basic Education	OHS	Occupational Health and Safety
DCDT	Department of Communications and Digital Technologies	OSEA	Online Safety Education and Awareness
DDM	District Development Model	PC	Portfolio Committee
DM	Deputy Minister	PCCDT	Portfolio Committee on Communications and Digital Technologies
DR	Disaster Recovery	PMDS	Performance Management Development System
EA	Executive Authority	QAs	Quality Assurers
EAP	Employee Assistance Programme	SABC	South African Broadcasting Corporation
EU	European Union	SAPS	South African Police Service
EXCO	Executive Committee	SCOPA	Standing Committee on Public Accounts
FPA	Films and Publications Act, 1996 (Act No. 65 of 1996)	SCM	Supply Chain Management
FPAA	Films and Publications Amendment Act, 11 of 2019	SID	Safer Internet Day
FPB	Film and Publication Board	ToR	Terms of Reference
GDYC	Gender, Disability, Youth and Children	UNESCO	United Nations Educational, Scientific and Cultural Organization
GOSRN	Global Online Safety Regulatory Network	WAN	Wide Area Network
GRAP	Generally Recognised Accounting Practices	WYPDs	Women, Youth and People with Disabilities
GSEC	Governance, Social and Ethics Committee		
HDI	Historically Disadvantaged Individuals		
HRM	Human Resource Management		
IAC	Internal Audit Charter		

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FOREWORD BY THE CHAIRPERSON

Introduction

It is with great pride and humility that the Film and Publication Board (FPB) presents its Annual Report (AR) for the year ended 31 March 2026, reflecting the organisation's performance and progress during the 2025/26 financial year. This report not only outlines achievements and challenges, but also demonstrates the FPB's continued commitment to integrity, accountability, and responsible governance in fulfilling its mandate. The organisation remains cognisant of the complexity of its mandate and the rapidly evolving technological landscape that continues to test regulatory effectiveness, particularly in safeguarding online users, with a specific focus

on children. Notwithstanding these challenges, the FPB has demonstrated its ongoing commitment to delivering on its mandate within constrained conditions. This report also acknowledges the critical role of stakeholders, whose engagement, support and oversight have contributed meaningfully to the organisation's work during the reporting period.

High-Level Overview of Strategy and Performance

The FPB's strategy is anchored in a comprehensive regulatory framework encompassing the registration of distributors, the classification of content and the monitoring of online platforms for prohibited material. During the 2025/26 financial year, the organisation delivered strong institutional performance, achieving all ten targets set out in the Annual Performance Plan (APP). Among the notable accomplishments for the 2025/26 financial year are:

- The achievement of a 100% assessment rate for all Child Sexual Abuse Material (CSAM) cases referred to the Child Protection Unit;
- Full implementation of the Regulatory Compliance Plan, conducting 785 compliance inspections during the period under review; and

“During the 2025/26 financial year, the organisation delivered strong institutional performance, achieving all ten targets set out in the Annual Performance Plan (APP).”



- From a financial perspective, the achievement of a significant turnaround, reporting a net surplus of R12 719 586 compared to a deficit of R6 587 762 in the previous financial year.

Strategic Relationships Undertaken

Recognising that no single regulator can effectively manage the transnational nature of the online environment, the FPB has prioritised both horizontal and vertical collaboration. During the reporting period, the organisation actively participated in key global forums, including Brazil, Russia, India, China, and South Africa (BRICS), the International Telecommunication Union (ITU), the Group of Twenty (G20), and the Global Online Safety Regulatory Network (GOSRN). Strategic partnerships were also strengthened with major platform owners, aimed at promoting online safety, enhancing consumer protection, and advancing dialogue on the duty of care responsibilities of digital platforms as the sector transitions towards a Safety-by-Design paradigm.

The organisation further demonstrated sector leadership by co-hosting, in partnership with United Nations Educational, Scientific and Cultural Organization (UNESCO), the 2026 International Conference on Digital Platform Governance, through its active membership in the Information Communications Technologies and Media Regulators Forum of South Africa.

Challenges Faced by the FPB

Despite its strong performance, the FPB continues to operate within a complex and rapidly evolving environment, marked by significant challenges. The sheer scale of content creation, coupled with the borderless nature of the internet, presents ongoing difficulties for traditional regulatory approaches in maintaining effective oversight. The organisation has also faced critical constraints in Information and Communication Technology (ICT) capacity and specialised skills, which are being addressed through targeted upskilling initiatives and organisational design. Financial sustainability remains a persistent concern. Although a surplus was recorded during the year under review, the entity continues to face pressure from unfavourable economic conditions, limited funding for public visibility and rising expenditure linked to its expanded mandate. As a

digital-facing regulator, the FPB remains exposed to elevated cybersecurity risks, necessitating continuous technical safeguards and ongoing awareness training.

Strategic Focus over the Medium to Long Term

The FPB is transitioning into a data-driven, intelligence-led regulator better equipped to respond to the demands of the digital age. Our strategic focus going forward includes completing the implementation of the three-year Digitisation and Artificial Intelligence Strategy, currently at 40% completion, to automate classification processes and enhance online content monitoring. In parallel, the organisation will advance its Revenue Enhancement Strategy, including the revision of the tariff model to accommodate emerging content types and increase self-generated income.

In addition, the FPB will intensify its Online Safety and Public Education Strategy to address existing awareness gaps, particularly considering recent findings indicating that 87% of survey participants were encountering the FPB for the first time.

Governance

Underpinning these strategic priorities is a continued commitment to sound governance, ensuring that robust systems of oversight, accountability and ethical leadership remain central to the FPB's ability to deliver on its mandate in an increasingly complex digital environment. In fulfilling its fiduciary responsibilities during the year under review, the Council was guided by the Films and Publications Act, 1996 (Act No. 65 of 1996), which defines the FPB's regulatory mandate, as well as the King IV Report on Corporate Governance, which informed its approach to ethical leadership, transparency, and stakeholder inclusivity. In line with its commitment to continuous governance enhancement and leading practices, the FPB has initiated its transition towards King V.

Conclusion

In conclusion, the FPB has demonstrated resilience and strong institutional performance, fulfilling its mandate with distinction in an increasingly complex and evolving digital environment. While significant progress has been made across regulatory, operational and financial dimensions, the organisation remains mindful of the challenges that lie ahead, particularly in

adapting to rapid technological change and ensuring sustainable resourcing. The Council and Management remain committed to building a responsive, efficient and future-ready regulatory institution that delivers lasting value to stakeholders and upholds its mandate in the digital age.


Ms. Zamantungwa Mkosi
Council Chairperson

KNOW THE AGE RATING. MAKE INFORMED CHOICES.



FPB AGE RATING GUIDE

 PG  Parental guidance recommended. Content is very mild.	 10 - 12 PG  Parental guidance recommended for children aged 10 - 12. Content may be more suitable for this age group.	 13  Age restriction: 13 years and older. Content may include moderate violence, violence or themes.	 16  Age restriction: 16 years and older. Content may include strong violence, coarse language or themes.	 18  Age restriction: 18 years and older. Content may include intense violence, strong language or themes.	 X18  Restricted to adults only (18+). Content is adult in nature and may be explicit.
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Check the rating.
Choose what's right for your child.

USE IT AS A GUIDE



Look for the FPB age rating on the front of game packaging and in digital stores.



Use the rating to choose games, films and apps that are right for your child's age and maturity.



Talk to your children about what they play, watch and read. Make informed choices together.



Film and Publication Board
Content Regulatory Authority of South Africa.

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ACTING CHIEF EXECUTIVE OFFICER'S OVERVIEW

It is my privilege to present the Annual Report for the 2025/26 financial year, a year that demonstrated resilience and dedication for our employees as we continue to execute our mandate of protecting children and consumers from harmful content while supporting a creative film and gaming sector.

I am pleased to report that the 2025/26 financial year was marked by the achievement of 100% of our Annual Performance Plan (APP) priorities, a strengthened commitment to protecting children and empowering consumers in an evolving digital age, and a contribution to shaping and protecting the moral fabric of society by guiding viewers of films

and games on what content is suitable for different age groups and sensitivities. These achievements reflect the dedication of FPBians who are committed to executing our regulatory mandate.

This achievement was further reinforced by the attainment of a clean audit outcome, affirming our commitment to sound governance and effective financial management. In addition, the organisation conducted a risk maturity assessment and achieved a Risk Maturity Assessment Level 3, demonstrating that our risk management practices are well established and embedded in the organisational processes. The achievement reflects our organisational capability to proactively identify, assess and manage strategic and operational risks.

As South Africa's regulator of films, games and certain publications, we intensified our efforts to protect children from premature exposure to adult experiences through our age rating and consumer advisory. Our work continues to ensure that parents, caregivers, and consumers are empowered to make informed viewing and gaming decisions.

A significant milestone during the year was the implementation of the regulatory framework, which was brought by the 2019 legislative amendments, which came into effect in March 2022. During the year, forty-nine (49) non-compliant distributors were referred to the Enforcement Committee for adjudication. These referrals demonstrate that the organisation exercises its regulatory powers without



“This achievement was further reinforced by the attainment of a clean audit outcome, affirming our commitment to sound governance and effective financial management.”

fear, favour or prejudice, to uphold the law and maintain the integrity of the regulatory framework. The organisation also maintained a high standard of service delivery by issuing classification decisions within seven (7) days. This efficient turnaround time provides certainty to film and gaming distributors, support business continuity and enables content to reach consumers without unnecessary delays while ensuring that appropriate consumer advisory remain in place.

In line with the strengthened regulatory model, permits were issued to online commercial distributors to ensure compliance with the FP Act. This process contributes towards ensuring that content distributed within the Republic of South Africa complies with the legal and classification requirements.

Our collaboration with the South African Police Services (SAPS) and the National Prosecuting Authority (NPA) is vital in combating online harms, with a particular focus on combating Child Sexual Abuse Material (CSAM). The collaboration in investigations and prosecutions demonstrates our commitment to protecting children and ensuring that perpetrators are prosecuted.

Research remained a strategic priority, with key initiatives focused on the impact of generative Artificial Intelligence (AI) on the distribution of harmful content and emphasising the importance of safety-by-design principles in social media and gaming platforms. The findings from these studies will contribute significantly towards enhancing our regulatory approaches and ensuring that child protection measures evolve alongside technological advancements.

Despite the progress achieved, non-compliance with the registration requirements continues to be an area of concern, where films or games are distributed within the Republic, without the approval of the Board. To address this challenge, compliance notices were issued to non-compliant distributors. Where corrective measures were not implemented, matters were referred to the Enforcement Committee, a quasi-judicial body empowered to impose administrative fines and other appropriate sanctions.

The continued growth in internet access and widespread use of social media platforms have transformed how South Africans communicate, learn

and access content. While these technologies create opportunities, they also expose users, particularly children, to online risks. This underscores the importance of equipping South Africa with digital literacy and online safety skills required to navigate the digital environment responsibly. Throughout the year, the organisation expanded its online safety education and awareness initiatives, empowering parents, teachers and children with practical knowledge to identify online harms, promote responsible digital citizenship and reduce exposure to harmful content.

Our partnership with the Department of Basic Education (DBE) and various social media platforms strengthened the reach and impact of these initiatives, ensuring that online safety messages were delivered to schools and communities across the country. The organisation commemorated the Safer Internet Day, a global campaign observed annually to promote the safe, responsible and positive use of digital technologies particularly among children. The campaign provided an important platform to encourage dialogue on online safety, digital resilience and responsible online behaviour.

We remain committed to strengthening regulatory compliance, advancing online safety, and protecting children in a rapidly changing digital ecosystem. We will continue to collaborate with our stakeholders to protect South Africans from harmful content. Together, we have strengthened the organisations regulatory impact.

I extend my heartfelt appreciation to Council, the Executive Committee, Management, Staff, and Stakeholders for their steadfast support and commitment, which underpin the achievement of our mandate.



Adv. Makhosazana Lindhorst

Acting Chief Executive Officer

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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 (AFS) audited by Auditor-General of South Africa (AGSA).

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

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

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



Ms. Zamantungwa Mkosi

Council Chairperson

The Accounting Authority (AA) is responsible for the preparation of the AFS and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the AFS.

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.



Adv. Makhosazana Lindhorst

Acting Chief Executive Officer

STRATEGIC OVERVIEW

The FP Act created a new, comprehensive regulatory framework for films, games and certain publications. The FP Act also, provides for the establishment of the FPB, which is responsible for the classification of films, games and certain publications. No film or game may be distributed or exhibited in public unless it has been classified by the FPB.

The Films and Publications Act is a law of general application, as required by Section 36(1) of the Constitution. The Constitutional Court has held that such a requirement derives from an important principle of the rule of law, namely that “rules be stated in a clear and accessible manner”.¹

To this end, the Legislature may, and has, consistent with the Constitution, promulgated the FP Act, to regulate the creation, production, possession and distribution of films, games and certain publications, including those on the internet, by way of classification to do the following:

- Protect consumers against harmful and disturbing material, while allowing adults to make informed choices for themselves and the children in their care by providing consumer advice;
- Protect children from exposure to disturbing and harmful material and from premature exposure to adult material;
- Make the use of children in pornography and exposure to pornography punishable;
- Criminalise the possession, production and distribution of child pornography; and
- Create offences for non-compliance with this Act.²

In doing so, the provisions of the FP Act, as amended, are justifiable, noting that the nature of the right and extent of the limitation, on the one hand, and the purpose of the limitation, on the other, need to be considered.³

Acknowledging that the freedom of expression is an important right in our Bill of Rights, there is nonetheless a legitimate Government purpose to empower the FPB to execute its legislative mandate. The main purpose of the FP Act, as amended, through the regulatory tool used by the FPB, is to classify content to provide age ratings and consumer advisories to ensure that consumers make appropriate viewing and gaming choices for themselves and the children in their care.

The FPB’s classification regime is premised on the formulation of classification guidelines,⁴ which is informed by empirical evidence on what can be deemed harmful for adults and children. The formulation of the classification guidelines entails extensive public consultation, ensuring that the standards placed within the classification guidelines are in line with public expectations.

This means that the classification guidelines’ formulation process is evidence based, transparent and has accountability mechanisms, all of which are essential in the regulatory policy formulation of a democratic state. Such a process is undertaken, however, within the framework of the Bill of Rights so as to ensure compliance with Sections 8(1) and (3) of the Constitution, which provide, with regard to the former, that the Bill of Rights applies to all law, and binds the Legislature, the Executive, the Judiciary and all Organs of State, and with regard to the latter, that, in giving effect to the Bill of Rights, one must apply or, if necessary, develop the common law to the extent that legislation does not give effect to any right and develop rules of the common law to limit any right provided that the limitation is in accordance with Section 36(1) of the Constitution.

1 Dawood and Another v Minister of home affairs and others, Shalabi and Another v minister of home affairs and others, Thomas and Another v minister of home affairs and other 2000 (3) SA number 936 (CC) :2000 (8) BCLR 837 (CC) para 47.

2 Section 2 of the Films and Publications Act, 1996(act 55 of 1996), as amended.

3 Section 2 of the Films and Publications Act, 1996(act 55 of 1996), as amended.

4 Section 4 A (1) (a) of the Films and Publications Act, Act no 65 of 1996.

ORGANISATIONAL IDENTITY

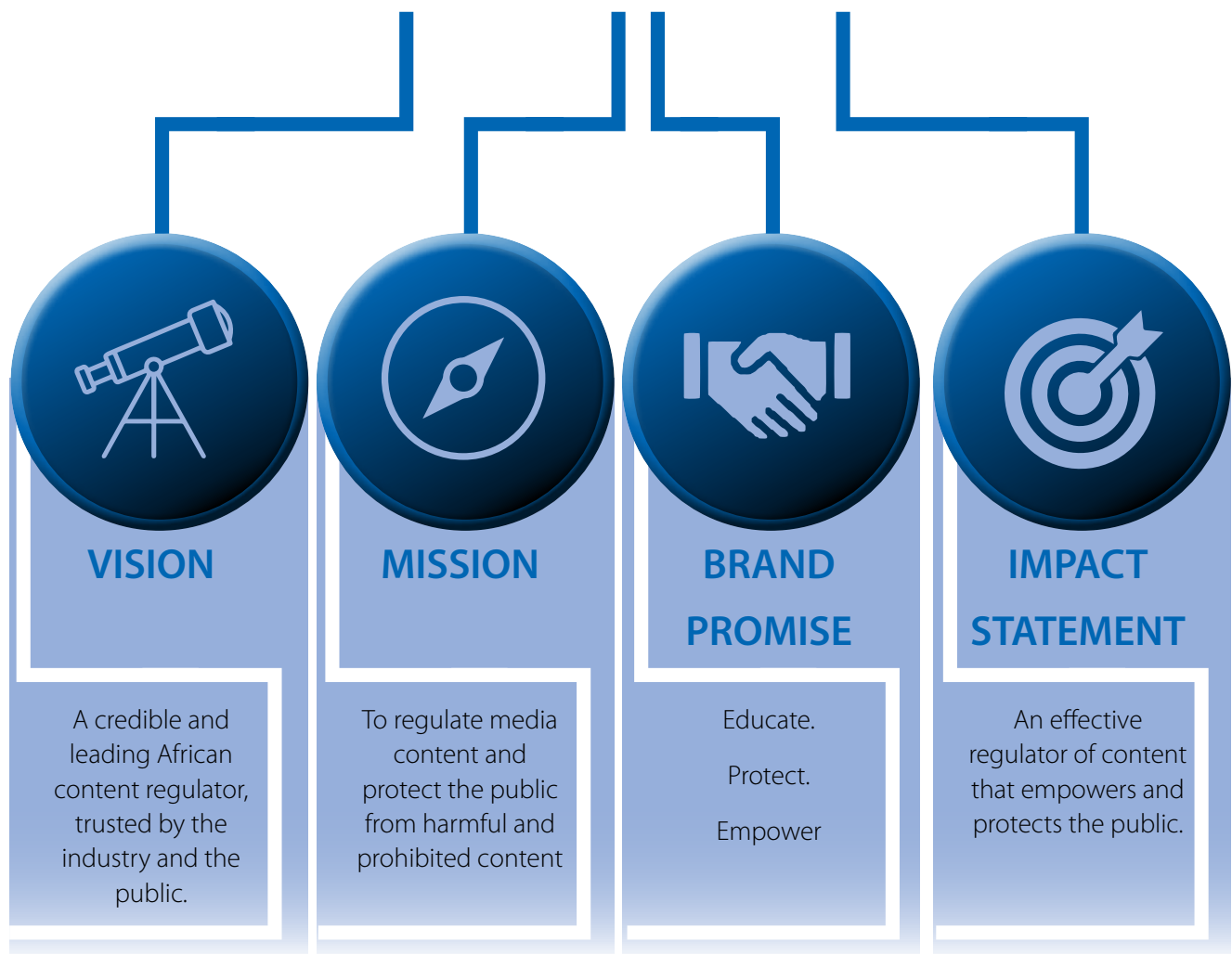


Figure 1: Organisational identity

ORGANISATIONAL VALUES

VALUE	DESCRIPTION
ACCOUNTABILITY	Promoting responsibility, transparency and credibility.
INTEGRITY	Executing our mission with consistency, honesty and fairness.
EXCELLENCE	Upholding professionalism, consistency, ethics and good governance in our operations and conduct with stakeholders.
INNOVATION	Providing market-leading research and innovation to effectively shape the rating and regulation of media content.
CONSULTATION	Subscribing to the principle of people first, value and respect for the diversity of views and multiculturalism in our country.
AGILITY	A regulator that is dynamic and flexible in executing its mandate.

Table 1: FPB Values

LEGISLATIVE AND OTHER MANDATES

The Film and Publication Board is a South African public entity which derives its legislative mandate from the Films and Publications Act, 1996 (Act No. 65 of 1996), The mandate of the FPB is to protect consumers against harmful and prohibited content as defined in the FP Act, as amended by regulating the creation, production, possession and distribution of films, games, certain publications.

The regulatory mapping table outlines the legal parameters within which the FPB functions as per the legislative provisions enshrined in the Films and Publications Amendment Act, 2019 (Act No. 11 of 2019) (FPAA):

What Do We Regulate	Who Are We Regulating	How Do We Regulate	Enabling Provision from the FP Act :	Regulatory Tool
1. Distribution of films and games.	Distributors.	Registration of distributors of films or games.	18(1)(a)	Registration Certificate.
2. Exhibition of films and games.	Exhibitors.	Registration of exhibitors of films or games.	18(1)(a)	Registration Certificate.
3. Classification.	Exhibitors and Distributors.	Classification of content.	18(2), 18(4),18(5)	Classification Certificate, gazette (XX refused, X18), CSAM-referral to SAPS.
4. Online distribution of film, game, publication.	Commercial online Distributors.	Approval and accreditation for self- classification.	9A(2)(f)(ii) and 18C	Online distribution agreement- Self classification permit.
5. Certain publications.	Classification of content submitted.	Classification of content submitted.	16(2)	Classification Certificate.
6. Internet services (Child-oriented service).	Internet service providers and Internet access service providers.	Registration.	27A ,24C	Registration Certificate.

What Do We Regulate	Who Are We Regulating	How Do We Regulate	Enabling Provision from the FP Act :	Regulatory Tool
7. Online services (User-generated content): • Non-consensual sharing of private sexual films or photographs; • Distribution of films or photographs depicting sexual violence and violence against children; and • Propaganda for war, incitement of imminent violence and hate speech	Non- commercial online distributors (members of the public).	Investigation of a complaint.	6B,18E,77 ECTA25/2002	Takedown notice; CSAM- referral to SAPS; and Adjudication by the Enforcement Committee.

Table 2: FPB's mandate is guided by the Films and Publications Amendment Act, 2019, as reflected in its regulatory mapping.

The FPB's legislative mandate is underpinned by various pieces of legislation as listed below:

Title	Purpose
Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).	This Constitution is the supreme law of the Republic. Law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled. Any law therefore that violates the Constitution, or any conduct that conflicts with it, can be challenged and struck down by the courts.
Cybercrimes and Cybersecurity Act, 2020 (Act No. 19 of 2020).	The aim of the Cybercrimes and Cybersecurity Act is to deal with cybercrimes and cybersecurity, broadly defined as the use of data, a computer programme, a data storage medium or a computer system in committing crimes. Cybersecurity is defined as the protection of data, computer programmes, computer data storage mediums or computer systems against cybercrime, damage or interference through the use of technologies, measures and practices. The Act also aims to rationalise the laws of South Africa which deal with cybercrime and cybersecurity into a single Act.
Child Justice Act, 2008 (Act No. 75 of 2008).	The Child Justice Act aims to keep children out of detention and away from the formal criminal justice system, mainly through diversion. When these interventions would be inadequate or unsuccessful, the Act provides for child offenders to be tried and sentenced in Child Justice Courts.
Children's Act, 2007 (Act No. 41 of 2007).	The Children's Act governs the laws and regulatory frameworks relating to the care, contact and the protection of children. It defines responsibilities and rights, makes provision for the establishment of children's courts and the appointment of Welfare Officers. In all cases, the guiding principle is in the best interests of the child.
The Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (PEPUDA or the Equality Act, Act No. 4 of 2000).	The Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (PEPUDA or the Equality Act, Act No. 4 of 2000) is a comprehensive anti- discrimination law. It prohibits unfair discrimination by the Government and by private organisations and individuals and forbids hate speech and harassment.
Criminal Law (Sexual Offences and Related Matters) Amendment Act, 2007 (Act No. 32 of 2007).	The Criminal Law (Sexual Offences) Amendment Act provides for prohibitions, offences and punishment of sexual crimes committed duly listed. The Act replaces certain common law provisions on sexual offences and sections of the old law, the Sexual Offences Act, 1957 (Act No. 23 of 1957).
Electronic Communications Act, 2005 (Act No. 36 of 2005).	The Electronic Communications Act regulates electronic media and broadcasting in particular in the milieu of media convergence.

Title	Purpose
Employment Equity Act, 1998 (Act No. 55 of 1998).	The Employment Equity Act applies to all employers and workers and protects workers and job seekers from unfair discrimination and provides a framework for implementing affirmative action.
King IV Report on Corporate Governance for South Africa 2016.	Ethical and effective leadership is at the heart of King IVTM. The 17 basic principles are universally applicable to all organisations, and all are required to substantiate a claim that good governance is being practiced.
Labour Relations Act, 1995 (Act No. 66 of 1995).	To protect everyone in the workplace and to promote economic development, fair labour practice, peace, democracy and social development.
National Treasury Regulations.	These regulations are issued regularly by National Treasury (NT) and are applicable to all public entities in accordance with their Schedule listing.
Occupational Health and Safety Act, 1993 (Act No. 181 of 1993).	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory council for Occupational Health and Safety (OHS).
Prevention and Combating of Trafficking in Persons Act, 2013 (Act No. 7 of 2013).	Pronounces on the recruitment and exploitation of children in sex trafficking and in the production of pornography.
Prevention and Combating of Hate Crimes and Hate Speech Act, 2023.	This Act gives effect to the Republic's constitutional and international human rights obligations relating to racism, racial discrimination, xenophobia, and related intolerance. It provides for the classification of such conduct as hate crimes and hate speech offences, prescribes appropriate sentences for offenders, establishes measures for the prevention of hate crimes and hate speech, and requires reporting on the implementation and administration of the Act. It further introduces consequential amendments to certain Acts of Parliament and addresses matters connected therewith.
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).	To give effect to the constitutional right of access to information held by the State, as well as information held by another person that is required for the exercise or protection of any rights, and to provide for matters connected therewith.
Promotion of Administrative Justice Act, 2000 (Act No. 2 of 2000).	To give effect to the constitutional right to administrative action that is lawful, reasonable and procedurally fair, and to the right to written reasons for such action as contemplated in Section 33 of the Constitution of the Republic of South Africa, 1996, and to provide for matters incidental thereto.
Protection of Personal Information, Act, 2013 (Act No. 4 of 2013).	Protection of personal information and data.
Public Finance Management Act, 1999 (Act No. 29 of 1999).	To regulate financial management and to ensure that all revenue, expenditure, assets and liabilities of Government Departments or entities are managed efficiently and effectively.
Skills Development Act, Act No. 97 of 1998.	To govern training, education and skills development in the workplace.

Table 3: Legislative and other Mandates

ORGANISATIONAL STRUCTURE

The following organogram illustrates that the FPB Council is responsible for the strategic direction and oversight of the entity. The Executive Committee, under the leadership of the Chief Executive Officer (CEO), is responsible for the day-to-day management of the entity.

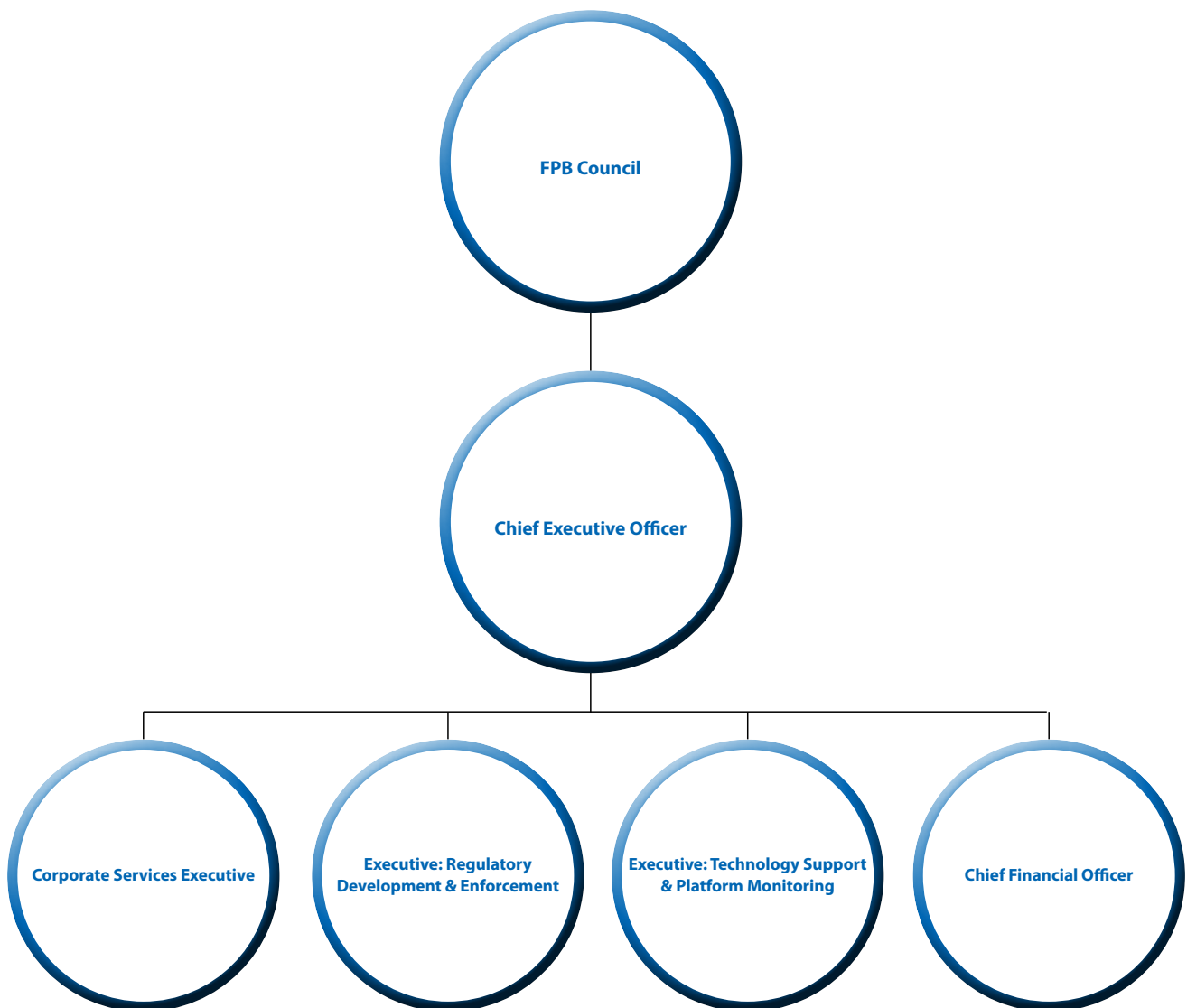


Figure 2: Organisational Structure

GOVERNANCE STRUCTURE

As the following graphic illustrates, the FPB Council is responsible for the strategic direction and oversight of the entity. The Executive Committee, under the leadership of the Chief Executive Officer, is responsible for the day-to-day management of the entity.

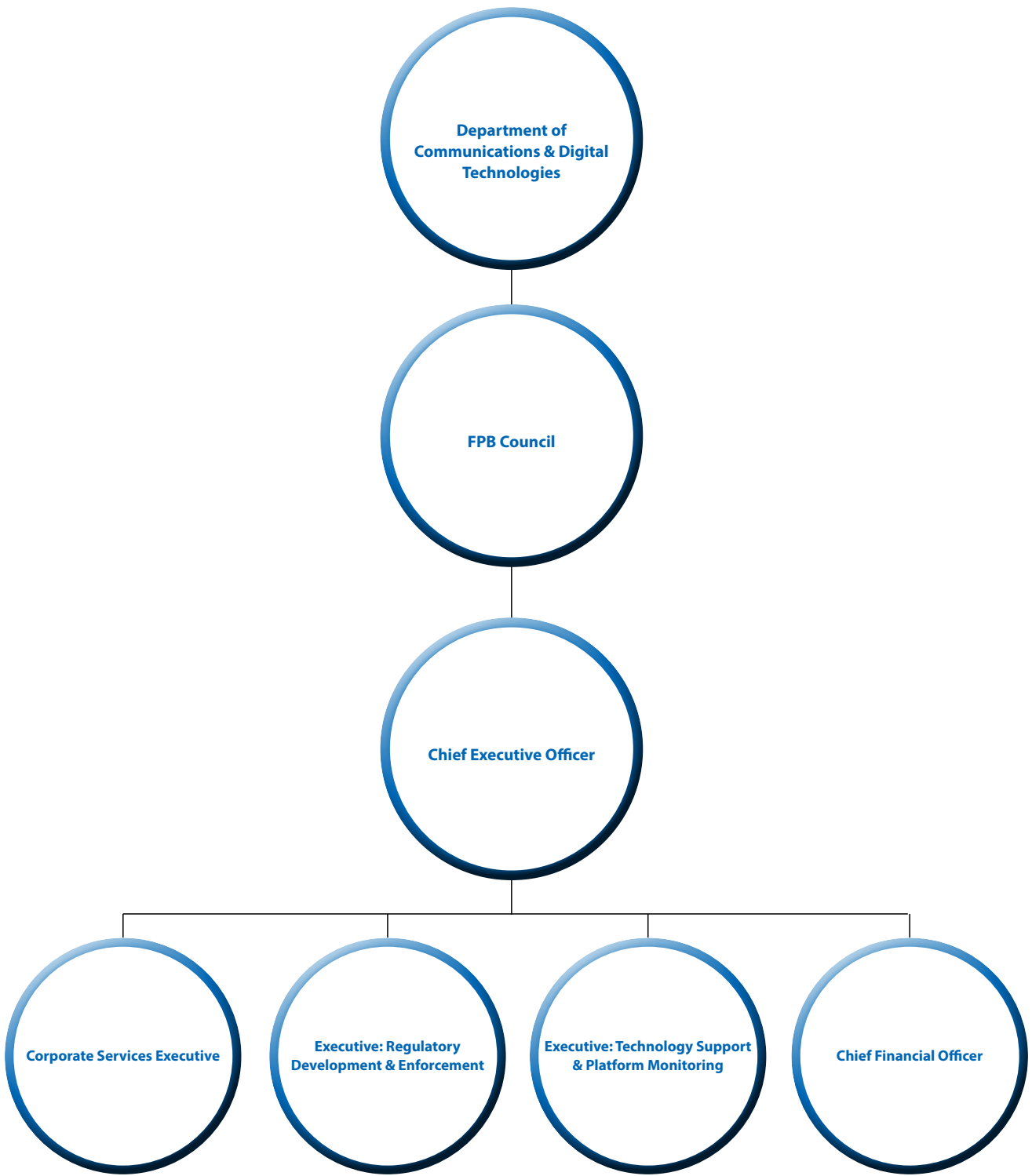


Figure 3: Governance structure

MEMBERS OF COUNCIL

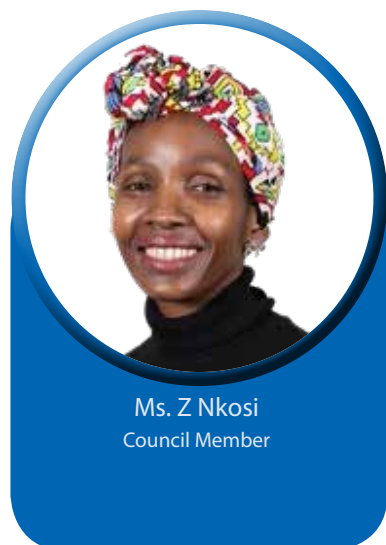


Figure 4: Members of Council

EXECUTIVE COMMITTEE



Adv. Makhosazana Lindhorst

Acting Chief Executive Officer



Ms. Hulisani Ramugadi

Chief Financial Officer



Mr. Ephraim Tlhako

**Executive: Technology Support
& Platform Monitoring**



Ms. Beverley Nkumanda

Corporate Services Executive



Adv. Makhosazana Lindhorst

**Executive: Regulatory
Development & Enforcement**

Figure 5: Executive Committee

PART B:

PERFORMANCE INFORMATION

SECTION 2

L

LANGUAGE

Content that may contain language that is strong or inappropriate for children.



fpb



!#*



LANGUAGE

May contain strong, inappropriate or offensive language.

Meaning:

The use of words or expressions that may be coarse, disrespectful or harmful. This can impact children's understanding and emotional well-being.

AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) performed procedures on the reported performance information as part of a findings engagement. The engagement does not provide reasonable assurance, and accordingly, no audit opinion or assurance conclusion is expressed on the usefulness and reliability of the reported performance information.

The procedures were performed to identify and report material findings against the applicable criteria for the selected programmes. Based on the procedures performed, no material findings were identified for reporting in the Auditor's Report.

Refer to paragraph 17 of the Auditor's Report under Part F: Annual Financial Statements.

OVERVIEW OF PERFORMANCE

Service Delivery Environment

The Films and Publications Board (FPB) continues to operate in the evolving domain of content regulation, where its primary mandate is to protect citizens, particularly children, from exposure to harmful and prohibited content. Traditionally, the FPB has focused on regulating physical content such as films, games, and publications, but the digital age has now introduced new complexities into the regulation of content creation, distribution, and consumption.

The advent of the internet and especially the use of mobile devices have fundamentally altered the landscape of content creation, distribution, and consumption, posing new challenges for the FPB in executing its mandate. The rise of global online content distributors has led to a significant shift in the market, often at the expense of traditional domestic distributors, who previously submitted content for classification, thereby generating revenue for the FPB.

Moreover, search-based and social media platforms such as YouTube, TikTok, Facebook, and Twitter have emerged as dominant players in content

distribution, however, they do not fall under the traditional regulatory framework that applies to domestic distributors. These platforms now compete for consumer attention and time, with approximately one third of global daily online activities attributed to social media, further eroding the market share of domestic distributors.

Several new challenges are presented by this digital transformation:

- **Content Creation Explosion:** The barrier to entry for content creation has dramatically decreased, with millions of content creators globally, including South Africa, being able to produce and distribute content with minimal resources. This shift has led to an overabundance of content, much of which bypasses traditional regulatory frameworks.
- **Content Distribution:** Individual consumers can now distribute content, effectively turning millions of South Africans into de facto distributors, further complicating the FPB's ability to monitor and classify content.
- **Open Networks:** Content is transmitted through open networks, accessible to both international distributors and local consumers with basic internet access, making it difficult for the FPB to maintain regulatory oversight using traditional methods.

Given this evolving landscape, the FPB acknowledges that new methods of content discovery and interdiction are necessary, particularly for harmful content. These methods must be developed in collaboration with search-based and social media content distributors to ensure that harmful content is intercepted before it reaches vulnerable audiences, especially children.

The FP Act was the FPB's first legislative response to these digital challenges. However, it was met with significant opposition from civil society, industry stakeholders, and legal experts, particularly concerning the FPB's proposed accountability measures for Internet Service Providers (ISPs). This opposition highlighted the complexities of balancing human rights, personal freedoms, investment considerations, and the need to protect children from harmful online content.

Organisational Environment

During the reporting period, the organisation operated in a challenging environment driven by evolving technological developments which requires agile regulatory approaches. To ensure that the organisational structure is aligned with the expanded legislative mandate, the organisation commenced an organisational design process to strengthen institutional capacity to improve operations.

The organisation continued to experience financial constraints impacting its ability to effectively execute its mandate and respond to emerging risks. In particular, CSAM analysis function remains manual while the number of content received for analysis remain high. This highlight the need for digitised process and AI-enabled analytical tools to enhance operational efficiency.

Leadership continuity remained a challenge during the reporting period, as the Chief Executive Officer position remained vacant with executive management providing acting leadership. The position was filled during the fourth quarter, providing leadership stability. However, the appointed CEO resigned in the first quarter of the current new financial year and the position remain vacant.

Key policy developments and legislative changes

There were no legislative changes that impacted operations during the 2025/26 financial year. The table below illustrates progress towards achievement of institutional impacts and outcomes.

Progress towards Achievement of Institutional Impacts and Outcomes

Govt priority	Govt outcome	Desired outcome	5-year Target	Key activities	Progress	Impact
Priority 1: Drive inclusive growth and job creation.	Supportive and sustainable economic policy environment.	Effective and Efficient Compliance processes, monitoring & enforcement.	95% of applications for registration processed within five (5) working days.	Licensing and Registration.	100% of applications for registration processed within five (5) working days.	Strengthen regulatory initiatives on registration of distributors and self- classification of online commercial distributors.
			100% implementation of the regulatory compliance plan.	Regulatory compliance.	100% implementation of the regulatory compliance plan	Effective and efficient Compliance and Enforcement.
			90% of enforcement actions taken on identified/reported non-compliant distributors.	Enforcement actions.	100% of enforcement actions taken on identified/reported non-compliant distributors.	Effective and efficient Compliance and Enforcement.
Priority 1: Drive inclusive growth and job creation.	Enabling environment for investment and improved competitiveness through structural reforms.	Improved online content classification and regulation.	80% of classification decisions issued within seven (7) working days.	Issuing classification decisions within seven working days.	83.5% of classification decisions issued within seven (7) working days.	Effective content classification.
Priority 1: Drive inclusive growth and job creation.	Enabling environment for investment and improved competitiveness through structural reforms.	Improved online content classification and regulation.	20% of Quality Assurance auditing conducted on new self-classified sampled content from commercial online distributors.	QA which involves a thorough review of self-classified content samples submitted by commercial online distributors.	7% of Quality Assurance auditing conducted on new self-classified sampled content from commercial online distributors.	Strengthen content classification and Quality Assurance (QA).
Priority 1: Drive inclusive growth and job creation.	Supportive and sustainable economic policy environment.	Improved online content classification and regulation.	Fifteen Prioritised research projects concluded to support the mandate of the FPB.	Research projects that directly align with its mandate over the next five years.	Three prioritised research projects concluded to support the mandate of the FPB.	Improved online content classification and regulation.

Govt priority	Govt outcome	Desired outcome	5-year Target	Key activities	Progress	Impact
Priority 2: Reduce poverty and tackle the high cost of living.	Social cohesion and nation-building.	Improved awareness and education of the public on online safety.	100% of the Online Safety Education and Awareness Plan implemented	Proactive and collaborative approach on online safety education and awareness initiatives and by expanding its service offering to address the evolving needs of parents, caregivers, and educators.	100% of the Online Safety Education and Awareness Plan implemented.	Improved awareness and education of the public on online safety.
Priority 3: Build a capable, ethical and developmental State.	Digital transformation across the State.	Digitally driven organisation.	100% of the Artificial Intelligence (AI) Strategy implemented on the FPB mandate.	Alignment of the Organisational Structure: Ensuring that the structure supports the strategic objectives and provides the necessary capacity for efficient regulation. Reskilling Employees. Developing a workforce capable of handling the complexities of digital content regulation, with a focus on building expertise in emerging areas such as AI-driven content analysis and cybersecurity. Investment in Technology: Investing in digital platforms and process automation to improve regulatory processes, enhance monitoring, and enforce compliance more efficiently.	40% of the Artificial Intelligence (AI) Strategy implemented on the FPB mandate.	Improved monitoring of prohibited and harmful online content.
Priority 3: Build a capable, ethical and developmental State.	Improved governance and performance of public entities.	Financially sustainable organisation.	Self-generated revenue increased to 25% of total revenue generated.	Financial sustainability over the next five years. FPB will continue to explore new revenue streams and optimise its existing income sources to meet its operational needs.	Self-generated revenue increased to 16% of total revenue generated.	Build a capable, ethical and developmental State.

Govt priority	Govt outcome	Desired outcome	5-year Target	Key activities	Progress	Impact
Priority 3: Build a capable, ethical and development State.	Increased feelings of safety of women and children in communities.	Improved capacity of prosecution and Law Enforcement Agencies (LEA) to effectively protect children against Child Sexual Abuse and Exploitation.	90% of Child Sexual Abuse and Exploitation Material cases assessed.	Strengthen capacity for the monitoring of prohibited and harmful online harms. Improve CSAM analysis and manage relations with Law Enforcement Agencies. Position the FPB to be a leader in protection of children against child CSAM.	100% of child sexual abuse and exploitation material cases assessed.	Improved child online protection in collaboration with law enforcement agencies.

Table 4: Progress towards achievement of institutional Impacts and Outcomes

PROGRAMME PERFORMANCE INFORMATION

The FPB Annual Performance Information Report presents the 2025/26 performance outcomes in alignment with the approved Annual Performance Plan (APP). The APP comprised ten (10) measurable targets, all of which were monitored throughout the financial year under review. Each of the ten (10) targets was successfully achieved, reflecting a 100% attainment rate.

PROGRAMME 1: Administration

Purpose: The programme provides coordinated strategic leadership, management and support for the FPB to deliver on its mandate.

The sub-programme is comprised the Office of the Chief Executive Officer (OCEO), Risk Management and Internal Audit.

OVERVIEW PERFORMANCE PROGRAMME 1 AND SUB-PROGRAMMES

Office of the Chief Executive Officer (OCEO)

The unit is responsible for effective organisational performance reporting to the Council and for providing support to programmes. It also coordinates strategic partnership engagements to ensure delivery of the organisation's mandate

During the year under review, the Office provided governance support to Council and its committees, ensuring effective coordination and oversight. It facilitated the alignment of management and Executive Committees to strengthen governance structures and decision making processes. In addition, the Office managed organisational performance reporting to the Department of Communications and Digital Technologies (DCDT), the Executive Authority, and the Parliamentary Oversight Committee. Through these efforts, the Parliament Portfolio Committee on Communications and Digital Technologies successfully delivered on its mandate, achieving 100% of the APP targets and securing a clean audit outcome.

Internal Audit

Provides reasonable assurance by evaluating the adequacy and effectiveness of governance, risk management and internal control processes, enabling management to make informed strategic decisions on the achievement of the organisation's outputs and outcomes and to assist the Audit, Risk and Finance Committee (ARFC) in providing oversight

Internal Audit provides independent and objective assurance and consulting services to support the FPB in achieving its strategic objectives. The function applies a systematic, disciplined and risk-based approach to evaluate and improve the effectiveness of governance, risk management and internal control processes, in accordance with Section 51(1)(a)(ii) of the Public Finance Management Act (PFMA).

Key Outcomes and Achievements

During the 2025/26 financial year, Internal Audit completed all planned reviews in accordance with the approved risk-based Internal Audit Plan, covering key areas including performance information, risk management, marketing and communications, policy development, data privacy, enforcement, registration and child protection. The reviews identified key control weaknesses and provided practical recommendations to strengthen governance, risk management, internal controls and compliance. Internal Audit also conducted follow-up reviews to monitor the implementation of AGSA and Internal Audit recommendations and coordinated combined assurance activities to strengthen assurance coverage and oversight across the FPB.

Risk and Compliance Unit

The Risk and Compliance Unit's primary role is to safeguard the Board's interests and to ensure that all its actions and decisions are legally compliant with the Constitution, enabling legislation and other applicable laws. The Unit further promotes good governance through ensuring effective risk management, including fraud risk management, compliance and ethics management and business continuity.

The Risk and Compliance Unit supports the FPB in strengthening governance, enhancing organisational resilience, and promoting a culture of risk awareness through the following key responsibilities:

- Developing, reviewing, and implementing the Enterprise Risk Management Framework and Policy;
- Developing, reviewing, and implementing the Fraud Prevention Plan;
- Developing and implementing the Compliance Management Framework and Compliance Policy; and
- Facilitating enterprise-wide risk management, compliance monitoring, and fraud risk management to support the achievement of the FPB's strategic outcomes.

Key Outcomes Achieved

During the period under review, the following key outcomes were achieved:

- The FPB conducted a Risk Maturity Assessment to evaluate the effectiveness of its Enterprise Risk Management practices and support the transition from a compliance-focused approach to a proactive, risk-aware organisational culture. The assessment confirmed that the FPB achieved Risk Maturity Level 3 ("Control"), demonstrating that risk management processes are established, consistently applied, and integrated into business operations; and
- The FPB successfully implemented the Integrated Risk Implementation Plan, incorporating Enterprise Risk Management, Fraud Prevention, and Compliance Management. The implementation strengthened governance processes, enhanced oversight of strategic and operational risks, improved compliance monitoring, and strengthened fraud prevention practices across the FPB.

PROGRAMME 2: Corporate Services Management

Purpose: To provide support functions such as Human Capital, Communication and Marketing, Legal Services, Planning, Monitoring and Evaluation to enhance organisational capacity and ensure efficient operations, enabling the Film and Publication Board (FPB) to achieve its strategic goals.

The sub-programme consists of the following units;

- **Strategy and Performance Monitoring and Evaluation**

The unit is responsible for organisational and programme planning to ensure alignment with DCDT plans and priorities, and to monitor and evaluate organisational approved plans and reporting.

- **Communication and Marketing**

The unit aims to deliver communication services and products that enhance the organisation's share of voice among its consumers and customers. The unit monitors the media environment and coverage to strengthen understanding of the communications landscape in which the FPB operates. It informs the development of counter strategies that enhance the impact of key messages. The unit facilitates participation in international and regional programmes to remain abreast of regulatory developments, equipping the FPB with current and relevant expertise.

- **Stakeholder Management and Collaboration**

Technology has not only blurred the geographical market boundaries that traditionally define the work of regulators worldwide but has also created new areas of regulatory duplication and fragmentation. The inherently transnational nature of the online environment underscores these challenges. These developments suggest that no single regulator can fully deliver on this mandate, making collaboration and partnership, both horizontally across peer institutions and vertically within the sector essential.

- **Human Capital**

The unit is tasked with building a fit-for-purpose organisational structure with the capacity to lead the FPB functions and create a conducive work environment. It ensures that the FPB can plan for required Human Resources (HR), recruit the right talent in the right positions at the right time. It oversees the continuous development of talent to maintain the required levels of competence, and create a conducive environment that enables employee engagement, and promotes a high-performance culture.

- **Corporate Legal**

This unit is responsible for providing legal advice and support to the organisation, ensuring compliance with applicable laws and regulations. Key functions include contract management, litigation, legal advice, the drafting and vetting of regulations, regulatory documents, contracts, policies, provision of legal opinions as well as management of litigation.

Overall Programme 2: Performance

Outcome	Output	Output indicator	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to Actual achievement 2025/26	Reasons for deviation
Improved awareness and education of the public on online safety.	Implementation of the Online Safety Education and Awareness plan.	Percentage of the Online Safety Education and Awareness plan implemented.	96% of the Integrated Stakeholder Engagement and Communications plan implemented.	100% of the Integrated Stakeholder Engagement and Communications plan implemented.	100% Implementation of the Online Safety Education and Awareness plan.	102% of the Online Safety Education and Awareness plan implemented.	Achieved.	Implementation of the developed corrective action contributed positively. The over-achievement further attribute to sustained campaign activities throughout the reporting period, including increased content amplification of the online safety messaging.

Table 5: Overall Programme 2: Performance

PROGRAMME 3: FINANCE

Purpose: To ensure the long-term financial stability of the FPB by developing and managing revenue streams, optimising resource allocation, and reducing dependency on Treasury grants, enabling the organisation to fulfil its regulatory mandate effectively.

The sub-programme consists of the following units;

- **Financial Management**

The unit is responsible for budgeting and for maintaining the integrity of the FPB's account books, in compliance with relevant legislative prescripts and recognised international accounting standards.

- **Supply Chain Management (SCM)**

The unit is responsible for all procurement of goods and services by the organisation. It ensures compliance with constitutional, public finance management and preferential procurement policy framework prescripts. The sub-programme will ensure that the organisation maintains strict adherence to supply chain processes and procedures that will eliminate unauthorised and fruitless expenditure, and procurement of goods

and services from Historically Disadvantaged Individuals (HDIs), particularly Women, Youth and People with Disabilities (WYPDs).

- **Revenue Collection and Enhancement**

The unit is responsible for revenue collection and enhancement, ensuring the effective implementation and achievement of the objectives set out in the Revenue Enhancement Strategy.

- **Facilities**

The unit implements the statutory obligation on Occupational Health and Safety (OHS) by implementing the OHS plan, as part of its contribution towards the organisational service delivery-maintained outcome. It ensures continuous improvement of office ergonomics for optimum employee productivity and the efficient allocation and management of infrastructure, resources, and facilities across the organisation. The unit provides safety and security for the organisation's resources and assets, ensures the optimum location of its premises to support effective service delivery, and enhances the client experience at its premises.

PROGRAMME 3: Overview of Performance

Outcome	Output	Output indicator	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to Actual achievement 2025/26	Reasons for deviation
Financially sustainable organisation.	Percentage increase in self-generated revenue.	Percentage increase in self-generated revenue against total revenue.	15% of self-generated revenue over total revenue.	18% self-generated revenue over total revenue.	15% self-generated revenue over total revenue.	16% self-generated revenue over total revenue.	Achieved.	Increase tariffs, Distributors who did not renew timeously were re-registered. Tariffs for registrations are higher than those for renewals. Agreements were signed with new online distributors.

Table 6: Programme 3: Overview of Performance

The organisations Finance Programme is mandated to ensure sound financial management, compliance with applicable legislation including the Public Finance Management Act (PFMA), Treasury Regulations, and Generally Recognised Accounting Practices (GRAP) accounting standards, and to support the effective and efficient utilisation of public resources.

The programme also provides financial leadership and support to the organisation in executing its statutory mandate through prudent budgeting, financial reporting, cash flow management, supply chain governance, and internal control oversight.

KEY ACHIEVEMENTS

The organisations finance programme is mandated to ensure sound financial management, compliance with applicable legislation including the Public Finance Management Act (PFMA), Treasury Regulations, and

Generally Recognised Accounting Practices (GRAP) accounting standards, and to support the effective and efficient utilisation of public resources.

The programme also provides financial leadership and support to the organisation in executing its statutory mandate through prudent budgeting, financial reporting, cash flow management, supply chain governance, and internal control oversight.

During the year under review, the programme continued to strengthen financial governance frameworks, improve financial discipline, and enhance the quality, timeliness, and reliability of financial information provided to management, the Audit, Risk and Finance Committee (ARFC), and Council.

Financial Reporting and Compliance

The unit prepared and submitted monthly, quarterly, and annual financial reports in accordance with the reporting requirements prescribed by the PFMA and applicable GRAP standards.

Key achievements during the year include:

- Preparation of GRAP compliant Annual Financial Statements (AFS) within required timelines;

- Improved accuracy and completeness of financial records through enhanced reconciliations and review processes;
- Strengthened month-end and year-end closing procedures; and
- Ongoing engagement with internal and external audit processes to support audit readiness and responsiveness.

The unit's programme continued to ensure that financial reporting remains reliable, transparent, and aligned to the requirements of oversight bodies and stakeholders.

Budgeting and Expenditure Management

Through its programme, the unit oversaw the preparation, consolidation, and monitoring of the FPB annual budget, ensuring consistency with both strategic and operational priorities.

Key focus areas included:

- Strengthened budget planning processes through improved collaboration with business units;
- Enhanced monthly budget variance analysis and reporting to EXCO and Council;
- Continuous monitoring of expenditure against approved allocations to ensure compliance with PFMA requirements; and
- Implementation and monitoring of cost containment measures across non-critical expenditure lines.

While expenditure pressures were experienced in certain operational areas, financial discipline was maintained through strict adherence to approved budgets and prioritisation of essential service delivery activities.

Revenue, Cash Flow and Liquidity Management

The unit ensured ongoing monitoring of cash flow and liquidity positions to support the uninterrupted operations of the FPB.

Key interventions included:

- Preparation of regular cash flow forecasts to support decision-making;

- Strengthened debtor management and revenue collection processes;
- Continuous monitoring of expenditure commitments to ensure alignment with available cash resources; and
- Maintenance of adequate liquidity levels to meet statutory and operational obligations.

Cash flow management remained a key area of focus, particularly in ensuring financial sustainability in a constrained fiscal environment.

Supply Chain Management

The SCM function ensured compliance with procurement legislation, policies, and delegated authority frameworks.

Key outcomes include:

- Enforcement of compliance with SCM prescripts and approval delegations;
- Verification of expenditure prior to payment processing to ensure completeness and accuracy;
- Strengthened contract and commitment monitoring to support budget control; and
- No unsolicited bid proposals were approved during the financial year under review.

All procurement processes were executed in line with principles of fairness, equity, transparency, competitiveness, and value for money.

Internal Controls and Governance

The Finance Unit continued to strengthen internal control systems to mitigate financial risks and support good governance.

Key areas of focus included:

- Strengthening of financial review and approval controls;
- Improvement of reconciliation processes across key balance sheet accounts;
- Enhanced asset management controls and verification processes; and
- Ongoing collaboration with Internal Audit and Risk Management functions to address control weaknesses and implement corrective actions.

The Unit remains committed to strengthening the control environment to reduce audit findings and improve governance maturity.

PROGRAMME 4: Technology and Platform Monitoring

Purpose: To oversee the execution of digital transformation initiatives and integrate emerging technologies, such as AI, into the FPB's regulatory framework. The programme aims to enhance operational capacity for pro-active content regulation and improve protection of children from harmful content.

Sub-programmes consist of the following units:

ICT Operations and Information Security

- The ICT Operations and Information Security Capital Unit has the responsibility to ensure that the Authority has the most up-to-date IT infrastructure that enables the organisation to execute its business, which requires IT infrastructure support to be provided efficiently and effectively. To contribute to the organisational service delivery-maintained outcome, the Capital Unit is implementing the approved Digitisation and AI strategy to enhance its digital transformation interventions.

Platform Monitoring

- The Capital Unit is responsible for the effective monitoring of compliance of online distributors to ensure compliance with the classification guidelines. The pro-active monitoring of online platforms on harmful and prohibited content also falls under this unit.

Child Protection

- The Unit is responsible for child online protection in line with the FP Act by analysing CSAM reports referred to the FPB by the SAPS and supporting law enforcement agencies as expert witness during prosecutions. In addition, the unit facilitates training for law enforcement agencies and other stakeholders, including learners, on online protection of children and the prevention of the use of children in the creation of child pornography.

Classification and Quality Assurance

- The Capital Unit coordinates the classification and quality assurance of material received from distributors.

Public Complaints

- The Unit is responsible for responding to customer complaints about harmful or prohibited content and all other queries received through the FPB clients' support platforms.

OVERVIEW OF PERFORMANCE: PROGRAMME 4

During the 2025/26 financial year, Programme 4 achieved all four (4) performance targets for the output indicators assigned to the Programme in the Annual Performance Plan.

The performance of each output indicator, by sub-programme, is detailed below.

Outcome	Output	Output indicator	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to Actual achievement 2025/26	Reasons for deviation
Digitally driven organisation.	Implementation of the Artificial Intelligence (AI) Strategy.	Percentage implementation of the AI strategy.	New indicator.	20% of the approved AI strategy implemented.	40% Implementation of the AI strategy.	40% of the AI strategy implemented.	Achieved.	N/A.
Effective and efficient compliance processes, monitoring and enforcement.	Classification decisions issued within seven (7) working days.	Percentage of classification decisions issued within seven (7) working days.	81% of classification decisions issued within seven (7) working days.	84% of classification decisions issued within seven (7) working days.	80% of classification decisions issued within seven (7) working days.	83.5% of classification decisions issued within seven (7) working days.	Achieved.	Streamlined processes. Daily monitoring of turnaround times.
Improved online content regulation and classification.	QA auditing conducted on new self-classified sampled content from commercial online distributors.	Percentage of QA auditing conducted on new self-classified sampled content from commercial online distributors.	New indicator.	9.4% of QA auditing conducted on new self-classified sampled content from commercial online distributors.	7% of QA auditing conducted on new self-classified sampled content from commercial online distributors.	7% of QA auditing conducted on new self-classified sampled content from commercial online distributors.	Achieved.	N/A
Improved online content regulation and classification.	Child Sexual Abuse and Exploitation material cases assessed.	Percentage of Child Sexual Abuse and Exploitation material cases assessed.	New indicator.	92% of Child Sexual Abuse and Exploitation material cases assessed.	90% of Child Sexual Abuse and Exploitation material cases assessed.	100% of Child Sexual Abuse and Exploitation material cases assessed.	Achieved.	Dedication from the Child Protection team and effective collaboration with Law Enforcement Agencies.

Table 7: Overview of Performance: Programme 4

OVERVIEW OF PERFORMANCE: PROGRAMME 4

During the 2025/26 financial year, Programme 4 achieved all four (4) performance targets for the output indicators assigned to the Programme in the Annual Performance Plan.

The performance of each output indicator, by sub-programme, is detailed below.

ICT OPERATIONS AND INFORMATION SECURITY

In the 2025/26 financial year, a key priority for the FPB was the implementation of the approved AI Strategy. To advance this objective, the ICT team focused on delivering approved prioritised projects. In line with the approved implementation plan, all prioritised projects were successfully implemented by the end of the financial year, resulting in a cumulative 40% achievement of the AI Strategy.

40% implementation of the Approved Digitisation & Artificial Intelligence Strategy

The organisation successfully achieved the annual target set for the 2025/26 financial year. This milestone builds on the 20% progress realised in the previous financial year, bringing the cumulative implementation of the 3-year Digital and AI Strategy to 40%. This progress has been driven by several key initiatives, including the deployment of AI-enabled dashboards with predictive analytics capabilities, the implementation of the Online Content Monitoring System, and ongoing AI training and capacity development across the organisation.

As a result, the FPB is steadily transitioning into a data-driven, intelligence-led regulator, better equipped to respond to the evolving digital content landscape. The organisational performance dashboard has been successfully developed and implemented, providing a centralised, real-time view of performance across the organisation. This has significantly improved data visibility, reporting efficiency, and decision-making. The introduction of predictive analysis capabilities marks a key milestone, enabling the organisation to move beyond historical reporting towards forward-looking insights. This supports proactive planning, early risk identification, and more informed strategic interventions.

Skills Development & Capacity Building in the ICT Unit

The ICT Unit continued to prioritise skills development and capacity building as a key enabler for delivering on its digital and AI transformation objectives. A structured re-skilling plan for Junior Developers has been developed, focusing on practical system development, solution delivery, and mentorship to strengthen internal technical capability.

To further strengthen technical capacity within the Unit, the recruitment process to appoint a Lead Developer was initiated. This position, advertised as a three-year fixed-term contract, closed at the end of March 2026. In addition, the ICT Unit made meaningful progress in upskilling the team during the reporting period. Team members completed targeted training programmes, including Google People Management Essentials and Microsoft's "Build Power Apps with Dataverse." These skills have already translated into tangible outcomes, most notably the successful development and deployment of a Contract Management Application for the FPB. This solution addresses longstanding challenges in contract tracking, monitoring, and reporting, and demonstrates the unit's growing capability to design and deliver impactful, low-code digital solutions internally. Overall, these initiatives position the ICT Unit to progressively reduce reliance on external service providers while strengthening its ability to deliver sustainable, high-quality digital solutions in support of the FPB's mandate.

ICT Security Awareness and Culture Building

In the 2025/26 financial year, the ICT Unit implemented a comprehensive cybersecurity awareness and risk management programme, aimed at strengthening the organisation's overall security posture and fostering a culture of responsible digital behaviour. This programme was driven through a series of targeted initiatives, including structured cybersecurity awareness training delivered across multiple programmes, organisation-wide Cybersecurity Awareness Month campaigns, and the deployment of awareness posters to reinforce key security messages. In addition, phishing simulation campaigns were conducted to assess user readiness and improve resilience against social engineering attacks.

These interventions enabled ICT to identify user knowledge gaps and behavioural risks, enhance awareness of cyber threats and information protection practices, and promote continuous engagement beyond once-off training initiatives. In parallel, the ICT Unit sustained critical technical security controls to proactively manage risks. This included ongoing vulnerability management to identify and remediate system weaknesses, as well as patch management processes to ensure systems remain up to date and secure against emerging threats. As a result, the organisation has achieved improved cybersecurity awareness, strengthened resilience against cyber threats, and a measurable reduction in human-factor risks. Furthermore, the ICT Unit has enhanced its ability to proactively manage vulnerabilities and respond effectively to the evolving threat landscape.

Application Enhancement: Online Content Rating (OCR)

The ICT Unit successfully delivered the rollout of the Film Classification Module within the Online Content Rating (OCR) system, marking a significant milestone in the organisation's digital transformation journey.

This rollout was complemented by targeted training initiatives for Classifiers and Quality Assurers (QAs), ensuring effective adoption and utilisation of the system in line with operational requirements. The training enabled users to confidently engage with the platform, thereby improving the consistency and efficiency of the classification process. As a result of these efforts, the organisation has strengthened its digital classification capability, improved operational efficiency and adoption, and established a solid foundation for the ongoing enhancement and evolution of the OCR system.

Business Continuity and Network Availability

Network availability for the Wide Area Network (WAN) infrastructure was high as evidenced by continuous monitoring through the organisation's network performance tools. The availability metrics reflect a highly stable and reliable network environment, with only minimal downtime recorded which had negligible impact on business operations. The consistent high uptime demonstrates the effectiveness of ICT's network management practices, including proactive monitoring, rapid incident response, and ongoing

optimisation of network performance. This confirms that the organisation's connectivity infrastructure remains resilient and capable of supporting critical systems and digital services, ensuring seamless access for users and sustained operational continuity. Overall, the performance achieved reinforces ICT's commitment to maintaining high availability standards and delivering a robust network foundation to support the FPB's digital and AI-driven initiatives.

The ICT Unit maintained high availability and stability of server infrastructure supporting critical business systems, ensuring minimal disruption to operations. While an environmental incident related to an air-conditioning failure in December 2025 temporarily impacted the server environment, the issue was promptly resolved, and full operational stability was restored with minimal business impact.

In response to this incident, ICT has taken proactive measures to mitigate future environmental risks. In collaboration with the Facilities Unit, a bi-annual servicing schedule for air-conditioning systems has been implemented. In addition, ICT is in the process of procuring smart temperature and humidity monitoring solutions, which will provide real-time alerts and enable proactive management of environmental conditions within the server environment. These interventions have significantly strengthened infrastructure resilience and improved proactive risk management capabilities.

Parallel to infrastructure stability efforts, ICT continued to enhance organisational resilience through Disaster Recovery (DR) and Business Continuity initiatives. During the year, two Disaster Recovery tests were successfully conducted, demonstrating the effectiveness of recovery processes across critical systems. Furthermore, Business Continuity training was delivered across various programmes, enhancing organisational preparedness and strengthening response capabilities. This work remains ongoing, with continuous improvements focused on expanding coverage across all business units and finalising comprehensive DR test reporting.

A key infrastructure milestone achieved during the year was the successful migration to VMware vSphere 8.0. This upgrade has significantly improved system stability, security, and performance by eliminating vulnerabilities associated with the legacy platform,

enhancing scalability, and strengthening the overall reliability of the virtualised environment. The modernised infrastructure now provides a secure and resilient foundation for critical regulatory systems, including the OCR system. Collectively, these initiatives have resulted in improved infrastructure performance, reduced operational risk, and strengthened support for the organisation's growing digital services and AI-driven systems.

CHILD PROTECTION

Child Sexual Abuse Material (CSAM) Content Analysis

A total of fifteen (15) cases were referred to the FPB for analysis in the 2025/26 financial year, for which

acknowledgement letters were issued in accordance with established standard operating procedures. All cases were successfully concluded, and assessment reports were produced, resulting in 100% achievement of the set target.

The Child Protection Unit (CPU) continues to experience challenges related to the high volume of content requiring assessment, however, a recovery plan was developed and implemented to address this constraint and improve turnaround times. It is also worth noting that several cases carried over from the previous financial year were finalised during this financial year, contributing to overall case resolution performance.

No		Case details	Content discovered	CSAM discovered	Status
1	Q1	Kempton Park Case	126 303	1630	Concluded
2		Vanderbijl Park Case	3912	180	Concluded
3		Brakpan Case	3	No CSAM	Concluded
4		Tsakane Case	1 060 405	6545	Concluded
5		Jeppe Case	2689	169	Concluded
6	Q2	SECI Enq. 1	22 498	255	Concluded
7		Dobsonville Case	5	5	Concluded
8		Tarlton Case	8044	220	Concluded
9		Bothasig	10	No CSAM	Concluded
10	Q3	SECI Enq. 2	106	15	Concluded
11		Klawer Case	24 397	101	Concluded
12		George Case	3TB of data	130	Concluded
13		Douglasdale Case 1	17	No CSAM	Concluded
14	Q4	Beaufort West Case	76 601	No CSAM	Concluded
15		Douglasdale Case 2	113	No CSAM	Concluded
	TOTAL		1 325 103	9250	

Table 8: CSAM Analysis

Most of the cases received by the CPU came from Gauteng province contributing 60 % of the cases while 40% of the cases came from the Western Cape. In addition, one case from the 2024/25 financial year was concluded during this financial year. This reflects the continuation of case management processes across financial years to ensure all matters are fully finalised.

Law Enforcement Workshops

The CPU was required to conduct four (4) Law Enforcement Agency (LEA) workshops during the

year and all four (4) workshops were successfully conducted in the Free State, Limpopo, Western Cape, and KwaZulu-Natal. The workshops focused on online child safety and the investigation of computer-generated crimes against children. These engagements provided a critical platform for collaboration between the FPB and LEAs, strengthening coordinated responses to child protection matters. The LEA workshops also enabled the FPB to raise awareness of its statutory mandate in combating CSAM as outlined in the Films and Publications Amendment Act. In

addition, they facilitated improved understanding of the types of reports and cases handled by LEAs in relation to child protection.

Feedback on Court cases

The CPU continues to play a critical role in supporting criminal justice processes through its participation in court proceedings, where it provides expert analysis on reported cases. During the assessment and investigation of child protection-related matters, officials are often subpoenaed to present technical findings, interpret digital evidence, and provide professional opinions on CSAM reports. This expert testimony supports law enforcement and prosecutorial authorities in building strong, evidence-based cases, thereby enhancing the likelihood of successful prosecutions. The involvement of officials ensures that courts are provided with specialised insight into the nature, classification, and evidentiary value of digital content, strengthening the overall judicial response to child exploitation offences.

CLASSIFICATION

Classification Turnaround Times

Classification is the process by which the FPB assesses and assigns age ratings and consumer advice to films, games, certain publications and online content based

on their content and potential impact to protect children, inform the public and regulate access to such content. This classification process is done within certain timelines to ensure service delivery to distributors. Performance target for the 2025/26 financial year is 80% of classification decisions issued within seven (7) working days. The Classification turnaround times for 2025/26 financial year shows sustained achievement against the 7 day turnaround target.

Of the total of seven hundred and thirty two(732) classification decisions issued in the 2025/26 financial year, six hundred and eleven (611) titles (83.5%) were finalised within seven (7) days, with 16.5% exceeding seven (7) days. This represents a 3.5% over achievement against the yearly target. The organisation did not manage to meet the turnaround times for quarter 1 of the financial year where only 76.5% of the target was achieved. However, in the three quarters, the organisation managed to exceed the turnaround time target and thus achieving the target for the year.

CLASSIFICATION TURNAROUND TIMES	Q1	Q2	Q3	Q4	Q1 - Q4 2025/26	%
Classified within 1 - 7 days	153	181	128	149	611	83.5%
Classified above 7 days	47	26	29	19	121	16.5%
Total Classified Decisions	200	207	157	168	732	0%
% Classified within 7 days	76.5%	87.4%	81.5%	88.7%	0	0%

Table 9: Classification Turnaround Times

Classification breakdown

The breakdown of content classified for the 2025/26 financial year shows that Film classification dominates with two hundred and ninety-three (293) titles (40.5%), followed by Trailers with two hundred and forty-three (243) titles (33.5%) and then followed by Games with one hundred and eighty-eight 188 titles (26%).

CONTENT CLASSIFIED	TOTAL	%
Films	293	40.5%
Games	188	26.0%
Trailers	243	33.5%

Table 10: Classification breakdown

Content Format

Content received for classification comes in different formats from distributors, mainly theatre and online formats for films / trailers and PC and Console format for games. With regards to format of content received for classification, the data shows a clear dominance of the theatrical format, accounting for 52.5% of submissions. This was followed by Online format with 21.9% of submissions. Then we have games with Console format at 15.7% and PC format at 10%. There were no submissions in the DVD format.

FORMAT	TOTAL	%
Console	115	15.7%
PC Game	73	10.0%
Digital Video Disc	0	0.0%
Online	160	21.9%
Theatre	384	52.5%

Table 11: Content format

Age rating breakdown

Age ratings are assigned to films, games and online content to indicate the appropriate audience based on content suitability after classification. They assist to protect children, guide parents and viewers and regulate access to potentially harmful material.

For the 2025/26 financial year, the age rating breakdowns are as follows:

- The age ratings of 13 and 16 classifications dominate, together accounting for roughly half of all decisions year to date. The age rating of 13 was the most common for 204 titles (27.9%) followed by the age rating of 16 for 188 titles (25.7%).
- This was followed by the age rating of Parental Guidance (PG) for 129 titles (17.6%).
- This was followed by age ratings of 18, then 10-12PG, 7-9PG and followed by All ages (A). There was one title exempted for the year.
- There were no titles classified as X18 for the year.

AGE RATING	TOTAL
A	17
PG	129
7-9PG	51
10-12PG	66
13	204
16	188
18	76
X18	0
Exempted	1

Table 12: Age Rating

Classifiable Elements and Consumer Advice

Classifiable elements are the specific content factors within a film, game or online material that are assessed to determine its age rating and consumer advisories. They are the -aspects of content classification that may impact viewers, especially children, and therefore require regulation or guidance.

The most prominent classifiable elements for the 2025/26 financial year are Violence and Language. Violence was the highest classifiable element featuring in 498 of the titles classified followed by Language with 310.

This is followed by Competitive Intensity (CI), Horror (H), Photo Pattern Sensitivity (PPS), Substance Abuse (D) and then the other elements.

Classifiable Elements	Abbreviation	Total 2025/26
No Classifiable Elements	No CE	114
Imitative Acts and Techniques	IAT	11
Competitive Intensity	CI	188
Criminal Techniques	CT	7
Substance Abuse	D	113
Horror	H	153
Language	L	310
Nudity	N	43
Prejudice	P	60
Photo Pattern Sensitivity	PPS	127
Sexual Conduct	S	65
Sexual Violence	SV	17
Violence	V	498

Table 13: Classifiable elements and Consumer advice

PLATFORM MONITORING

Online Platform Monitoring remains a critical function in advancing the mandate of the FPB, as outlined in the Films and Publications Act, 1996 (Act No. 65 of 1996), as amended to regulate the distribution of content and protect the public, particularly children, from exposure to harmful and prohibited material. The FPB is responsible for classifying content, enforcing compliance with regulatory requirements, and overseeing both traditional and online media environments, including commercial online distributors and social media platforms, to ensure alignment with national legislation and age-appropriate standards.

In this context, the Platform Monitoring Unit plays a proactive role by sampling Video-on-Demand (VOD) content. This integrated approach strengthens compliance, promotes responsible self-classification, and supports the FPB’s broader objective of safeguarding consumers while balancing freedom of expression within the digital ecosystem.

• Video-on-Demand Monitoring

During the 2025/26 financial year, the Platform Monitoring Unit sampled newly added VOD titles across registered commercial online distributors to assess compliance with classification requirements. A total number of 526 titles were sampled based on platform activity and content volume. Q1 and Q2 was dedicated to planning and approval on the Quality Assurance plan while the implementation of the plan commenced in Q3. A total of 246 and 280 titles were sampled in Q3 and Q4 respectively. Four hundred and ten (410) classification reports were received from the total sampled and twenty-eight quality assurance reports were done.

• Social Media Monitoring

As part of the Regulatory Compliance Plan, the Platform Monitoring Unit conducted ongoing monitoring of social media activities against a quarterly target of 250 posts. During the 2025/26 financial year, a total of 1057 social media posts were monitored and tracked. These posts included a range of content, from routine social media activity to trending topics, some of which were found to be harmful and prohibited as outlined in the Films and Publications Amendment Act. All identified harmful and prohibited content was escalated to

the Compliance and Enforcement Unit for further action, which included the issuing of take-down notices or referral to the Enforcement Committee for adjudication.

Non-compliant Commercial Online Distributors

The Platform Monitoring Unit identified a total of thirty-seven (37) non-compliant commercial online distributors in the 2025/26 financial year and these were escalated to the Compliance and Enforcement Unit for further processing, specifically to enforce adherence to the required registration processes.

	Q1	Q2	Q3	Q4	TOTAL
Non-compliant Online Distributors	5	16	3	13	37

INHOPE ICCAM Hotline and FPB Hotline

During the 2025/26 financial year, a total of six hundred (600) reports were received via the Association of Internet Hotline Providers (INHOPE) and I see Child Abuse Material (ICCAM) system, three hundred and forty six (346) reports were received through the FPB Hotline reporting system, and eighty nine (89) reports were received via the FPB WhatsApp line. All reports were attended to and escalated accordingly in line with established procedures.

Therefore, a total of one thousand and thirty-five (1035) reports were received throughout the different reporting channels as follows:

- INHOPE ICCAM System: 600 reports (58%), remains the primary reporting channel contributing over half of all reports;
- FPB Hotline Web Portal: 346 reports (33%), plays a critical supporting role by accounting for one-third of reports and enabling direct public engagement; and
- FPB Hotline WhatsApp Line: 89 reports (9%), while smaller in volume, there’s a huge improvement enhancing accessibility and real-time reporting.

The FPB Hotline continues to provide significant value as an accessible reporting channel, enabling instant communication, improving reporting mechanisms, and enhancing customer support. It also serves as an important tool for outreach and stakeholder engagement on issues relating to Child Sexual Abuse Material (CSAM).

PAIA and POPIA Compliance

During the 2025/26 financial year, the Public Access to Information Act (PAIA) Manual has been reviewed and updated to ensure continued compliance with both the PAIA and the Protection of Personal Information Act (POPIA) regulatory requirements. The updated manual aligns with current organisational structures, revised information categories, and strengthened internal processes for handling requests for access to information and the lawful processing of personal information. It further incorporates legislative amendments and enhanced governance measures to ensure the responsible management, protection, and disclosure of information.

The revised PAIA and POPIA framework strengthens transparency, accountability, and data protection by clearly setting out procedures for information requests, the lawful grounds for processing personal information, applicable retention and disclosure protocols, and the responsibilities of designated information and data protection officers. This ensures that the organisation remains fully compliant with both Acts while safeguarding personal information and promoting the constitutional right of access to information in a secure, efficient, and consistent manner.

PUBLIC COMPLAINTS MANAGEMENT

- Performance Target: 75% of public complaints resolved within 60 working days.
- Actual Performance: 90% of public complaints resolved within 60 working days.

In the 2025/26 financial year, the FPB through its reporting portals received ninety seven (97) public complaints from members of the public. The Public Complaints Unit managed to resolve eighty nine (89) of these complaints within the required 60 working days turnaround target. There were eight (8) complaints that went over the 60 days turnaround time for resolution.

PROGRAMME 5: REGULATORY DEVELOPMENT AND ENFORCEMENT

Purpose: To develop, implement, and enforce regulatory frameworks, ensuring compliance with content laws and protecting children from harmful content, while adapting to the evolving digital landscape.

Sub-programmes consist of the following units:

- Regulatory Development and Research Analysis

This Capital Unit is responsible for conducting research and the development of regulatory frameworks.

- Registration and Licensing

This Capital Unit is responsible for the registration and licensing of distributors of games, films and certain publications.

- Compliance

This Capital Unit is responsible for monitoring the compliance of distributors of films, games and certain publications with the provisions of the Act.

- Enforcement

This Capital Unit is responsible for enforcement and referral of matters to the Enforcement Committee.

Overall performance for Programme 5

Outcome	Output	Output indicator	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to Actual achievement 2025/26	Reasons for deviation
Improved online content regulation and classification.	Research reports concluded to support the mandate of the FPB.	Number of prioritised research projects concluded to support the mandate of the FPB.	Three prioritised research projects to support the mandate of the FPB concluded.	Three prioritised research projects to support the mandate of the FPB concluded.	Three Research Reports concluded to support the mandate of the FPB.	Three Research Reports to support the mandate of the FPB concluded.	Achieved.	N/A.
Effective and efficient compliance processes, monitoring and enforcement.	Applications for registration processed within five (5) working days.	Percentage of applications for registration processed within five (5) working days.	99% of applications for registration processed within five (5) working days.	100% of applications for registration processed within five (5) working days.	95% of applications for registration processed within five (5) working days.	100% of applications for registration processed within five (5) working days.	Achieved.	Employee commitment and efficiency.
Effective and efficient compliance processes, monitoring and enforcement.	Regulatory Compliance plan implemented.	Percentage implementation of the Regulatory Compliance plan.	88% of the Regulatory Compliance plan implemented.	83% of the Regulatory Compliance plan implemented.	80% implementation of the Regulatory Compliance plan.	100% of the Regulatory Compliance plan implemented.	Achieved.	The implementation of the Regulatory Compliance plan is the collaboration work between the two programmes 4 & 5, and there is better facilitation of information which resulted in a higher number of compliance monitoring activities.

Outcome	Output	Output indicator	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26	Deviation from planned target to Actual achievement 2025/26	Reasons for deviation
Effective and efficient compliance processes, monitoring and enforcement.	Enforcement action taken on identified/non-compliant distributors.	Percentage Enforcement action taken on identified/non-compliant distributors.	New indicator.	97% Enforcement action taken on identified/non-compliant distributors.	90% of Enforcement action taken on identified/non-compliant distributors.	100% of Enforcement action taken on identified/non-compliant distributors.	Achieved.	Employee commitment and efficiency.

Table 14: Overall performance for Programme 5

Registration and licensing

A total of 1816 applications were processed within the five (5) day turnaround time .

COMPLIANCE AND ENFORCEMENT

In this reporting period, the Regulatory Compliance Plan was implemented and non-compliance was investigated and where appropriate enforcement action was taken.

80% IMPLEMENTATION OF THE REGULATORY COMPLIANCE PLAN AND ACTIVITIES

During this 2025/26 financial year reporting period, full implementation of the Regulatory Compliance Plan was achieved, with 100% of the planned activities successfully delivered. The annual target was set at seven hundred (700) inspections. A total of seven hundred and eighty-five (785) compliance inspections were conducted, comprising six hundred and thirty (630) physical inspections and one hundred and fifty-five (155) online inspections.

Target was to conduct 700 Compliance Inspections:

	Q1	Q2	Q3	Q4	Total
Target	175	175	175	175	700
Actual	213	180	188	204	785

Table 15: Compliance Inspections

MARKET SURVEILLANCE: FILM FESTIVALS

During this period, we conducted eleven (11) market surveillance inspections at film festivals, significantly exceeding the target of eight (8), to ensure that the distributed content complied with the requirement of the FPA.

	Q1	Q2	Q3	Q4	Total
Target	2	2	2	2	8
Actual	2	4	3	2	11

Table 16: Market surveillance Inspections

Compliance Seminars

During the reporting period, thirteen (13) industry engagements were conducted, surpassing the annual target of eight (8). These engagements focused on educating stakeholders about the requirements of the FPA.

	Q1	Q2	Q3	Q4	Total
Target	2	2	2	2	8
Actual	3	5	3	2	13

Table 17: Industry engagements

90% ENFORCEMENT ACTIONS TAKEN ON IDENTIFIED/REPORTED NON- COMPLIANT DISTRIBUTORS AND ACTIVITIES

During the reporting period, a total of one hundred and seventy one (171) compliance notices were issued to non-compliant distributors, which led to 100% of enforcement actions being taken on identified/ reported non-compliant distributors.

Compliance Notices:

Number of Compliance Notices issued per quarter

Q1	Q2	Q3	Q4	Total
24	43	44	60	171

Table 18: Compliance notices

Raids/Operations with LEAs:

During the reporting period, thirteen (13) raid operations were conducted with the assistance of LEAs, and three thousand, six hundred and ninety-six (3696) unclassified discs/dvds materials were confiscated with an estimated street value of R 369, 600.00.

Q1	Q2	Q3	Q4	Total
3	4	3	3	13

Table 19: LEA's raids conducted

Take down Notices issues per quarter

Q1	Q2	Q3	Q4	Total
60	100	56	100	316

Table 20: Quarterly Take down Notices

Take Down Notices: During the reporting period, three hundred and sixteen (316) take down notices were issued on the X platform and Facebook. These notices primarily related to the distribution of a films containing explicit depictions of extreme violence, in contravention of Section 18(3)(b)(v) of the FP Act, as well as prohibited content promoting propaganda for war, incitement of imminent violence, and advocacy of hatred based on identifiable group characteristics that constitutes incitement to cause harm, in contravention of Section 18H read with Section 24G of the FP Act.

ENFORCEMENT COMMITTEE

Referral of cases to the Enforcement Committee

During the reporting period, forty-nine (49) cases were referred to the Enforcement Committee for adjudication and imposition of the appropriate sanction on the following contraventions:

- Unlawfully distributing/exhibiting films or games within the RSA without being registered with the FPB as distributors of films or games as required by of Section 18(1)(a) and 18(1)(b) read with Sections 24A (1), of the FP Act;
- Distribution of films not classified by FPB as required.;
- Distribution of films or games without displaying, clearly and conspicuously and in the prescribed manner, classification reference number, age restriction, consumer advice and any other condition imposed on the distribution of that film or game as prescribed in ; and

- Providing access to internet to the members of public without being as required.

Eleven matters were presented before the Enforcement Committee as at the end of the 2025/26 financial year. The remaining cases were on various stages of the proceedings.

Referral of cases by the Enforcement Committee:

Matters referred to the Enforcement Committee per quarter

Q1	Q2	Q3	Q4	Total
1	8	24	16	49

Table 21: Enforcement Committee cases

During the 2025/26 financial year reporting period, 49 cases were referred to the Enforcement Committee for adjudication and imposition of the appropriate sanction.

REGULATORY DEVELOPMENT AND RESEARCH ANALYSIS REPORT

During the reporting period, the following three research projects were completed to support the mandate of the FPB:

- Media & Entertainment Sector Analysis Report;
- Analysis on the use of Generative AI in Distributing Harmful Content Research; and
- Research on Safety by Design for Online Games and Social Media Platforms.

Linking performance with Budgets

Programme/activity/objective	2024/25			2025/26		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1	23,760	22,423	1,336	21,990	19,874	2,116
Programme 2	25,972	25,784	187	26,235	24,550	1,685
Programme 3	26,397	28,469	-2,072	26,960	24,550	2,410
Programme 4	27,716	32,812	-5,095	30,933	28,057	2,876
Programme 5	20,864	18,842	2,022	20,526	19,874	652
Total	74,977	128,330	-3,622	126,64	116,905	9,739

Table 22: Budget and Expenditure per programme

REVENUE COLLECTION

Sources of revenue	2024/25			2025/26		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Classification fees	1,388	1,482	-94	1 437	1 702	265
Registration fees	504	787	-283	429	709	280
Annual renewal fees	490	238	252	582	233	-349
Internet service provider registration	31	40	-9	29	22	-7
Interest received	2,733	2,376	357	2 890	3 133	243
Online license fees	13,504	13,131	373	13 500	14 067	567
Grant	103,098	103,098	0	107 717	107 717	0
Other income	0	786	-786	0	2 038	2 038
Total	121,748	121,938	-190	126,584	129,621	0

Table 23: Revenue collection sources for the reporting period

PART C:

GOVERNANCE

SECTION 3

N

NUDITY

Content that may contain nudity
- where private body parts are
displayed.



NUDITY

May contain nudity or partial
nudity.

Meaning:

The showing of private body parts that are
not covered by clothing.
This may be suggestive or explicit
and may not be suitable for younger
audiences.

INTRODUCTION

The FPB maintains a strong commitment to sound governance as the foundation for achieving its regulatory mandate. Governance at the FPB is anchored in principles of accountability, transparency, ethical leadership and responsible decision-making. During the year under review, the organisation continued to strengthen its governance systems to ensure effective oversight, responsiveness to emerging risks and alignment with its public interest obligations.

LEGISLATIVE AND GOVERNANCE FRAMEWORK

The FPB operates within a comprehensive legislative framework that governs its establishment, mandate and operations. Key legislation includes the FP Act, the PFMA and other applicable regulatory instruments. In addition, and during the year under review, the FPB was guided by an approved Governance Framework and principles of the King IV™ Report on Corporate Governance, which informed its approach to ethical leadership, stakeholder inclusivity and governance practices. The organisation has initiated a transition towards King V to further enhance maturity of governance.

PORTFOLIO COMMITTEE

Parliament Portfolio Committee on Communications and Digital Technologies (PCCDT) exercises its oversight responsibilities by evaluating the performance of the FPB through the review of its Annual Financial Statements (AFS) and other relevant reports periodically. The committee play oversight on service delivery and organisational performance, assesses non-financial information contained in the Annual Report, and considers the entity's contribution to broader socio-economic objectives, including economic growth.

In addition, Parliament's Standing Committee on Public Accounts (SCOPA) undertakes oversight through the examination of the entity's AFS and external audit reports. SCOPA also provides

commentary on engagements between the entity and the Portfolio Committee (PC), including the number of meetings held and key matters raised during such interactions. In reporting to Parliament, the FPB provides details on the dates of engagements, identifies areas of risk highlighted by oversight structures, and outlines the implementation plans and corrective actions undertaken to address such matters.

EXECUTIVE AUTHORITY- MINISTER

The Minister of Communications and Digital Technologies serve as the Executive Authority of the FPB, exercising oversight in accordance with the PFMA. The Executive Authority ensures that the Council is appropriately constituted and that governance standards are upheld. The FPB maintains accountability through quarterly performance reporting and the submission of its Annual Report, providing transparency on operational and financial performance as well as governance matters.

ACCOUNTING AUTHORITY - COUNCIL

The Council is the Accounting Authority (AA) of the FPB and is responsible for providing strategic direction and ensuring effective oversight of the organisation. In this role, the Council approves key governance instruments, including the strategy, APP, budget and policies. The Council monitors organisational performance, oversee risk and compliance, and ensures that the FPB operates in line with its legislative mandate and public interest objectives.

The Council is further guided by the principles of the King Code on Corporate Governance and operates within an established Code of Conduct and Ethics, which underpins its commitment to integrity, accountability and responsible governance in the discharge of its duties.

COUNCIL CHARTER

The Council Charter serves as a foundational governance document that defines the roles, responsibilities, composition and functioning of the FPB Council, providing clarity on its mandate and guiding the effective discharge of its fiduciary duties.

The Council Charter was last reviewed in 2024 to ensure continued relevance and alignment with the evolving regulatory and governance environment. In line with the FPB's commitment to continuous governance improvement and responsiveness to emerging trends, the Charter is scheduled for review in 2026/27 financial year. This forthcoming review will provide an opportunity to incorporate developments in governance practices, including the transition towards King V, as well as to ensure alignment with organisational changes, refined committee mandates and enhanced oversight requirements.

COUNCIL COMPOSITION

The Council is constituted by members appointed by the Executive Authority, reflecting a balance of skills, experience and independence required to discharge governance responsibilities effectively. The composition of the Council is aligned with governance best practices, ensuring that members collectively possess the expertise necessary to guide the organisation in a complex and evolving regulatory environment.

The FPB Council comprises nine (9) members and is led by Ms. Zamantungwa Mkosi as the Chairperson. The Council was appointed by the Minister on 22 April 2021 for a period of 5 years and their term, which was due to expire on 22 April 2026, was extended by up to six (6) months to allow for the completion of due process for the appointment of a new Council.

Ms. Zama Mkosi (50)
Council Chairperson, and
Governance, Social and Ethics Committee.



Principal Skills

- Strategic leadership and organisational transformation,
- Corporate governance and legal compliance,
- Stakeholder and board engagement,
- Creative industries development and policy,
- Legal advisory in commercial and media sectors,
- Financial planning and funding frameworks,
- Multinational stakeholder negotiation and diplomacy, and
- Mentorship and inclusive leadership.

Prof. Siyasanga Tyali (40)
Deputy Chairperson,
Governance, Social and Ethics Committee,
Audit, Risk and Finance Committee (ARFC), and
Regulatory, Compliance and ICT Committee.



Principal Skills

- Academic leadership and department management,
- Media and communication theory and policy,
- Postgraduate supervision and curriculum development,
- Strategic planning and operational leadership,
- Research publishing and peer review,
- Public speaking and community engagement,
- Academic mentorship and training, and
- Interdisciplinary communication and governance advisory.

Ms. Lungelo Dhladhla (38)

Regulatory, Compliance and ICT Committee (Chairperson),
Governance, Social and Ethics Committee, and
ARFC.



Principal Skills

- Governance and ethics in public institutions,
- Stakeholder engagement and communication,
- Strategic oversight and policy implementation,
- Organisational transformation and performance management,
- Risk management and social accountability, and
- Regulatory compliance and reporting.

Ms. Mpho Sedibe (39)

ARFC, and
Human Resources and Remuneration Committee.



Principal Skills

- Public and private sector governance,
- B-BBEE strategic advisory and implementation,
- Board leadership and stakeholder engagement,
- Economic inclusion and SMME development,
- Policy formulation and programme execution,
- Financial oversight and risk management,
- Strategic planning and investment evaluation, and
- Education-focused development and trust governance.

Dr. Andile Nontso (60)

ARFC, and
Human Resources and Remuneration Committee.



Principal Skills

- Governance and stakeholder engagement,
- Educational leadership and curriculum development,
- Occupational health and safety compliance and auditing,
- Community mobilisation and social facilitation,
- Strategic project management and planning,
- Qualitative and quantitative research expertise,
- Ethical leadership and public speaking, and
- Institutional transformation and capacity building.

Dr. Phosa Mashangoane (68)

Human Resources and Remuneration Committee, and
Regulatory, Compliance and ICT Committee.



Principal Skills

- Ethical leadership, governance and institutional integrity,
- Social transformation and community development.
- Strategic leadership and planning,
- Stakeholder engagement and accountability,
- Analysis and programme evaluation,
- Regulatory development,
- Risk management and compliance,
- Crisis management,
- Teamwork and collaboration,
- Conflict management and dispute resolutions,
- Knowledge management,
- Change management, and
- Digital transformation.

Adv. Lufuno Nevondwe (43)

Human Resources and Remuneration Committee (Chairperson), Governance, Social and Ethics Committee, and Audit, Risk and Finance Committee.



Principal Skills

- Governance, ethics and public sector compliance,
- Legal advisory and tribunal leadership,
- Academic research and legal publications,
- Stakeholder engagement and public administration,
- Strategic leadership in ethics and governance,
- Policy development and oversight, and
- Higher education teaching and curriculum design.

Ms. Maggie Pillay (64)

Regulatory, Compliance and ICT Committee.



Principal Skills

- Content regulation and classification (over 16 years' experience),
- Strategic leadership, operations and policy development,
- Quality assurance and compliance frameworks,
- Curriculum development and training facilitation,
- Application of legislative frameworks in classification,
- Stakeholder engagement and advocacy,
- Programme evaluation and manual development, and
- Entrepreneurship.

Ms. Zanele Nkosi (43)

Audit, Risk and Finance Committee (Chairperson), and Governance, Social and Ethics Committee.



Principal Skills

- Public sector auditing and accounting (GRAP, IFRS, PFMA, MFMA),
- Governance, compliance and ethics in public institutions,
- Stakeholder engagement and reporting,
- Leadership of multidisciplinary audit teams,
- Risk management and policy oversight,
- Financial reporting and internal control evaluation,
- Strategic advisory and board participation, and
- Audit of pre-determined objectives.

Figure 6: Composition of the Council

During the year under review, the Council considered the following:

- Classifier’s Contract extension;
- Travel & Subsistence Policy;
- Procurement of Head Office accommodation;
- PICF Minister’s Dashboard;
- Materiality Framework;
- Annual Financial Statements 2024/25;
- Annual Performance Information Report 2024/25;
- Delegation of Authority;
- CEO recruitment;
- Whistleblowing matters;
- Retention of Employee Pension Funds;
- Organisational Structure; and
- Governance Framework.

COUNCIL COMMITTEES

To support its oversight responsibilities, the Council established dedicated committees. These committees provide focused oversight in their respective areas and ensure that Council decisions are informed, robust and aligned with the organisation’s strategy and governance standards. Each committee operates under clearly defined Terms of Reference (ToR) and reports to Council, through respective Chairpersons.

The following are the committees of the Council:

- Audit, Risk and Finance Committee (ARFC);
- Human Resources and Remuneration Committee (HR-REMCO);
- Regulatory, Compliance and Information and Communications Technology Committee (RCICT); and
- Governance and Social and Ethics Committee (GSEC).

The committee members collectively possess the appropriate mix of skills and experience required to effectively discharge their responsibilities.

Information regarding the number of meetings held during the reporting period, together with attendance records, is provided on page 60.

AUDIT, RISK AND FINANCE COMMITTEE

The Audit, Risk and Finance Committee (ARFC) (previously Finance, Audit and Risk Committee) provides independent oversight for Council on the effectiveness of financial management, risk management, internal controls and governance processes. Its role is to play oversight on the integrity of financial reporting, ensuring compliance with the PFMA and other regulatory requirements, and overseeing internal and external audit functions. The committee further reviews risk management frameworks, advises on financial sustainability and supports Council in ensuring accountability, transparency and sound financial governance.

Members
Ms Zanele Nkosi (Chairperson)
Prof Siyasanga Tyali
Ms Lungelo Dhladhla
Adv. Lufuno Nevondwe
Ms Mpho Sedibe
Dr. Andile Nontso

During the year under review, the committee considered the following;

- External Audit Strategy and Engagement Letter ;
- Fruitless and wasteful expenditure and Irregular expenditure;
- Annual budget;
- Materiality Framework;
- Annual Financial Statements 2024/25;
- Annual Report 2024/25;
- Report on Deviations (Reporting of Procurement by other means variations and expansions of contracts);

- Petty Cash Management Policy;
- Council Appeal Tribunal and Enforcement and Remuneration Policy;
- Combined Assurance Plan 2025/26; and
- Revenue Management Policy.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee (HREMCO) provides oversight and recommendations on human capital strategy, remuneration and related governance matters. The committee is responsible for guiding Council on Human Resources (HR) planning, organisational performance, compliance with labour legislation and associated policies, as well as risk management within the corporate services environment. It further oversees and determines the remuneration of the CEO and Executives, ensuring alignment with market benchmarks, organisational performance and governance principles, while regularly reviewing its practices to incorporate relevant best-practice standards.

Members
Adv. Lufuno Nevondwe (Chairperson)
Ms Mpho Sedibe
Dr. Andile Nontso
Dr. Phosa Mashangoane

During the year under review, the committee considered the following, amongst others:

- Organisational Structure;
- Labour disputes;
- Audio-Visual White Paper;
- Portfolio Committee Report on the Budget Vote;
- Communication and Marketing Strategy and Stakeholder engagement strategy;
- Remuneration/Compensation Policy;
- Remote Working Policy;
- Parliamentary responses; and
- Council Code of Conduct and Ethics.

REGULATORY, COMPLIANCE AND ICT COMMITTEE

The Regulatory, Compliance and ICT Committee provides oversight and recommendations on the strategic direction and performance of the FPB's core operational and regulatory functions. The committee play oversight on planning, implementation, performance reporting and risks across key areas including content classification, child protection, communications and public education, compliance monitoring, legal and regulatory frameworks and research and policy. It further oversees ICT governance, ensuring alignment of technology with business objectives, availability of appropriate resources and skills, optimisation of costs and effective management of ICT-related risks.

Members
Ms. Lungelo Dhladhla (Chairperson)
Ms. Maggie Pillay
Prof. Siyasanga Tyali
Dr. Phosa Mashangoane

During the year under review, the committee considered the following;

- Technology & Digital Roadmap Implementation;
- Artificial Intelligence (AI) Implementation;
- Regulatory Development and Enforcement;
- Online Platforms monitoring;
- Technology and AI Report;
- Software Acquisition and Management Policy;
- Classification strategy;
- Revised tariffs;
- Notice in terms of Section 6B (4); and
- Compliance strategy.

GOVERNANCE, SOCIAL AND ETHICS COMMITTEE (GSEC)

The committee provides oversight on governance, stakeholder management, ethics and social responsibility matters. It ensures the effective functioning and coordination of Council activities, supports decision-making on urgent matters as directed by Council and provides guidance on Council composition, performance evaluation and committee appointments. In addition, the committee oversees the organisation's ethical conduct, monitors compliance with applicable legislation and best-practice standards and ensures that mechanisms are in place to manage Conflicts of Interest, misconduct and whistle-blowing processes. It further oversees stakeholder engagement, transformation and social responsibility initiatives, and monitors alignment with organisational ethical standards and broader socio-economic objectives, reporting regularly to Council on all matters within its mandate.

Members
Ms Zama Mkosi (Chairperson)
Prof. Siyasanga Tyali
Ms Zanele Nkosi
Adv. Lufuno Nevondwe
Ms Lungelo Dhladhla

During the year under review, the committee considered the following;

- Internal Ethics Committee Performance Report;
- Audio Visual White Paper;
- Policy Register;
- Council, Appeal Tribunal and Enforcement Committee Remuneration Policy;
- Council Code of Conduct and Ethics;
- Corporate Governance Framework; and
- CEO resignation and interim arrangements.

APPEAL TRIBUNAL

The Appeal Tribunal established under the Films and Publications Act, is mandated to hear appeals against decisions of the Film and Publication Board concerning the classification of films, games and certain publications.

The members of the FPB Appeal Tribunal were appointed in October 2022 for a fiveyear term, set to conclude in 2027. The appointed members are as follows:

Members
Mr. Siyazi Tyatyam (Chairperson)
Ms. Sohani Natasha Chundhur
Dr. Litheko Modisane
Mr. James Hlamalani-Shikwambana
Mr. Phuthi Phukubje
Ms. Nomaswazi Shabangu-Mndawe
Ms. Shandukani Mulaudzi
Ms. Sisanda Nkoala

During the 2025/26 financial year, no appeals were lodged or referred to the Appeal Tribunal for adjudication. Consequently, the Tribunal did not convene to hearing any matters during the reporting period.

Notwithstanding the absence of appeals, the Appeal Tribunal remained duly constituted and available to fulfil its statutory mandate. The absence of referrals is an indicative of acceptance of classification decisions by distributors. The FPB will continue to ensure that an effective and independent appeal mechanism remains available to any distributor or person exercising their rights under the FP Act.

ENFORCEMENT COMMITTEE

The Enforcement Committee is established in terms of the FP Act to adjudicate matters relating to non-compliance with the Act and to determine appropriate enforcement sanction. The committee performs an independent quasi-judicial function, thereby supporting the FPB's regulatory mandate and promoting compliance with the legislative framework.

Composition

During this reporting period, the Enforcement Committee comprised the following members:

Members
Judge Thokozile Masipa – Chairperson
Ms Nalini Maharaj – Member
Advocate Silas Siphuma – Member
Mr Francois Beukman - Member

Performance during the year

During the 2025/26 financial year, forty-nine (49) matters were referred to the Enforcement Committee and eleven (11) were adjudicated. As at 31 March 2026, no decisions had been issued. Matters heard during the reporting period remained under deliberation.

Performance Summary

Indicator	2025/26
Matters referred	49
Hearings conducted	11
Matters finalised	11

Table 24 : Performance of the Enforcement Committee

	Council	Audit, Risk and Finance	Human Resources and Remuneration	Regulatory Compliance & ICT	Governance, Social & Ethics
Ms Zama Mkosi	8/8	0	0	0	4/4
Prof. Siya Tyali	8/8	4/4	0	4/4	4/4
Ms Zanele Nkosi	8/8	4/4	0	0	4/4
Ms Lungelo Dhladhla	8/8	4/4	0	4/4	4/4
Adv Lufuno Nevondwe	8/8	4/4	4/4	0	4/4
Ms Maggie Pillay	8/8	0	0	4/4	0
Ms Mpho Sedibe	8/8	4/4	4/4	0	0
Dr Andile Nontso	8/8	4/4	4/4	0	0
Dr Phosa Mashangoane	8/8	0	4/4	4/4	0

Table 25: Council and Committee Meeting Attendance

SPECIAL MEETINGS

In addition to scheduled meetings, the Council and its committees may convene special meetings to consider urgent or time-sensitive matters that require immediate attention and cannot reasonably be deferred to the next scheduled meeting. Special Meetings are convened in accordance with the Council Charter and committee ToR and applicable governance frameworks, ensuring that appropriate notice is provided and that quorum requirements are met.

COUNCIL AND COMMITTEE MEETING ATTENDANCE

Council members are expected to actively contribute to deliberations and decision-making processes, and regular attendance at Council and committee meetings remains a key governance expectation. During the year under review, Council members demonstrated ongoing commitment through their participation in scheduled and special meetings. Attendance records are maintained and disclosed to promote transparency, accountability and effective oversight. The table below reflects the attendance of the members at the Council and committee meetings.

During the year under review, special meetings were held as required to address critical governance, strategic and operational matters, including those with significant impact on the organisation or its mandate. These meetings enabled the Council to exercise timely oversight, respond to emerging risks and make decisions necessary to ensure continuity of governance and effective organisational performance.

The table below provides a summary of the special meetings convened by the Council and its committees during the reporting period.

	Special Council	Special Audit, Risk & Finance	Special Human Resources & Remuneration	Special Governance, Social and Ethics
Ms Zama Mkosi	6/6	0	0	1/1
Prof. Siya Tyali	6/6	2/2	0	1/1
Ms Zanele Nkosi	6/6	2/2	0	1/1
Ms Lungelo Dhladhla	5/6	2/2	0	1/1
Adv Lufuno Nevondwe	6/6	0	5/5	1/1
Ms Maggie Pillay	6/6	2/2	0	0
Ms Mpho Sedibe	5/6	2/2	5/5	0
Dr Andile Nontso	5/6	2/2	5/5	0
Dr Phosa Mashangoane	5/6	0	5/5	0

Table 26: Special Meetings

JOINT MEETINGS

Joint Meetings are convened to facilitate integrated oversight and coordinated decision-making between Council and its committees on matters that require collective consideration. These meetings provide a platform for aligning perspectives across governance structures, particularly where issues cut across multiple mandates such as strategy, risk, performance and organisational effectiveness.

During the reporting period, Joint Meetings were utilised where necessary to ensure cohesive deliberation on complex or cross-functional matters, enabling Council and committee members to engage collaboratively with management. This approach supported improved information sharing, reduced duplication of discussions across structures, and strengthened the quality and consistency of decision-making.

The following table provides a summary of the Joint Meetings convened by the Council and its committees during the reporting period.

	Joint Audit, Risk & Finance and Human Resources & Remuneration
Prof. Siya Tyali	1/2
Ms Zanele Nkosi	2/2
Ms Lungelo Dhladhla	1/2
Adv Lufuno Nevondwe	2/2
Ms Mpho Sedibe	2/2
Dr Andile Nontso	2/2
Dr Phosa Mashangoane	2/2

Table 27: Joint Meetings

DELEGATION OF AUTHORITY

The Delegation of Authority framework provides clarity on decision-making powers and accountability across the organisation. It is designed to ensure efficient operations while maintaining strong governance controls. During the reporting period, the FPB reviewed and strengthened its Delegation of Authority to enhance accountability, improve control mechanisms and align authority with organisational structure and risk considerations.

The Council delegates the implementation of the approved strategy to the CEO, who is assisted by the Executive Committee (EXCO) to execute on the strategic objectives of the organisation. The Delegation of Authority framework ensures a structured and balanced allocation of decision-making powers, promoting accountability while preventing the concentration of authority in any single individual.

CONFLICTS OF INTEREST MANAGEMENT

The FPB maintains a structured process for the identification, disclosure and management of Conflict of Interest to ensure integrity in decision-making. Council and committee members are required to declare any actual or perceived conflicts at the commencement of meetings and such declarations are recorded and managed in accordance with established governance practices. Where conflicts arise, appropriate measures are taken to ensure that affected members recuse themselves from deliberations, thereby safeguarding the independence and credibility of Council decisions.

Through the Governance Office, Council and EXCO members are required to complete annual Declarations of Interest at the beginning of each financial year, which are formally recorded and maintained. These declarations are updated on an ongoing basis to reflect any changes in circumstances as they arise.

COUNCIL EVALUATION AND EFFECTIVENESS

The Council remains committed to ensuring its effectiveness in discharging its governance responsibilities. During the reporting period, the Council assessed its performance and that of its committees, to ensure alignment with its mandate and governance objectives. These evaluations were conducted by an independent service provider and were intended to identify areas for improvement, strengthen decision-making processes and enhance overall governance effectiveness. The evaluations indicated that the Council and its committees were functioning effectively, with a constructive governance culture, collegial engagement and a strong sense of collective accountability.

The evaluation identified specific governance areas requiring strengthening to improve effectiveness. These matters related primarily to, amongst others, strengthening ICT governance and oversight, articulation and practical application of risk appetite, Environmental, Social and Governance integration and Council skills composition, particularly ICT capability (although this falls within the remit of the Executive Authority) and the quality and timeliness of information provided to Council. Following the recommendations, the Council will develop an implementation Plan to address the findings of the evaluation.

ETHICS AND ORGANISATIONAL INTEGRITY

The FPB remains committed to upholding the highest standards of ethics and organisational integrity, recognising that ethical conduct is fundamental to effective governance and public trust. The organisation operates within a clearly defined Code of Conduct and Ethics, which guides the behaviour of Council members, management and employees in the execution of their duties.

Mechanisms are in place to identify, prevent and address unethical conduct, including the management of Conflict of Interest, disciplinary processes and whistle-blowing channels that enable the reporting of misconduct in a protected and confidential manner.

GOVERNANCE IMPROVEMENTS DURING THE YEAR

During the reporting period, the FPB continued to strengthen its governance framework through targeted interventions aimed at enhancing accountability, oversight and organisational effectiveness. The Council and its committees placed increased emphasis on improving the quality and completeness of performance reporting, ensuring that reporting reflects both outcomes and clear explanations of variances in line with National Treasury (NT) requirements.

The organisation also advanced efforts to strengthen internal controls and risk management practices, including initiatives arising from audit and risk assessments aimed at improving governance maturity. One key improvement was in respect of steps taken to strengthen its Delegation of Authority to improve decision-making clarity, accountability and operational efficiency.

Over the reporting period, the FPB intensified its focus on cost containment, particularly in curbing rising legal expenditure driven by increased regulatory, litigation and employee-related matters. In response, a Legal Cost Containment Strategy was implemented, emphasising improved case management, early case assessment, enhanced use of internal legal capacity and reduced reliance on external legal services.

FUTURE GOVERNANCE FOCUS

Looking ahead, the FPB will continue to build on the progress made to further enhance its governance maturity and responsiveness to an increasingly complex regulatory landscape. A key priority will be the planned review of the Council Charter and Committee ToR in 2026, to ensure they remain aligned with legislative developments, organisational changes and evolving governance best practices. This includes strengthening the clarity of Council and Committee roles, as well as reinforcing accountability structures.

The organisation will also review certain identified policies, such as the Talent and Acquisition Policy, to address identified gaps. Continued attention will be given to strengthening the quality of reporting to Council, with a focus on impact-based performance and improved transparency. As part of its commitment to governance excellence, the FPB will advance its transition towards King V principles, ensuring that governance practices remain aligned with emerging best-practice standards.

In addition, the FPB will continue to deepen its focus on digital and cybersecurity governance to address increasing risks associated with its technology-driven regulatory environment. Efforts will also be directed towards strengthening talent management, particularly in ensuring that the organisation has the necessary skills, structure and capacity to support its strategic objectives.

An Organisational Design (OD) process is underway to support these efforts, strengthening institutional capacity, enhancing operational alignment and ensuring the organisation is appropriately structured to deliver on its expanding mandate. This work is already underway.

RISK MANAGEMENT

Risk-Management Approach

The FPB uses the Top-Down risk management approach and assesses, manages and reports all significant risks and related mitigation plans consistently throughout the organisation in line with defined risk-management practices and reporting protocols. The approach fosters the management of risks from the top (Executive and Management managing strategic risks) to the bottom (Managers and Assistant Managers managing operational risks) within respective programmes.

Enterprise Risk-Management Policy and Strategy

The FPB operates in terms of the Enterprise Risk-Management Framework (Policy, Strategy, and Implementation Plan) derived from the NT Risk-Management Framework. During the period under review, this framework was revised in line with its scheduled review cycle to ensure alignment with

new and emerging developments. Additionally, the framework is further aligned to the FPB's Strategic Plan (SP) and APP to ensure that it is relevant for managing the organisation's risk exposure.

The FPB has established defined risk appetites and tolerance thresholds, which serve as benchmarks for measuring acceptable risks across the organisation. This framework underpins the effective implementation of enterprise risk-management systems and processes. The approved Risk Appetite and Tolerance-levels assist with the determination of the points at which risks are considered significant and require mitigations to be implemented to manage the risk exposures to acceptable levels.

Risk Awareness Culture

- Out of 11 risks, 31 mitigating actions were identified to be implemented in the period under review.
- The overall achievement of the 2025/26 mitigating actions is 81 %.

Nineteen percent (19%) of mitigating actions were not yet implemented due to the following, but not limited to:

- Lack of ICT capacity;
- Delays in the review of internal processes; and
- Finalisation of the OCR deployment.

Various processes are in place to ensure organisationwide awareness and commitment, including structured communication, training initiatives, and compliance monitoring such as:

- Risk-awareness workshops;
- Induction of new employees when there are new recruits; and
- Uploading of risk management enabling documents in the FPB's intranet (SharePoint) for ease of access by all employees.

Risk Assessments

The Top-Down risk-management approach adopted by the FPB requires strategic risk assessments to be completed first, and thereafter operational risk assessments. The risk assessments are further considered on the basis of the FPB's Risk Appetite and Tolerance-levels. The 2025/26 strategic risk

assessments were completed on schedule, with the relevant reports presented to the Management Committee based on (MANCO), Executive Committee (EXCO), and the ARFC for recommendation, and subsequently submitted to the Council for approval.

Management of Risks

Strategic Risk management and the implementation of corresponding risk-mitigation plans were monitored on a quarterly basis. Monitoring reports were compiled and presented each quarter to the MANCO, EXCO, ARFC, and the Council.

Strategic-Risk Management

The FPB approved the Risk Appetite Framework, setting the entity's risk appetite level at 7. Any risks exceeding this threshold requires management attention.

Of the 11 root causes, all fall outside the FPB's risk appetite level. The risks that remained outside the acceptable levels were attributable to the following key challenges and root causes:

- Inadequate budget to conduct awareness and to create visibility;
- FP Act gaps;
- Unfavourable economic conditions;
- Increasing expenditure due to expanded mandate;
- Systems redundancy (technical gaps);
- Skills shortages;
- Misconfigured system;
- High volume of content;
- Inadequate reporting mechanism (system constraints);
- Manual classification process (Lack of a fully automated system to do classification);
- Ineffective implementation of the Amendment legislative mandate;
- Resistance or challenge on the Legislation by industry stakeholders; and
- Transition from online distributor agreement to a new registration regime.

Operational Risks Management

The total number of operational risks identified was 31. Of the 31 operational risks identified, three residual risks were assessed as being within the FPB's risk appetite, while 29 residual risks remained outside the defined appetite threshold.

These risks encompassed several key operational areas, which were monitored and reported to MANCO, EXCO and ARFC. Operational risks that remained outside the acceptable levels were attributable to the following key challenges and weaknesses: Inadequate consultation platforms;

- Inadequate capacity (financial and Human Resources (HR));
- Non-adherence to policies, procedures, regulations, etc. (contracting, plans and review);
- Rapid transition in the technological environment;
- Staff resistance to change;
- Inadequate internal/external awareness of the FPB as an organisation; and
- Unavailability of systems.

Value Add

Enterprise risk management systems and processes supported the FPB in achieving its strategic focus by ensuring that the following factors were duly considered during the 2025/26 strategic planning processes:

- Risk management formed and integral part of the strategic planning process, assisting in the prioritisation and allocation of resources to key strategic focus areas and the setting of realistic targets. This approach was also applied when the FPB revised its APP targets and milestones;
- Current and emerging strategic risks were incorporated into the process to ensure that the APP included appropriate mitigations and interventions to address the identified risks. The key root causes underlying the identified strategic risks were analysed to ensure that appropriate mitigations are planned and implemented, thereby addressing these risks to an acceptable level; and

- Additionally, the FPB conducted a Risk Maturity Assessment during the period under review to transition from a compliance-focused approach to a more proactive, risk-aware culture. This shift is aimed at optimising service delivery, strengthening accountability, and ensuring the efficient use of public resources.

INTERNAL AUDIT

Key activities and objectives of the Internal Audit function:

- **Purpose and Mandate**

The purpose of the FPB Internal Audit Function (FPB IAF) is to strengthen the organisation's ability to create, protect, and sustain value by providing the ARFC and Management with independent, risk-based, objective assurance, advisory services, insight, and foresight. The mandate of the FPB Internal Audit Unit is derived from Section 51(1)(a)(ii) of the PFMA, which requires the Accounting Authority of a public entity to ensure that the entity maintains an effective system of internal audit operating under the oversight of the Audit Committee (AC) and in compliance with applicable regulations and prescribed standards.

- **Strategy of the Internal Audit Function**

The Internal Audit Strategy provides a structured and forward-looking framework to guide the activities of the FPB Internal Audit Unit. The strategy seeks to position Internal Audit as a responsive, strategic, and value-adding assurance provider that contributes meaningfully to the organisation's governance, risk management, and control environment. The strategy further supports the achievement of organisational objectives through proactive assurance, advisory engagements, and continuous stakeholder engagement.

- **Charter, Methodology, and Internal Audit Plans**

The FPB Internal Audit Unit operates in terms of a formally approved Internal Audit Charter (IAC), which defines its purpose, authority, responsibilities, and organisational status. The Charter enables Internal Audit to effectively

discharge its duties in an independent and objective manner. A risk-based Internal Audit Plan for the 2025/26 financial year was developed, approved, and implemented to address key organisational risks and priorities. Internal Audit activities were conducted in accordance with the approved Internal Audit Charter, Internal Audit Methodology and Manual, as well as the Quality Assurance and Improvement Programme.

- **Independence and Objectivity**

The Chief Audit Executive (CAE) reports functionally to the ARFC and administratively to the Chief Executive Officer (CEO). This reporting structure supports the independence and objectivity of the Internal Audit Function. Internal Audit conducted its work without interference in determining the scope of work, performing audit procedures, or communicating audit results. The function continued to receive the necessary support and cooperation from Management and the ARFC in the execution of its responsibilities.

- **Internal Audit Modality and Staffing**

The Internal audit function comprises of three resources, namely the CAE and two Internal Auditors. To ensure adequate coverage and access to specialised expertise, audits requiring technical skills not available internally, or where internal capacity is constrained, are co-sourced to external service providers, subject to budget availability. This approach enables the function to maintain effective and efficient delivery of the approved Audit Plan.

- **Quality Assurance and Improvement Programme**

FPB Internal Audit Unit conducted its activities in accordance with the Global Internal Audit Standards (GIAS). An internal self-assessment was performed during the year under review, to evaluate the effectiveness and maturity of the function. The results of the assessment were satisfactory, and an improvement plan was developed to address identified enhancement opportunities and support continuous improvement of the Internal Audit Function.

• Stakeholder Relationships

Effective stakeholder engagement remains a critical component of the Internal Audit Function's operations. Internal Audit continued to foster constructive, transparent, and value-adding relationships with key stakeholders, including the ARFC, Executive Management, Management, and other Assurance providers. Regular communication and collaboration with stakeholders contributed positively to the successful execution of audit activities and the enhancement of organisational governance and oversight.

• Combined Assurance

In line with the FPB Combined Assurance Framework, the Internal Audit Function continued to collaborate with Internal and External Assurance providers to promote a coordinated approach to assurance activities. This included engagement on audit plans, matters of mutual interest, and opportunities for cooperation to strengthen governance, risk management, and control processes, while minimising duplication of effort.

• Value Add of Internal Auditing

The Internal Audit Function added value by providing independent and objective assurance on governance, risk management, and internal controls. Through risk-based audits, Internal Audit identified opportunities to strengthen controls, improve operational efficiency, enhance compliance, and support informed decision-making through practical and value-adding recommendations.

Summary of audit work done:

• Planned and completed audits

A total of 16 internal audit projects were planned for in-house execution during the 2025/26 period. By the end of Q4, all 16 audits had been completed. In addition, three audits were outsourced, all of which were successfully completed.

• Audits rolled over

There were no audits rolled over during the period under review.

• Ad hoc projects

There were Three Ad hoc projects undertaken during the period under review.

	Number of findings	Total addressed	Not yet due	Total not addressed	No. of recurring findings last 3 financial years
IAF findings	16	14	1	1	0
AGSA findings	22	13	6	3	1

Table 28: Status of Audit findings

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance Management Policy and Framework

The FPB operates in terms of the approved Compliance Management Framework and the Policy, which are derived from the relevant legislation and best practices. The framework is further aligned to relevant FPB policies to ensure alignment and relevance for managing the FPB's compliance exposures. Implementation of the framework is achieved through the following initiatives:

- Implementation of the Approved FPB Compliance Universe/Matrix;
- Monitoring and reporting on the implementation of the FPB Compliance Universe/Matrix to MANCO, EXCO, ARFC, and the Council on a quarterly basis;
- Monitoring and reporting of FPB Policy Register to MANCO, EXCO, ARFC, and the Council on a quarterly basis; and
- Incorporating and ensuring compliance risks are identified at different levels of the risk-management process, i.e., during strategic and operational risk

identification and assessment processes; this will ensure that compliance risk becomes part of the enterprise risk-management value chain.

FRAUD AND CORRUPTION

Fraud Prevention Plan and Implementation

The Film and Publication Board has developed a Fraud-Prevention Plan derived from the National Anti-Corruption Framework and other relevant prescripts. During the reporting period, this Plan was revised in line with its scheduled review cycle to ensure alignment with new and emerging developments. This Plan is further aligned to relevant Organisational Policies and Procedures to ensure alignment and relevance for managing FPB's fraud and corruption exposures.

Implementation of the Framework is achieved through the following initiatives:

- Annual Fraud risks assessment where the mitigation actions are monitored quarterly and reported to MANCO, EXCO, ARFC and Council;
- Awareness on prevention of fraud and corruption, including, among other things, induction of new employees when there are new recruits;
- Monitoring and reporting on the implementation of the Fraud Prevention Plan to the MANCO, EXCO, ARFC and Council on a quarterly basis;
- The ARFC providing oversight over the effectiveness of fraud prevention systems and processes; and
- Progress on investigations conducted and/or sanctions taken is reported to AFRC as and when they happen for independent professional advice.

MINIMISING CONFLICT OF INTEREST

The FPB maintains a structured process for the identification, disclosure and management of Conflict of Interest to ensure integrity in decision-making. Council and committee members are required to declare any actual or perceived conflicts at the commencement of meetings and such declarations are recorded and managed in accordance with established governance practices. Where conflicts arise, appropriate measures are taken to ensure that affected members recuse themselves from deliberations, thereby safeguarding the independence and credibility of Council decisions. Through the

Governance Office, Council and EXCO members are required to complete annual Declarations of Interest (DoI) at the beginning of each financial year, which are formally recorded and maintained. These declarations are updated on an ongoing basis to reflect any changes in circumstances as they arise.

CODE OF CONDUCT

The FPB remains committed to upholding the highest standards of ethics and organisational integrity, recognising that ethical conduct is fundamental to effective governance and public trust. The organisation operates within a clearly defined Code of Conduct and Ethics, which guides the behaviour of Council members, management and employees in the execution of their duties.

Mechanisms are in place to identify, prevent and address unethical conduct, including the management of Conflict of Interest disciplinary processes and whistle-blowing channels that enable the reporting of misconduct in a protected and confidential manner.

HEALTH SAFETY AND ENVIRONMENTAL ISSUES

During the period under review, the Council did not actively consider health, safety and environmental matters through a dedicated Social and Ethics Committee structure. Following the recent establishment of the Governance, Social and Ethics Committee, its mandate will be expanded and enhanced to include oversight of environmental, health and public safety matters, including monitoring compliance with relevant legislative requirements and promoting responsible environmental and safety practices across the organization.

COMPANY SECRETARY

The Company Secretary plays a critical role in supporting the effectiveness of Council and its committees, including providing guidance on governance matters, ensuring compliance with legislative and regulatory requirements and facilitating effective communication between Council and Management. Within the FPB, this function is delivered through an outsourced service provider, FluidRock Governance Services, which works in close collaboration with the FPB's internal Governance Office. Together, they ensure that governance

processes are effectively implemented, that Council and its committees are appropriately supported and that high standards of governance, reporting and administrative discipline are maintained. This integrated approach strengthens the organisation's governance capability and ensures that Council is well supported in discharging its fiduciary responsibilities.

The Company Secretary maintains an independent and arm's length relationship with the Council and its members and is vested with the necessary authority and support to effectively discharge its functions. These responsibilities include maintaining statutory records, overseeing the review of Council Charter and Committee Terms of Reference, assisting the Chairperson with the annual Council Evaluation process and providing guidance on matters of governance and business ethics. The Company Secretary further ensures that Council decisions, policies and directives are appropriately communicated within the organisation and that Council receives timely and relevant information to support informed decision making. Further that adequate induction, training and development programmes are implemented to enhance the effectiveness of Council and its members.

SOCIAL RESPONSIBILITY

As the Governance, Social and Ethics Committee was recently constituted, no formal review or oversight of social responsibility matters was undertaken by the Committee during the reporting period. The Committee's mandate is going to be enhanced to provide oversight on the entity's contribution to social and economic development, stakeholder relations, good corporate citizenship, and broader social responsibility initiatives in line with applicable legislative and governance requirements.

AUDIT, RISK AND FINANCE COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2026.

AUDIT COMMITTEE RESPONSIBILITY

The Audit, Risk and Finance Committee (ARFC), as established in accordance with Section 51(1) (a)(ii) and Section 77 of the Public Finance Management Act No. 1 of 1999, as well as Treasury Regulation 27.1, serves as a vital governance structure within the entity.

MEMBERS AND ATTENDANCE

The Committee consisted of the members as listed in page 60 in the Governance Report. Throughout the reporting period, the Committee convened a total of 8 meetings, including 2 special meetings and 2 joint meetings with the Human Resources and Remuneration Committee (HRREMCO).

TERMS OF REFERENCE

The Committee undertook a comprehensive review of its Terms of Reference (ToR) and formally adopted it for the financial year. The ToR, which were duly approved by the Council, serve as the Committee's governing framework, setting out its mandate, authority, composition, responsibilities and reporting obligations. The annual review process further ensured that the ToR continue to support effective oversight, accountability, transparency, ethical leadership and the sound execution of the Committee's fiduciary responsibilities in fulfilling its mandate on behalf of the Council.

EFFECTIVENESS OF INTERNAL CONTROLS

The Committee assessed the effectiveness of the FPB's system of internal control through its review of reports from Management, Internal Audit, Risk and Compliance and the Auditor-General South Africa (AGSA). Based on the assurance received, the Committee is satisfied that the system of internal control was generally adequate and effective in supporting the achievement of strategic objectives, safeguarding assets, ensuring compliance and promoting the reliability of financial and performance reporting.

Internal Audit completed the approved annual audit plan and reported improvements in the control environment, with the combined assurance process indicating that 88% of assessed controls were operating effectively.

While the overall control environment was effective, opportunities for improvement were identified in areas including policy and standard operating procedure management, data privacy, cybersecurity, access controls and procurement processes. The Committee monitored management's implementation of corrective actions and will continue to oversee the timely resolution of identified control weaknesses to

further strengthen governance, risk management, compliance and financial reporting.

INTERNAL AUDIT

The Committee reviewed and approved the Internal Audit Charter during the year under review to ensure alignment with evolving assurance needs of the FPB. The Committee also considered the Internal Audit Strategy, the risk-based Three-Year Rolling Internal Audit Plan and the Annual Internal Audit Plan and monitored their implementation throughout the year.

The Internal Audit function provided independent and objective assurance on the adequacy and effectiveness of governance, risk management and internal control processes. The Committee considered quarterly internal audit reports, progress against the approved audit plan, the Integrated Audit Action Plan, combined assurance reports and performance information verification reports. Internal Audit completed all planned audits for the year.

Although capacity constraints and the need for specialised audit skills remained a challenge during the year, the Committee was satisfied that the Internal Audit function continued to operate independently and effectively and provided valuable assurance in support of the Committee's oversight responsibilities. The Committee will continue to monitor the resourcing of the function to ensure that it is adequately capacitated to deliver on its approved mandate and strategic objectives.

RISK MANAGEMENT

During the reporting period, the Committee exercised oversight of the FPB's risk management, compliance and fraud prevention processes through the consideration of quarterly risk and compliance reports, strategic and operational risk assessments and the monitoring of mitigating actions against key risks. The Committee reviewed and discussed the Strategic Risk Register, Operational Risk Register, Fraud Risk Register, Compliance Universe and the associated implementation plans and provided guidance and recommendations to Management where improvements were required.

The Committee noted continued improvements in the maturity of the FPB's risk management practices

during the year, including the achievement of the Risk Management Implementation Plan and enhancements to the compliance management processes and combined assurance framework. Notwithstanding this, the Committee has identified concerns regarding the limited resources in the unit and will monitor corrective interventions going forward.

IN-YEAR MANAGEMENT REPORTING

The Committee received and consistently reviewed the quarterly financial and performance information reports prepared by management. It also ensured that the monthly and quarterly reporting processes were aligned with the requirements of the PFMA and all other relevant legislation.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS (AFS) AND PERFORMANCE INFORMATION.

The Committee has:

- Reviewed and discussed the AFS and Performance Report to be included in the Annual Report (AR);
- Reviewed the AGSA's management reports and the management responses thereto;
- Reviewed adjustments resulting from the audit;
- Reviewed any changes in accounting policies and practices; and
- Reviewed entity compliance with applicable regulatory provisions.

AUDITOR-GENERAL'S REPORT

The Committee reviewed and considered the AGSA Audit Strategy, Audit Plan and Engagement Letter and was satisfied that the external audit approach was appropriate and that the independence and objectivity of the AGSA were maintained throughout the audit process. The Committee further engaged with the AGSA on key audit focus areas, significant risks and matters relating to governance and compliance.

Having considered the reports and feedback provided by the AGSA, the Committee concurs with and accepts the conclusions reached by the AGSA in respect of the annual financial statements, performance information

and compliance with applicable laws and regulations. The Committee is of the view that the audited annual financial statements fairly present the financial position of the FPB and recommends that they be read together with the Auditor-General's (AG) audit report

CONCLUSION

The committee is pleased to note that the FPB achieved a clean audit outcome for the 2025/26 financial year. This achievement reflects the effectiveness of the organisation's governance, risk management and internal control processes, as well as management's commitment to sound financial management, compliance and accountability. The Committee further acknowledges the positive contribution of Internal Audit, Risk and Compliance, management review processes and the combined assurance model in supporting this outcome.

I would like to thank the Executive Authority, Council, Executive Management, senior management and staff of the FPB for their professionalism, commitment and support throughout the year. I would also like to thank my fellow Committee members for their dedication and contribution in discharging their oversight responsibilities during the year under review.

A handwritten signature in black ink, appearing to read 'Zanele Nkosi', is written over a horizontal line.

Zanele Nkosi

**Chairperson: Audit, Risk and Finance
Committee**

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition (the dtic).

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable
Developing and implementing a preferential procurement policy?	Yes	Application of 80/20 or 90/20
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering into partnerships with the private sector?	No	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable

Table 29: B-BBEE Compliance Performance Information

PART D:

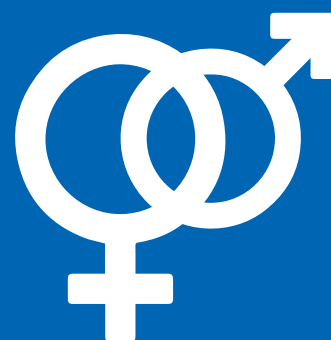
HUMAN RESOURCE MANAGEMENT

SECTION 4

S

SEX

Content that may contain sexual behaviour, sexual activity or other sexual references.



SEX

May contain sexual content or references.

Meaning:

Includes sexual behaviour, activity or references that may be suggestive or explicit. This content may not be appropriate for children or young viewers.

INTRODUCTION

Overview of Human Capital matters

The Human Capital function is a strategic enabler of the Film and Publication Board's (FPB) mandate and organisational performance, with responsibility for ensuring that the entity has the organisational capacity, leadership capability and human capital required to execute its strategy effectively. Human Capital provides strategic oversight of workforce planning, talent management, organisational development, performance management, employee engagement, skills development, employee relations and organisational culture, while ensuring alignment with the FPB's strategic priorities, governance requirements and applicable legislative framework. The function is therefore positioned to strengthen institutional capability, optimise workforce effectiveness and support the development of a high-performing, accountable and sustainable organisation.

The FPB operates an HR Business Partner (HRBP) model, which positions Human Capital as a strategic business partner to management and enables closer alignment between human capital priorities and organisational objectives. The model has been effective in strengthening the integration of Human Capital into business planning and decision-making, enabling HC to provide proactive, business-focused advice on organisational capacity, workforce planning, talent, performance, employee relations and organisational development. Through this model, HC works collaboratively with executives and business units to anticipate workforce requirements, address organisational challenges and implement targeted people interventions that support delivery of the FPB's mandate. The continued application of the HRBP model strengthens the organisation's ability to translate its strategic priorities into appropriate human capital capabilities and sustain a performance-oriented organisational culture.

The Human Capital Unit implemented the following priorities for the year under review

- Leadership and Culture Transformation: Strengthened leadership alignment and promoted a performance-driven organisational culture.

- Training and Development: Focused on targeted training to enhance employee capability and organisational performance. The FPB submitted the 2025/26 Workplace Skills Plan/Annual Training Report to MICT-SETA and implemented training in line with the approved plan.
- Ethics Training: Reinforced ethical conduct, accountability and compliance across the organisation.
- Organisational Design: Initiated the review of the organisational structure to align with the Strategic Plan.
- Organisational Values: Revitalised the FPB values to strengthen culture, behaviours and organisational alignment.
- CEO Recruitment: Prioritised the recruitment of the CEO to strengthen executive leadership and business continuity.
- Human Capital Compliance: Ensured timely submission of statutory and regulatory reports, including the Workplace Skills Plan/ Annual Training Report, Employment Equity Act Form 2 and Form 4 (WSP/ATR, EEA2, EEA4) and Quarterly Employment Statistics Survey.
- Recruitment Planning: Management maintained an approved establishment of 101 funded posts, with recruitment focused on critical capacity requirements.
- Developed and implemented a recruitment plan aligned to organisational priorities and business continuity. Critical Positions were Prioritised and filled awaiting the finalisation of organisational design processes
- Employee Relations: Facilitated the bargaining forum on the cost-of-living adjustment, matters of mutual interest, consultation matters and related employee relations issues. Salary Agreement was facilitated the bargaining process that resulted in the 2025/26 cost-of-living adjustment, including the signing and implementation of the 2025/26 salary increase agreement.
- Human Capital Governance Committees: Coordinated the Employment Equity and Skills Development, Occupational Health and Safety, and Employee Benefits Committees to support effective consultation, governance and oversight.

- **Policy development:** The FPB strengthened its Human Capital Governance Framework through the development and implementation of a Human Capital Policy Register, providing a structured mechanism for monitoring the review, alignment and implementation of Human Capital Policies. Policies were reviewed with due consideration to applicable legislation, regulatory requirements and leading practice. During the year under review, the Hybrid/Remote Work and Wellness policies were reviewed to ensure continued relevance and alignment with the organisation's evolving operational and employee requirements.
- **Employee Performance Management:** The FPB implemented its Performance Management Development System Policy during the year under review to strengthen accountability, performance alignment and organisational effectiveness. The implementation included the signing and submission of Performance Agreements and assessments by all employees, completion of mid-term reviews and annual appraisals, as well as the implementation of quality assurance and moderation processes to promote consistency, fairness and alignment between agreed performance objectives and performance outcomes. The quality assurance process was applied across the Performance Management Development System, while annual assessments for the 2024/25

financial year for Senior Management Service (SMS) and non-SMS employees were finalised and approved by Council for implementation. Based on the level of achievement against approved performance targets, 85 employees were awarded pay progression in accordance with the applicable performance management requirements. Performance recognition was implemented in alignment with the Performance Management Policy, while identified areas for improvement were prioritised for implementation in the subsequent financial year to further strengthen the effectiveness and maturity of the performance management system.

- The Employee Wellness Policy was implemented. The organisation continued to render wellness support through an Employee Assistance Programme (EAP) to employees and their immediate family members. Employees and their immediate family members utilised the psycho-social interventions whenever required, which were rendered by an appointed service provider. Health-related information received from the service provider was shared with management and periodically circulated through the organisation's internal communication mechanism. The Debriefings for Quarter 1 to Quarter 4 were attended as illustrated in the table below:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
Classification Group 1-17 June 2025.	Child Protection/Online-17 July 2025 & 24 July 2025.	Child Protection Officers and Online Monitors 10 December 2025.	Child Protection Officers and Online Monitors 27 February 2026.
Classification Group 2-24 June 2025.	Classification – 12 August 2025.	Compliance 8 December 2025.	Compliance 9 March 2026.
Compliance-30 June 2025.	Weekly counselling sessions provided for CPU and Online Monitors-27th August 2025.	Classifiers and Quality Assurers 5 December 2025.	Classifiers and Quality Assurers 20 March 2026.

Table 30: Employee Wellness Debriefings

Challenges faced by FPB

- **Budget Constraints:** Limited financial resources constrained the filling of funded positions, training, educational assistance and performance bonuses.
- **Internship Funding:** Limited budget allocation restricted the implementation and expansion of internship programmes.

- **Critical Capacity Constraints:** Capacity gaps within core function remain a challenges to deliver on the FPB Mandate.
- **Organisational Design Project:** The organisational design process impacted the prioritisation and filling of positions, as recruitment decisions had to be considered in the context of the ongoing review and alignment of the organisational structure with the Strategic Plan.

HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel-related expenditure per Programme

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of Employees	Average Personnel cost per Employee (R'000)
Classifiers and QA	116 881	2 685	2.30%	16	168
Programme 1	116 881	11 404	9.76%	10	1 140
Programme 2	116 881	14 566	12.46%	14	1 040
Programme 3	116 881	13 008	11.13%	15	867
Programme 4	116 881	18 886	16.16%	23	821
Programme 5	116 881	16 030	13.71%	20	802

Table 31: Personnel cost by programme/activity/objective

The following three positions, namely Council Secretary, Payroll Specialist and Lead Developer were outsourced to ensure business service delivery.

Personnel cost by Salary Band

Level	Personnel expenditure (R'000)	% of Personnel exp. to total Personnel cost (R'000)	No. of Employees	Average Personnel cost per Employee (R'000)
Top Management (All Executives)	7 738	9.83%	5	1 548
Senior Management (D4) – Senior Managers and Chief Audit Executive	4 989	6.34%	2	1 663
Professional qualified (D2-D3) Managers below Senior Manager level	13 164	16.73%	9	1 463
Skilled (C2-D1) Specialists, Coordinators, Officers	48 126	61.15%	55	875
Semi-skilled (B3-B4) Administrators, Driver,	3 857	4.90%	8	482
Unskilled (A3) Office Assistants	827	1.05%	3	276
Total	78 700	100%	82	960

Table 32: Personnel cost by Salary Band

Performance Rewards

Programme//activity/objective	Performance rewards	Personnel expenditure (R'000)	% of Performance rewards to total Personnel cost (R'000)
Top Management (All Executives)	93	7 738	1.2%
Senior Management (D4) Senior Managers and Chief Audit Executive	70	4 989	1.4%
Professional qualified (D2-D3) Managers below Senior Manager level	187	13 164	1.4%
Skilled (C2-D1) Specialists, Coordinators, Officers	1 390	48 126	2.9%
Semi-skilled (B3-B4) Administrators, Driver,	187	3 857	4.8%
Unskilled (A3) Office Assistants	70	827	8.5%
Total	1 997	78 700	2.54%

Table 33: Performance Rewards

Training Costs

Programme//activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of Personnel Cost.	No. of employees trained	Avg.training cost per Employee
Educational Assistance	78 700	490	0.62%	81	6.049
Total	78 700	490	0.62%	81	6.049

Table 34: Training Costs

Employment and vacancies

Programme/ activity/objective	2024/2025 No. of Employees	2024/2025 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of vacancies
Staff	92	101	82	16	15.84%

Programme/activity/objective	2024/2025 No. of Employees	2024/2025 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of vacancies
Top Management (All Executives)	5	5	5	0	0
Senior Management (D4) – Senior Managers and Chief Audit Executive	3	4	2	1	25%
Professional qualified (D2-D3) Managers below Senior Manager level	16	15	9	3	20%
Skilled (C2-D1) Specialists, Coordinators, Officers	56	65	55	11	17%
Semi-skilled (B3-B4) Administrators, Driver,	9	9	8	1	11%
Unskilled (A3) Office Assistants	3	3	3	0	0
Total	92	101	82	16	16%

Table 35: Employment and vacancies

Employment changes

Salary Band	Employment at beginning of period 2024-25	Appointments 2025-26	Terminations 2025-26	Employment at end of the period
Top Management (All Executives)	5	1	1	5
Senior Management (D4) – Senior Managers and Chief Audit Executive	3	0	1	2
Professional qualified (D2-D3) Managers below Senior Manager level	16	0	0	16
Skilled (C2-D1) Specialists, Coordinators, Officers	56	0	5	51
Semi-skilled (B3-B4) Administrators, Driver,	9	0	1	8
Unskilled (A3) Office Assistants	3	0	0	3
Total	92	1	8	85

Table 36: Employment changes

Reasons for staff leaving

Reason	Number	% of Total no. of staff leaving
Death	0	0
Resignation	2	25%
Dismissal	3	37.5%
Retirement	1	12.5%
Ill health	0	0
Expiry of contract	2	25%
Other	0	0
Total	8	100%

Table 37: Reasons for staff leaving

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	1
Final Written warning	0
Dismissal	3
Total	5

Table 38: Labour Relations: Misconduct and disciplinary action

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management (All Executives)	2	1	0	0	0	0	0	0
Senior Management (D4) – Senior Managers and Chief Audit Executive	1	1	0	0	0	0	0	0
Professional qualified (D2-D3) Managers below Senior Manager level	5	0	0	0	1	0	0	0
Skilled (C2-D1) Specialists, Coordinators, Officers	18	4	1	1	3	0	1	1
Semi-skilled (B3-B4) Administrators, Driver,	1	0	0	0	0	0	0	0
Unskilled (A3) Office Assistants	0	0	0	0	0	0	0	0
Total	27	6	1	1	4	0	1	1

Table 39: Equity Target and Employment Equity Status - Male

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management (All Executives)	3	3	0	0	0	0	0	0
Senior Management (D4) – Senior Managers and Chief Audit Executive	1	2	0	0	0	0	0	0
Professional qualified (D2-D3) Managers below Senior Manager level	3	3	0	0	0	0	0	0
Skilled (C2-D1) Specialists, Coordinators, Officers	31	26	0	1	1	1	0	2
Semi-skilled (B3-B4) Administrators, Driver,	7	7	0	0	0	0	0	0
Unskilled (A3) Office Assistants	3	3	0	0	0	0	0	0
Total	48	44	0	1	1	1	0	2

Table 40: Equity Target and Employment Equity Status - Female

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management (All Executives)	0	0	0	0
Senior Management (D4) – Senior Managers and Chief Audit Executive	0	0	0	0
Professional qualified (D2-D3) Managers below Senior Manager level	0	0	0	0
Skilled (C2-D1) Specialists, Coordinators, Officers	0	1	1	1
Semi-skilled (B3-B4) Administrators, Driver,	0	0	1	0
Unskilled (A3) Office Assistants	0	0	0	0
Total	0	1	2	1

Table 41: Equity Target and Employment Equity Status -Disabled Staff

PART E:

PFMA COMPLIANCE REPORT

SECTION 5

V

VIOLENCE

Content that may contain violent scenes or disturbing images.

fpb



VIOLENCE

May contain violent or disturbing scenes.

Meaning:

Includes physical harm, threats or scenes that can be frightening or upsetting. This may affect children emotionally and cause fear or distress.

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2025/26	2024/25
	R'000	R'000
Opening balance	6 800	2 800
Adjustment to opening balance	4 460	0
Opening balance as restated	11 260	0
Add: Irregular expenditure confirmed	2 132	4 000
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable ¹	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	13 392	6 800

Table 42: Reconciliation of irregular expenditure

Reconciling Notes

Description	2025/26	2024/25
	R	R
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	4 459	0
Irregular expenditure for the current year	2 132	0
Total	6 591	0

Table 43: Reconciling Notes

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

Description ²	2025/26	2024/25
	R	R
Irregular expenditure under assessment	0	4 460
Irregular expenditure under determination	6 702	4 000
Irregular expenditure under investigation	0	0
Total	6 702	8 460

Table 44: Details of Irregular expenditure under investigation

¹ Transfer to receivables

² Group similar items

c) Details of Irregular expenditure condoned

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

Table 45: Details of Irregular expenditure condoned

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

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

Table 46: Details of Irregular expenditure removed – (not condoned)

e) Details of Irregular expenditure recoverable

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	0	0

Table 47: Details of Irregular expenditure recoverable

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

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

Table 48: Written-off irregular expenditure: current & previous 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	2025/26	2024/25
	R'000	R'000
	0	0
Total	0	0

Table 49: Irregular expenditure – interinstitutional non-compliance³

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

Disciplinary steps taken
None

Table 50: Disciplinary/criminal steps due to irregular expenditure

³ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

Fruitless and wasteful expenditure

a) Reconciliation of Fruitless and wasteful expenditure

Description	2025/26	2024/25
	R	R
Opening balance	1 297 674	482
Adjustment to opening balance	0	7 378
Opening balance as restated	0	7 860
Add: Fruitless and wasteful expenditure confirmed	5 105	1 297 110
Less: Fruitless and wasteful expenditure recoverable ⁴	(1 284 474)	(4 345)
Less: Fruitless and wasteful expenditure not recoverable and written off	(13 575)	(2 951)
Closing balance	4 730	1 297 674

Table 51: Reconciliation of Fruitless and wasteful expenditure

Reconciling Notes

Description	2025/26	2024/25
	R	R
Fruitless and wasteful expenditure that was under assessment	4 730	15 653
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	0	1 297 110
Total	4 730	16 950

Table 52: Reconciling Notes- Fruitless and wasteful expenditure

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

Description ⁵	2025/26	2024/25
	R	R
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	4 730	15 653
Fruitless and wasteful expenditure under investigation	0	0-
Total	4 730	15 653

Table 53: Details of Fruitless and wasteful expenditure (under assessment, determination, and investigation)

c) Details of Fruitless and wasteful expenditure recoverable

Description	2025/26	2024/25
	R	R
Fruitless and wasteful expenditure recoverable	1 300	4 345
Total	1 300	4 345

Table 54: Details of Fruitless and wasteful expenditure recoverable

4 Transfer to receivables

5 Group similar items

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

Description	2025/26	2024/25
	R	R
Fruitless and wasteful expenditure written off	13 575	2 951
Total	13 575	2 951

Table 55: Details of Fruitless and wasteful expenditure not recoverable and written off

e) Details of Disciplinary or criminal steps taken as a result of Fruitless and wasteful expenditure

Disciplinary steps taken
None

Table 56: Disciplinary/criminal steps due to fruitless & wasteful expenditure

Additional disclosure relating to Material losses in terms of PFMA Section 55(2)(b)(i) &(iii))⁶

a) Details of Material losses through criminal conduct

Material losses through criminal conduct	2025/26	2024/25
	R	R
Theft	0	0
Other Material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

Table 57: Material losses through criminal conduct

b) Details of other Material losses

Nature of other Material losses	2025/26	2024/25
	R	R
None	0	0
Total	0	0

Table 58: Other Material losses

c) Other Material losses recoverable

Nature of losses	2025/26	2024/25
	R	R
None	0	0
Total	0	0

Table 59: Other Material losses recoverable

⁶ Information related to material losses must also be disclosed in the annual financial statements.

d) Other Material losses not recoverable and written off

Nature of losses	2025/26	2024/25
	R	R
None	0	0
Total	0	0

Table 60: Other Material losses not recoverable and written off

LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated value
		R'000
Valid invoices received	2 368	R 35 232
Invoices paid within 30 days or agreed period	2 069	R32 185
Invoices paid after 30 days or agreed period	246	R742
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	3	R70
Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.	50	68 229

Table 61: Late and/or Non-Payment of Suppliers

SUPPLY CHAIN MANAGEMENT (SCM)

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Durban Office Space	South African Broadcasting Corporation	State-Owned Entity (SOE)	Deviation	R4 906
Exhibition stand for the FPB at the DFM 2025	Durban Film Mart Institute	Sole provider	PO 2361	R68
Publication of tariffs	Government Print	Sole provider	PO 2376	R11
Caseware License renewal	Adapt IT	Sole provider	Adapt IT	R160
D-bit license renewal	D-Bit System	Sole provider	D-Bit	R33
Total				5 178

Table 62: SCM Procurement by any means

Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Job Grading & Organizational Design	Emergence Growth	Extension of period	PO2227	R998	R0	R998
Head office accommodation	Faerie Glen waterpark	Extension of period month to month	Accommodation	R443 p/m	R0	R535 p/m
RT15 2021: Supply delivery of mobile communication services to the state from 01 April 2021 to 31-March 2026	Mobile Telephone Networks (MTN)	Expansion of period	RT15 2021	R5 587	R0	R1 536
Total				7 028		3 069

Table 63: Contract variations and expansions

PART F:

FINANCIAL INFORMATION

SECTION 6

18+

RESTRICTED TO ADULTS ONLY (18+)

Content that is adult in nature and
may be explicit.

fpb

18+

18+

ADULTS ONLY (18+)

Restricted to persons 18 years
and older.

Meaning:

Contains content that is explicit and
intended for mature adults.
Not suitable for anyone under 18 years of
age.

Report of the auditor-general to Parliament on Film & Publication Board

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Film & Publication Board as set out on pages 96 to 102, which comprise the statement 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 accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Film & Publication Board as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

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

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

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 89, forms part of my auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to programme 5: regulatory development and enforcement presented in the annual performance report for the year ended 31 March 2026. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
- Number of prioritised research projects concluded to support the mandate of the FPB.
 - Percentage of applicants for registration processed within 5 working days.
 - Percentage (%) of implementation of the regulatory compliance plan.
 - Percentage (%) of enforcement action taken on identified/reported non-compliant distributors.
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives;
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included;
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and 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 what was 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
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or under-achievement of targets.

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

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

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

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

Report on compliance with legislation

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

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

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

21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

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

23. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

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

Internal control deficiencies

25. 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.

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

Auditor-General

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; and
- The selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the [consolidated and separate] financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the [consolidated and separate] financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
PFMA	Section 1 (definition of irregular expenditure) Section 38(1)(a)(iv); Section 38(1)(b); Section 38(1)(c)(i); Section 38(1)(c)(ii); Section 38(1)(d); Section 38(1)(h)(iii); Section 39(1)(a); Section 39(2)(a); Section 40(1)(a); Section 40(1)(b); Section 40(1)(c)(i); Section 43(4); Section 44; Section 45(b); Section 51(1)(a)(iv); Section 57(b)
Treasury Regulations	Regulation 4.1.1; Regulation 4.1.3; Regulation 5.1.1; Regulation 5.2.1; Regulation 5.2.3(a); Regulation 5.2.3(d); Regulation 5.3.1; Regulation 6.3.1(a); Regulation 6.3.1(b); Regulation 6.3.1(c); Regulation 6.3.1(d); Regulation 6.4.1(b); Regulation 7.2.1; Regulation 8.1.1; Regulation 8.2.1; Regulation 8.2.2; Regulation 8.2.3; Regulation 8.4.1; Regulation 9.1.1; Regulation 9.1.4; Regulation 10.1.1(a); Regulation 10.1.2; Regulation 11.4.1; Regulation 11.4.2; Regulation 11.5.1; Regulation 12.5.1; Regulation 15.10.1.2(c); Regulation 16A3.2 (fairness); Regulation 16A3.2(a); Regulation 16A6.1; Regulation 16A6.2(a); Regulation 16A6.2(b); Regulation 16A6.3(a); Regulation 16A6.3(b); Regulation 16A6.3(c); Regulation 16A6.3(e); Regulation 16A6.4; Regulation 16A6.5; Regulation 16A6.6; Regulation 16A7.1; Regulation 16A7.3; Regulation 16A7.6; Regulation 16A7.7; Regulation 16A8.3; Regulation 16A8.4; Regulation 16A9.1(d); Regulation 16A9.1(e); Regulation 16A9.1(f); Regulation 16A9.2(a)(ii); Regulation 17.1.1; Regulation 18.2; Regulation 19.8.4
Construction Industry Development Board (CIDB) Act 38 of 2000	Section 18(1)
CIDB Regulations	Regulations 17; Regulation 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Section 1(i); Section 2.1(a); Section 2.1(b); Section 2.1(f)
Preferential Procurement Regulations of 2011	Regulation 4.1; Regulation 4.3; Regulation 5.5; Regulation 6.1; Regulation 6.5; Regulation 7.1; Regulation 9.1; Regulation 9.5; Regulation 11.2; Regulation 11.5
Preferential Procurement Regulations of 2017	Regulation 4.1; Regulation 4.2; Regulation 5.1; Regulation 5.3; Regulation 5.6; Regulation 5.7; Regulation 6.1; Regulation 6.2; Regulation 6.3; Regulation 6.5; Regulation 6.6; Regulation 6.8; Regulation 7.1; Regulation 7.2; Regulation 7.3; Regulation 7.5; Regulation 7.6; Regulation 7.8; Regulation 8.2; Regulation 8.5; Regulation 9.1; Regulation 10.1; Regulation 10.2; Regulation 11.1; Regulation 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Legislation	Sections or regulations
Public Service Regulations of 2016	Regulation 18(1); Regulation 18(2); Regulation 25(1)(e)(i); Regulation 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)
NT SCM Instruction Note 05 of 2009/10	Paragraph 3.3
NT SCM Instruction Note 04 of 2015/16	Paragraph 3.4
NT SCM Instruction Note 03 of 2016/17	Paragraph 8.1; Paragraph 8.2; Paragraph 8.3; Paragraph 8.5
NT SCM Instruction Note 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 07 of 2017/18	Paragraph 4.3
NT SCM Instruction note 03 of 2019/20 [Annexure A – FIPDM]	Paragraphs 5.5.1(vi); Paragraph 5.5.1(x)
NT SCM Instruction Note 08 of 2019/20	Paragraph 3.1.1; Paragraph 3.6; Paragraph 3.7.2; Paragraph 3.7.6(i); Paragraph 3.7.6(ii); Paragraph 3.7.6(iii)
NT SCM Instruction Note 03 of 2020/21	Paragraph 3.6; Paragraph 3.7; Paragraph 5.1(i); Paragraph 6.1; Paragraph 6.3

Accounting Authority's Responsibilities and Approval

While the Film and Publication Board (FPB) is not a company by legislation, the members of Council are guided by the requirements of the Companies Act, 2008 (Act No. 71 of 2008) and Public Finance Management Act, 1999 (Act No.1 of 1999) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and are given unrestricted access to all financial records and related data.

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

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

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the Board of members sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to

ensure an acceptable level of risk. These controls are monitored throughout the entity, and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The entity is dependent on the Department of Communications and Digital Technology (DCDT) for continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that the DCDT has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The Accounting Authority are primarily responsible for the financial affairs of the entity, and these are audited by the entity's external auditors.

The financial statements set out on page 96, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2026 and were signed on its behalf by:



Ms. Zamantungwa Mkosi
Council Chairperson



Adv. Makhosazana Lindhorst
Acting Chief Executive Officer

Accounting Authority's Report

The members submit their report for the year ended March 31, 2026.

1. Legal Form and Nature of Business

The Film and Publication Board is a public entity which was established in terms of the Film and Publications Act, 1996 (Act No. 65 of 1996) and commenced business in March 1998. It is listed as Schedule 3A in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). The Executive Authority is the DCDT.

2. Review of activities

Main business and operations

The Film and Publication Board regulates the creation, production, possession and distribution of films, games, certain publications by way of classification to:

- a) protect consumers against harmful and disturbing material while allowing adults to make informed choices for themselves and the children in their care by providing consumer advice;
- b) protect children from exposure to disturbing and harmful material and from premature exposure to adult material;
- c) make the use of children in pornography and exposure to pornography punishable;
- d) criminalise the possession, production and distribution of child pornography; and
- e) create offences for non-compliance with this Act.

The FPB classifies films, games and certain publications through the provision of age-ratings and consumer advisories. This ensures that consumers of content, and particularly parents and guardians, by being informed of what may be contained therein are able to ensure that children are not prematurely exposed to harmful content that may have a socio-psychological impact on their development.

3. Going concern

We draw attention to the fact that at March 31, 2026, the entity had an accumulated surplus of R48,972,371 and that the entity's total assets exceed its liability by R48,972,371.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. There is no indication from the Department that the FPB will not continue to receive funding going forward.

4. Subsequent events

On 24 April 2026, the Chief Executive Officer (CEO) resigned from his position. This event occurred after the reporting date and does not affect the conditions that existed at year-end. The process of appointing a new CEO is underway.

The term of office of the Council members came to an end on 22 April 2026. Subsequent to year-end, the term was extended for a period of six months to allow for the finalisation of the appointment process for the new Council by the Minister.

5. Results for the year

The financial operating results for the period were satisfactory. The FPB recorded a net surplus of R12,719,586 (2025 - Deficit R 6,587,762)

6. Funding

The FPB received a Government Grant of R 107,717,000 for the period ended March 31, 2026, and R 103,098,000 for the year ended March 31, 2025.

7. Accounting policies

The financial statements have been prepared in accordance with the GRAP including any interpretation, guidelines and directives issued by the ASB.

The financial statements set out on page 96, which have been prepared on the going concern basis, were approved by the Accounting Authority on July 31, 2026, and were signed on its behalf by:



Ms. Zamantungwa Mkosi
Council Chairperson



Adv. Makhosazana Lindhorst
Acting Chief Executive Officer

Statement of Financial Position as at 31 March 2026

Figures in Rand	Note(s)	2026	2025 (Restated)
Assets			
Current Assets			
Cash and cash equivalents	3	38,622,719	25,891,477
Receivables from exchange transaction	4	7,456,446	4,024,456
Statutory receivables - Exchange transaction	5	3,173,361	9,485,508
		49,252,526	39,401,441
Non-Current Assets			
Property, plant and equipment	6	8,713,761	9,200,531
Intangible assets	7	9,170,125	10,185,310
Prepayments	4	874,000	1,311,000
		18,757,886	20,696,841
Total Assets		68,010,412	60,098,282
Liabilities			
Current Liabilities			
Finance lease obligation	8	144,931	265,638
Payables from exchange transactions	9	14,630,123	13,928,080
Provisions	10	4,262,987	7,710,192
		19,038,041	21,903,910
Non-Current Liabilities			
Finance lease obligation	8	-	144,931
Total Liabilities		19,038,041	22,048,841
Net Assets		48,972,371	38,049,441
Accumulated surplus		48,972,371	38,049,441
Total Net Assets		48,972,371	38,049,441

Statement of Financial Performance as at 31 March 2026

Figures in Rand	Note(s)	2026	2025 (Restated)
Revenue			
Revenue from exchange transactions			
Regulation fees	13	16,734,726	15,678,566
Other revenue	14	2,038,065	785,946
Interest received	16	3,133,226	2,181,618
Total revenue from exchange transactions		21,906,017	18,646,130
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	15	107,717,000	103,098,000
Total revenue	11	129,623,017	121,744,130
Expenditure			
Employee related costs	17	(78,700,364)	(80,922,999)
Depreciation and amortisation	6&7	(3,139,628)	(3,355,665)
Finance costs	19	(34,238)	(63,552)
Lease rentals on operating lease	22	(8,058,892)	(7,585,728)
Impairment loss		(414,843)	-
Gain or loss on disposal of assets and liabilities	6	(21,834)	(270,125)
General expenses	18	(26,533,632)	(36,133,823)
Total expenditure		(116,903,431)	(128,331,892)
Surplus (deficit) for the year		12,719,586	(6,587,762)

Statement of Changes in Net Assets as at 31 March 2026

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at April 1, 2024	44,637,203	44,637,203
Changes in Net assets Surplus for the year	(6,587,762)	(6,587,762)
Total changes	(6,587,762)	(6,587,762)
Opening balance as previously reported	38,243,763	38,243,763
Adjustments		
Prior year adjustments 30	(194,323)	(194,323)
Balance at April 1, 2025, as restated*	38,049,440	38,049,440
Changes in Net assets Adjustment for ECL allowance	(1,796,655)	(1,796,655)
Net income (losses) recognised directly in Net assets	(1,796,655)	(1,796,655)
Surplus for the year	12,719,586	12,719,586
Total recognised income and expenses for the year	10,922,931	10,922,931
Total changes	10,922,931	10,922,931
Balance at March 31, 2026	48,972,371	48,972,371
Note(s)		

Cash Flow Statement as at 31 March 2026

Figures in Rand	Note(s)	2026	2025
Cash flows from operating activities			
Receipts			
Grants		107,717,000	103,098,000
Interest income		2,345,336	2,375,942
Other receipts		2,038,065	785,946
Regulation fees		18,937,312	16,917,816
		131,037,713	123,177,704
Payments			
Employee costs		(82,858,373)	(81,903,834)
Suppliers		(33,488,723)	(44,428,465)
		(116,347,096)	(126,332,299)
Net cash flows from operating activities	21	14,690,617	(3,154,595)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,659,505)	(3,716,588)
Purchase of other intangible assets	7	-	(5,999)
Net cash flows from investing activities		(1,659,505)	(3,722,587)
Cash flows from financing activities			
Finance lease payments		(265,632)	(236,319)
Finance cost		(34,238)	(63,552)
Net cash flows from financing activities		(299,870)	(299,871)
Net increase/(decrease) in cash and cash equivalents		12,731,242	(7,177,053)
Cash and cash equivalents at the beginning of the year		25,891,477	33,068,530
Cash and cash equivalents at the end of the year	3	38,622,719	25,891,477

Statement of Comparison of Budget and Actual Amounts as at 31 March 2026

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue from exchange transactions						
Regulation fees	16,037,773	-	16,037,773	16,734,726	696,953	(a)
Other income	-	-	-	2,038,065	2,038,065	(b)
Interest received – investment	2,890,000	-	2,890,000	3,133,226	243,226	(c)
Total revenue from exchange transactions	18,927,773	-	18,927,773	21,906,017	2,978,244	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	107,717,000	-	107,717,000	107,717,000	-	
Total revenue	126,644,773	-	126,644,773	129,623,017	2,978,244	
Expenditure						
Personnel	(86,042,757)	-	(86,042,757)	(78,700,364)	7,342,393	(d)
Depreciation and amortisation	-	-	-	(3,139,628)	(3,139,628)	(e)
Finance costs	-	-	-	(34,238)	(34,238)	(f)
Lease rentals on operating lease	(9,503,151)	-	(9,503,151)	(8,058,892)	1,444,259	(g)
Travel and subsistence	(3,721,209)	-	(3,721,209)	(2,162,380)	1,558,829	(h)
Training and development	(1,267,758)	-	(1,267,758)	(490,147)	777,611	(i)
Administrative	(20,808,151)	-	(20,808,151)	(17,172,699)	3,635,452	(j)
Marketing and communication	(1,509,049)	-	(1,509,049)	(659,404)	849,645	(k)
Consulting	(2,792,698)	-	(2,792,698)	(3,762,239)	(969,541)	(l)
Legal services	(1,000,000)	-	(1,000,000)	(2,701,606)	(1,701,606)	(m)
Total expenditure	(126,644,773)	-	(126,644,773)	(116,881,597)	9,763,176	
Operating surplus						
	-	-	-	12,741,420	12,741,420	
Loss on disposal of assets and liabilities	-	-	-	(21,834)	(21,834)	
Surplus before taxation	-	-	-	12,719,586	12,719,586	

Statement of Comparison of Budget and Actual Amounts as at 31 March 2026

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Actual Amount on Comparable Basis as presented in the Budget and Actual Comparative Statement	-	-	-	12,719,586	12,719,586	
Reconciliation						
Basis difference						
Depreciation and amortisation				(3,139,628)		
Actual Amount in the Statement of Financial Performance				12,719,586		

Statement of Comparison of Budget and Actual Amounts as at 31 March 2026

The budget for 2025/26 financial year was approved and prepared on the accrual basis (except for depreciation and amortisation) and all transactions were accounted for on accrual basis. Transfers received during the current financial year were from the DCDT.

- (a) The overcollection of regulation fees is mainly attributable to improved collections from online content distributors, including progress in the renewal of agreements and the onboarding of previously non-compliant distributors. In addition, revenue performance was supported by stronger-than-anticipated activity in regulated content services during the period.
- (b) Other revenue is not specifically budgeted for, as it is considered immaterial. During the period, however, FPB recognised income arising from recoveries relating to employee secondments.
- (c) The under-collection of interest was primarily attributable to lower-than-anticipated interest rates and the resulting impact on the timing and level of funds available for investment. In addition, interest earned on investment accounts may decline where market interest rates reduce, where cash balances are lower than projected, or where funds are held for shorter periods before being utilised for operational requirements.
- (d) The underspending on personnel expenditure is mainly attributable to vacancies that could not be filled due to the cost-containment measures implemented by management. In support of the strategy to retain costs and manage expenditure within the available budget, certain posts were deliberately left unfilled. In addition, a number of positions were occupied on an acting basis, resulting in lower acting allowances compared to the full cost of permanently filled positions.

(e and f) The depreciation and finance costs were not budgeted for, on depreciation was mainly because it is a noncash item.

- (g) The underspending on rental fees is due to the fact that management thought that the office relocation would happen and the additional amount was for set up fees at the new offices.
- (h) The under expenditure was due to cost containment imposed on travel.
- (i) The underspending on training and development is mainly attributable to the delayed finalisation of the group coaching and training programme, which was only concluded toward the end of the financial year. As a result, the related expenditure was not fully incurred within the reporting period. The commitment remains in place, and the associated costs are expected to be recognised once the services are rendered and invoiced.
- (j) The under expenditure on administrative costs was primarily driven by cost containment and ensuring that the organisation spent money within its limit without compromising delivery.
- (k) Marketing was underspent because the branding projects were delayed in terms of implementation.
- (l) The under expenditure on consulting was due to cost containment that was introduced by management in order to contain costs in areas like consulting, developer, forensic investigations and security operations centre implementation.
- (m) Legal fees exceeded budget mainly due to matters that required the appointment of experienced counsel, including the NAB matter and other litigation cases that the entity was required to defend. These costs were necessary to ensure that the entity's interests were adequately represented and protected in complex legal proceedings.

Significant Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the GRAP including any interpretations, guidelines and directives issued by the ASB.

These financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise. They are presented in South African Rand value. The AFS is rounded to the nearest Rand.

A summary of the significant accounting policies, which have been consistently applied are disclosed below.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements made relates to: the useful lives of or expected pattern of consumption of economic benefits or service potential embodied in, depreciable assets, provisions, contingent liabilities, tax revenue due to Government, bad debts arising from uncollected taxes, the fair value of financial assets and financial liabilities and warranty obligations.

Trade and other receivables

The entity assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit. The impairment is established when there is objective evidence that the FPB will not be able to collect all amounts due according to the original terms of receivables.

Impairment testing

Property, plant and equipment and Intangible assets are considered for impairment if there is a reason to believe that an impairment may be necessary.

The future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the present value.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in Note 10 - Provisions.

The leave pay provision is based on actual days leave due to employees at their rate of remuneration. Remuneration increases take effect annually at the beginning of the financial year. In determining the provision, it is assumed that no leave will be forfeited. The assumption is based on past history.

The entity is required to recognise provisions for claims arising from litigation when the occurrence of the claim is probable and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters require judgments regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal unit.

Litigation is, however, unpredictable and actual costs incurred could differ materially from those estimated at the reporting date.

Going concern assumption

The Annual Financial Statements have been prepared on a going concern basis.

Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

Significant Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Depreciation and amortisation

At the end of each financial year, management assesses whether there is any indication that the FPB's expectations about the useful life of assets included in the property, plant and equipment and intangible assets have changed since the preceding reporting date. If any such indication exists, the change has been accounted for as a change in accounting estimate in accordance with Standards of GRAP on Accounting Policies, changes in accounting estimates and errors. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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 entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

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

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.

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

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
Furniture and fixtures	Straight-line	12-20 years
Motor vehicles	Straight-line	5 years
Office equipment	Straight-line	4 - 15 years
Computer equipment	Straight-line	4 - 8 years
Leasehold improvements	Straight-line	2 - 10 years
Leased - Motor vehicles	Straight-line	3 - 5 years

Significant Accounting Policies

1.2 Property, plant and equipment (continued)

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

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

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

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

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it either:

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

After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

An intangible asset is recognised when:

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

The entity will test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment by comparing its recoverable amount and recoverable service amount, as appropriate, with its carrying amount:

- annually; and
- whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight-line	3 - 12 years
Computer software	Straight-line	3 - 12 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.4 Financial instruments

Applied from the effective date prescribed for the entity by regulation of the Minister of Finance and the applicable Directive (see Note "Changes in accounting policy"). Any references to paragraph numbers in this accounting policy relates to paragraphs in GRAP 104 (revised 2019), relating to Appendices or relating Basis for Conclusions.

Significant Accounting Policies

1.4 Financial instruments (continued)

Initial Recognition

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

The entity recognises financial assets using trade date accounting.

Classification

Classification of Financial Assets

The entity classifies financial assets as subsequently measured at amortised cost or fair value through surplus or deficit on the basis of both:

- (a) the entity's management model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of applying (b) above:

- Principal is the fair value of the financial asset at initial recognition; and
- Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin (where applicable).

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or cost.

Investments in residual interests are measured at fair value through surplus or deficit. As a practical expedient, an investment in a residual interest whose fair value cannot be reliably measured is measured at cost. If a reliable measure of fair value becomes available, the investment is measured at fair value through surplus or deficit.

Classification of Financial Liabilities

The entity classifies all financial liabilities as subsequently measured at amortised cost, except for:

- (a) Financial liabilities at fair value through surplus or deficit. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.
- (b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition.
- (c) Financial guarantee contracts. After initial recognition, the issuer of such a contract (unless paragraph 4.7(a) or (b) applies) subsequently measures it at the higher of:
 - (i) the amount of the loss allowance determined in accordance with paragraphs 5.17 to 5.35; and
 - (ii) the amount initially recognised less, when appropriate, the cumulative amount of revenue recognised in accordance with the principles of the Standard of GRAP on Revenue from Exchange Transactions (GRAP 9) (where applicable).
- (d) Commitments to provide a loan at a below-market interest rate. The issuer of such a commitment (unless paragraph 4.7(a) applies) subsequently measures it at the higher of:

Significant Accounting Policies

1.4 Financial instruments (continued)

- (i) the amount of the loss allowance determined in accordance with paragraphs 5.17 to 5.35 plus, for concessionary loans, any social benefit provided; and
 - (ii) the amount initially recognised less, when appropriate, the cumulative amount of revenue recognised in accordance with the principles of GRAP 9 (where applicable).
- (e) Contingent consideration recognised by an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfers of Functions Between Entities Not Under Common Control applies. Such contingent consideration is subsequently measured at fair value with changes recognised in surplus or deficit.

Measurement

Initial measurement

Except for, where at initial recognition, the entity measures receivables and payables at their transaction price if they do not contain a material financing transaction, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

However, if the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, the entity applies the relevant paragraphs in GRAP 104 (revised 2019).

Despite the above, at initial recognition, the entity measures receivables and payables at their transaction price if they do not contain a material financing transaction.

Subsequent measurement of financial assets

After initial recognition, the entity measures a financial asset at:

- (a) amortised cost;
- (b) fair value through surplus or deficit; or
- (c) cost.

The entity applies the impairment requirements in paragraphs 5.17 to 5.35 to financial assets that are measured at amortised cost in accordance with paragraph 4.2 and paragraph 5.36 to financial assets measured at cost in accordance with paragraph 4.5.

Derecognition

Derecognition of financial assets

The entity derecognises a financial asset only when:

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

Derecognition of financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished.

- (a) the obligation specified in the contract is discharged, cancelled, expires or waived (see also GRAP 23 for the waiver of debt as part of a non-exchange transaction);

Significant Accounting Policies

1.4 Financial instruments (continued)

- (b) An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as having extinguished the original financial liability, and a new financial liability recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as having extinguished the original financial liability and having recognised a new financial liability.

1.5 Statutory receivables

Identification

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

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

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

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

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the

policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Subsequent measurement

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

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

Accrued interest

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

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

Impairment losses

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

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

Significant Accounting Policies

1.5 Statutory receivables (continued)

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

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

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

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

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of

statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

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

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

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

Significant Accounting Policies

1.6 Leases

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

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

Finance leases - lessee

At the commencement of the lease term, lessees shall recognise assets acquired under finance leases as assets and the associated lease obligations as liabilities in their statement of financial position. The assets and liabilities shall be recognised at amounts equal to the fair value of the leased property or if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability.

The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents shall be charged as expenses in the periods in which they are incurred.

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expenses for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with the Standards of GRAP on Property, plant and equipment (GRAP 17) and Intangible assets (GRAP 31). If there is no reasonable certainty that the

lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Operating leases - lessee

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the statement of financial position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and / or liability is measured at the undiscounted difference between the straight-line lease payments and the contractual lease payments.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

1.8 Prepayments

Prepayments represent amounts paid in advance for goods or services to be received in future periods. Prepayments are initially recognised as assets in the statement of financial position when the company makes an advance payment for goods or services. They do not meet the definition of financial instrument under GRAP 104 because they do not give rise to a contractual right to receive cash or another financial asset.

Prepayments are initially measured at cost which is the cash paid. Prepayments are subsequently expensed in the statement of financial performance when the goods or services are received or consumed. Where the benefit extends over multiple reporting periods, the expense is allocated systematically across those periods.

Significant Accounting Policies

1.9 Impairment of cash-generating assets

Criteria developed by entity for cash-generating assets are as follows:

Designation

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

Identification

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

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

Value in use

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to

allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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

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

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

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

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

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

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

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

Useful life is either:

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

Significant Accounting Policies

1.10 Employee benefits

Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Classification of plans

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

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

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

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

Multi-employer plans are defined contribution plans (other than state plans) or defined benefit plans (other than state plans) that:

- pool the assets contributed by various entities that are not under common control; and
- use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries, UIF and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

Significant Accounting Policies

1.10 Employee benefits (continued)

- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

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

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

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

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

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.
- as an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

1.11 Provisions and contingencies

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

Provisions are recognised when:

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

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

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

Significant Accounting Policies

1.11 Provisions and contingencies (continued)

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 23.

1.12 Revenue from exchange transactions

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

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

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

Measurement

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

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

Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by:

Interest

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

Significant Accounting Policies

1.13 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Measurement

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

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of Government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on Government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When Government remits grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with. The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

1.14 Borrowing costs

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

1.15 Translation of foreign currencies

Foreign currency transactions

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

At each reporting date:

- foreign currency monetary items are translated using the closing rate.

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 financial statements are recognised in surplus or deficit in the period in which they arise.

1.16 Comparative figures

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

1.17 Fruitless and wasteful expenditure

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

Significant Accounting Policies

1.17 Fruitless and wasteful expenditure (continued)

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

1.18 Irregular expenditure

Irregular expenditure is expenditure incurred in contravention of PFMA, Treasury Regulations, National Treasury instructions, procurement prescripts, approved delegations, or the entity's Supply Chain Management (SCM) policy. It is recognised when expenditure has been incurred and management confirms that non-compliance occurred. The amount is measured at the full transaction value and recorded in the irregular expenditure register.

Irregular expenditure is not recognised as a separate expense in the statement of financial performance; the underlying transaction is accounted for according to its nature. Confirmed irregular expenditure is disclosed in the annual financial statements and/or Annual Report, and is subjected to assessment, investigation, consequence management, condonation, removal and recovery processes where applicable.

1.19 Budget information

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts. 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 04/01/2025 to 03/31/2026.

1.20 Related parties

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

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

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

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

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

1.21 Change in accounting policy

During the current financial year, the entity adopted the revised Standard of GRAP on Financial Instruments, GRAP 104, as issued by the ASB. The revised Standard introduces updated requirements for the classification, measurement, recognition, derecognition and impairment of financial instruments. The change in accounting policy was applied in accordance with the

Significant Accounting Policies

1.21 Change in accounting policy (continued)

transitional provisions of the revised Standard and GRAP 3, Accounting Policies, Changes in Accounting Estimates and Errors.

The adoption of the revised GRAP 104 required management to reassess the entity's financial assets and financial liabilities, including receivables, cash and cash equivalents, payables and other financial instruments. In particular, the entity reviewed the measurement basis applied to financial instruments and the method used to assess impairment losses on financial assets. The revised policy places greater emphasis on the assessment of expected credit losses, credit risk and the recoverability of financial assets, rather than only recognising impairment when there is objective evidence that a loss event has occurred.

As a result of the adoption of the revised GRAP 104, the entity updated its accounting policy for financial instruments to align with the revised recognition, measurement and impairment principles. Management assessed the impact of the change on the financial statements and concluded that the revised policy has been applied consistently to all relevant financial instruments. Where applicable, comparative information has been restated, unless impracticable, and any adjustment arising from the initial application of the revised Standard has been recognised in accordance with the transitional requirements.

The change in accounting policy enhances the relevance and reliability of the financial statements by ensuring that financial instruments are measured and disclosed in a manner that better reflects the entity's exposure to credit risk, liquidity risk and other financial risks. The revised policy also improves the disclosure of financial instruments by providing users of the financial statements with more useful information regarding the nature, extent and management of risks arising from financial instruments.

The initial application of the revised GRAP 104 resulted in a reassessment of the impairment allowance on financial assets measured at amortised cost.

The adjustment mainly relates to the recognition of expected credit losses on receivables, based on management's assessment of historical collection patterns, current conditions and reasonable expectations of recoverability. The resulting adjustment has been recognised against the opening accumulated surplus/deficit, where required by the transitional provisions of the revised Standard.

Notes to the Financial Statements

Figures in Rand	2026	2025
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	April 1, 2025	The impact of the standard is not material.
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	The impact of the standard is set out in Note 1.21 Changes in accounting policy.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after April 1, 2026, or later periods:

Standard/ Interpretation:	Expected impact:
• GRAP 107 (as revised) Mergers	Unlikely there will be a material impact
• GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	Unlikely there will be a material impact

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,369	3,369
Operational Bank balances	4,282,701	7,748,834
Short-term deposits	34,336,649	18,139,274
	38,622,719	25,891,477

The short-term deposits relate to investments held at Corporation for Public Deposit (CPD) and ABSA call account and it is available for use immediately as required by FPB. The short-term deposits has been assessed for the ECL and the ECL is Nil.

Cash and cash equivalents held by the entity are available for use.

Notes to the Financial Statements

Figures in Rand	2026	2025
4. Receivables from exchange transactions		
Receivables from exchange transactions		
Debtors	5,223,955	3,445,120
Expected credit loss allowance	(1,796,655)	-
Accrued income	3,827,553	-
Impairment loss allowance	(414,843)	-
Staff petty cash advance	22,690	9,501
Sundry deposit	-	132,835
Prepayment	593,746	437,000
Total receivables from exchange transactions	7,456,446	4,024,456
Split between non-current and current portions		
Non-current assets - Prepayments	874,000	1,311,000
Current assets - Prepayments	593 746	437,000
	1 457 746	1,748,000

Debtors

The balance includes an amount of R487,450.64 owed by ICASA, as well as amounts due from other sundry debtors. At the end of the reporting period, some of the trade and other receivables from exchange transactions were past due and impaired.

Staff petty cash advance

The Staff petty cash advance are the advances given to staff members for catering, fuel, consumables and other petty items

Sundry Deposit

During the 2025/26 financial year, the full security deposit previously held by the lessor in respect of the Durban Regional Office lease was refunded to FPB. This followed the commencement of a new lease arrangement, which did not require the payment of a security deposit. Accordingly, the sundry deposit balance relating to the previous lease was fully settled during the year.

Prepayments

The amount disclosed under prepayments relates to advance payments made for the SOMA contract, specifically for software license fees associated with the hosting of the system.

Accrued income

The Accrued income comprises revenue that had been earned by the entity at reporting date, but which had not yet been invoiced to, or received from, the relevant counterparty.

Impairment loss and ECL adjustment

The impairment loss of R414,843 relates to interest linked to statutory debtors that was assessed as not recoverable during the current year. This amount was recognised in the statement of financial performance as a current year

Notes to the Financial Statements

Figures in Rand	2026	2025
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impairment loss.

This amount is separate from the R1,796,655 expected credit loss adjustment recognised on debtors under the revised GRAP 104 impairment model. The ECL adjustment relates to the initial application of revised GRAP 104 and was recognised against opening accumulated surplus in line with the transitional provisions.

Therefore, the R414,843 affects the current year surplus or deficit, while the R1,796,655 affects opening accumulated surplus.

5. Statutory receivables - Exchange transaction

Statutory receivable	3,173,361	9,485,508
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Statutory receivables arise from the Films and Publications Act 65 of 1996, as amended, and requires the distributors to register with the Board for an annual license to distribute content physically or online. The receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably. The entity is required or entitled in terms of Films and Publications Act, 1996 (Act No.65 of 1996), as amended to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" as well as the relevant policy on Revenue from exchange transactions.

Management analysed the statutory receivable to consider if there is any of them that are past due and concluded that none of them as at 31 March 2026 are impaired. At the end of the reporting period management reviewed the composition of the receivables and concluded that the material statutory receivables were current, and comprised reputable companies which are leaders in their fields as such the probability of such companies not paying their debts is negligible. The amount of R4.3 million relates to prior period error adjustments, however, the system has categorised it as older than 180 days because they relate to the prior period. Furthermore, the immaterial receivables are related to amounts owed by distributors who conduct business with FPB on a regular basis. These will be recovered as and when payments are made prior to classification of material.

The movement in statutory receivables was largely attributable to the recognition of a Google-related receivable, which had been accrued due to delays in finalising the agreement at year-end which had resulted in a notable decrease in receivable balances compared to the prior period.

Age analysis for statutory receivable - 2026

180 Days	- R884 228
150 Days	- R5 062
120 Days	- R14 655
90 Days	- R355 794
60 Days	- R0
30 Days	- R500 991
Current	- R1 412 631
Total	- R3 173 361

Age analysis for statutory receivable - 2025

180 Days	- R4 125 719
150 Days	- R15 558
120 Days	- R13 160
90 Days	- R10 435
60 Days	- R0
30 Days	- R0
Current	- R5 320 636
Total	- R9 485 508

Notes to the Financial Statements

Figures in Rand	2026	2025
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6. Property, plant and equipment

	2026			2025		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	3,689,176	(2,559,377)	1,129,799	3,689,176	(2,390,992)	1,298,184
Motor vehicles	3,796,457	(3,259,439)	537,018	3,796,457	(2,963,176)	833,281
Office equipment	2,865,139	(1,922,452)	942,687	2,985,292	(1,846,636)	1,138,656
Computer equipment	11,047,404	(5,070,063)	5,977,341	10,088,376	(4,537,635)	5,550,741
Leasehold improvements	1,968,866	(1,967,803)	1,063	1,968,866	(1,966,740)	2,126
Leased - Office equipment	755,094	(629,241)	125,853	755,088	(377,545)	377,543
Total	24,122,136	(15,408,375)	8,713,761	23,283,255	(14,082,724)	9,200,531

Reconciliation of Property, plant and equipment - 2026

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,298,184	-	-	(168,385)	1,129,799
Motor vehicles	833,281	-	-	(296,263)	537,018
Office equipment	1,138,656	11,819	(21,834)	(185,954)	942,687
Computer equipment	5,550,741	1,647,686	-	(1,221,086)	5,977,341
Leasehold improvements	2,126	-	-	(1,063)	1,063
Leased - Office equipment	377,543	-	-	(251,690)	125,853
	9,200,531	1,659,505	(21,834)	(2,124,441)	8,713,761

Reconciliation of Property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,466,976	-	(253)	(168,539)	1,298,184
Motor vehicles	1,520,843	-	-	(687,562)	833,281
Office equipment	1,296,285	29,400	-	(187,029)	1,138,656
Computer equipment	2,896,164	3,687,184	(1,361)	(1,031,246)	5,550,741
Leasehold improvements	4,252	-	-	(2,126)	2,126
Leased - Office equipment	629,239	-	-	(251,696)	377,543
	7,813,759	3,716,584	(1,614)	(2,328,198)	9,200,531

Notes to the Financial Statements

Figures in Rand	2026	2025
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Pledged as security

None of the assets disclosed above have been pledged as security for liabilities.

Repairs and Maintenance

The amount for repair and maintenance of Property plant and equipment was R40 809.

7. Intangible assets

	2026			2025		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1,292,501	(903,666)	388,835	1,742,318	(1,242,631)	499,687
Intangible assets internally generated	10,851,995	(2,070,705)	8,781,290	10,851,995	(1,166,372)	9,685,623
Total	12,144,496	(2,974,371)	9,170,125	12,594,313	(2,409,003)	10,185,310

Reconciliation of intangible assets - 2026

	Opening balance	Amortisation	Total
Computer software	499,687	(110,852)	388,835
Intangible assets internally generated	9,685,623	(904,333)	8,781,290
	10,185,310	(1,015,185)	9,170,125

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	885,333	5,999	(268,681)	(122,964)	499,687
Intangible assets internally generated	10,589,956	-	-	(904,333)	9,685,623
	11,475,289	5,999	(268,681)	(1,027,297)	10,185,310

Pledged as security

None of the assets disclosed above have been pledged as security for liabilities.

Online Content Regulation Software (OCR)

The amount of intangible assets internally developed is for the costs of development for the OCR and it is material to the operations of FPB.

Notes to the Financial Statements

Figures in Rand	2026	2025
8. Finance lease obligation		
Minimum lease payments due		
- within one year	149,938	299,876
- in second to fifth year inclusive	-	149,938
	149,938	449,814
less: future finance charges	(5,007)	(39,245)
Present value of minimum lease payments	144,931	410,569
Present value of minimum lease payments due		
- within one year	144,931	265,638
- in second to fifth year inclusive	-	144,931
	144,931	410,569
Non-current liabilities	-	144,931
Current liabilities	144,931	265,638
	144,931	410,569

The FPB has entered into a lease agreement for eight (8) photocopiers for a period of three years (36 months) effective from 01 October 2023, ending 30 September 2026. The transaction has been treated as a finance lease as per the requirements of GRAP. The lease contract does not have an annual escalation interest rate and the repayments are fixed at the contract date. The entity will pay the total monthly minimum charge and the additional scan/copy charges if any. All leases have fixed repayments, and no arrangements have been entered into for contingent rent. The service provider will also be entitled to an interest on all overdue amounts at the rate of 2% above the prime lending rate.

9. Payables from exchange transactions

Trade payables	4,458,361	5,854,330
Payments received in advanced	1,413,760	1,253,114
Debtors with credit balance	3,063,703	3,094,517
Pension	-	1,329
Salaries and Wages	12,923	-
PAYE	25,704	-
Medical Aid	-	7,337
Other accruals *	5,655,672	3,717,453
	14,630,123	13,928,080

*Included under other accruals is the 13th cheque accrual of R740 765.38 (R818 355.06 31 March 2025). The 13th cheque is an option available to employees to receive their total cost to company remuneration over 13 months and not 12 months. The 13th cheque is paid to staff in December.

Notes to the Financial Statements

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10. Provisions

Reconciliation of provisions - 2026

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Performance bonuses	2,020,674	2,121,708	(2,020,674)	-	2,121,708
Leave pay	2,087,275	4,085,903	(4,031,899)	-	2,141,279
Litigation and claims	3,602,243	-	(754,958)	(2,847,285)	-
	7,710,192	6,207,611	(6,807,531)	(2,847,285)	4,262,987

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised during the year	Total
Performance bonuses	1,510,549	2,020,674	(1,510,549)	2,020,674
Leave pay	2,967,059	3,820,064	(4,699,848)	2,087,275
Litigation and claims	3,602,243	-	-	3,602,243
	8,079,851	5,840,738	(6,210,397)	7,710,192

Provisions are liabilities of uncertain timing or amount thus the reason for the disclosure of uncertainties about timing or amounts. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If the effect is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The provision recognised on performance bonuses amount is based on the 2.61% of the approved annual salary cost. The payment for bonuses is subject to approval by council and is not expected to exceed the budgeted amount.

The leave pay provision accounts for vested leave pay to which employees may become entitled upon exit from the service of FPB.

On 5 May 2021, the CCMA awarded R1,174,380 to a former employee who was dismissed. In response, FPB launched a review application in the Labour Court on 15 June 2021. FPB is currently awaiting a set-down date from the Labour Court for the hearing of the review application. The provision of R3,602,243 for litigation and claims includes the amount calculated from the award amount to the time that the employee was eligible for retirement. This provision relates to a labour relations matter, and the amount was determined using the cost-to-company salary that the employee was earning at the time of their exit from FPB.

The matter has been finalised in the High Court, which ordered FPB to pay the former FPB employee an amount of R754,958. The Court found in favour of FPB on certain aspects of the case, but not in its entirety. FPB has since settled the court-ordered amount, and the remaining balance has been reversed

Notes to the Financial Statements

Figures in Rand	2026	2025
11. Revenue		
Regulation fees (Classification and registration fees)	16,734,726	15,678,566
Other income	2,038,065	785,946
Interest received - investment and bank balance	3,133,226	2,181,618
Government grants & subsidies	107,717,000	103,098,000
	129,623,017	121,744,130

12. Revenue

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

Classification fees	1,702,379	1,482,204
Registration fees	709,161	786,640
Annual renewal fees	233,104	238,165
Online license fees	14,067,455	13,131,352
Internet service provider registration	22,627	40,204
Other income	2,038,065	785,946
Interest received - Investment and bank balance	3,133,226	2,181,618
	21,906,017	18,646,129

13. Regulation fees

Classification fees	1,702,379	1,482,204
Registration fees	709,161	786,640
Annual renewal fees	233,104	238,165
Online license fees	14,067,455	13,131,352
Internet service provider registration	22,627	40,204
	16,734,726	15,678,565

14. Other revenue

Other income and recoveries	2,035,365	785,946
Gains on foreign exchange	2,700	-
	2,038,065	785,946

*Other income includes amounts received for various non-operational activities. These comprise:

- income received from the secondment of an employee to a sister entity;
- other miscellaneous income from minor recoveries and adjustments.

These items are once-off or incidental in nature and do not form part of the entity's core revenue-generating activities.

Notes to the Financial Statements

Figures in Rand	2026	2025
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15. Government grants & subsidies

Operating grants

Department of Communication and Digital Technologies	107,717,000	103,098,000
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Unconditional grant

The entity receives Government grants from the National Treasury via the Department of Communication and Digital Technologies. These funds are utilised to execute the mandate of the Film and Publication Board. The grant from the National Treasury is not a conditional grant.

16. Interest received - Investment and trade receivables

Interest received - investments

Interest from investment accounts	2,345,336	2,063,483
Interest charged on trade and other receivables	787,890	118,135
	3,133,226	2,181,618

The total interest income for the year amounts to R3,133,226, which is comprised of the following:

- an amount of R2,345,336 represents interest earned on investments, specifically from funds held in Corporation for Public Deposits (CPD), bank accounts and call accounts. This reflects the return on surplus funds invested during the year.
- the remaining R787,890 relates to interest charged on late payments by debtors, in line with the organisation's credit terms and interest policy.

17. Employee related costs

Salaries and bonuses	46,506,774	48,480,396
Classifier remuneration	2,102,619	2,816,410
Medical aid - Employer contributions	3,015,661	3,110,023
UIF	367,049	397,298
SDL	682,351	170,814
Leave pay provision charge	54,004	(879,785)
Retirement fund contributions	7,778,588	8,263,567
Staff union	75,420	74,790
PAYE	18,117,898	18,489,486
	78,700,364	80,922,999

Notes to the Financial Statements

Figures in Rand	2026	2025
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Retirement Benefit Payment

The Film and Publication Board contributes for all qualifying employees the retirement benefits to a Fund in which assets are held and controlled by Alexander Forbes Retirement Fund. As at 31 March 2026, current services costs of R7 816 382 - (31 March 2025 R8 263 567) were recognised as expenses which is limited.

18. General expenses

Advertising	-	12,358
Auditors' remuneration	2,671,226	1,905,371
Bank charges	67,737	73,553
Cleaning and maintenance	220,951	314,495
Consulting and professional fees	3,762,239	3,916,684
Legal fees *	2,701,606	3,699,440
FPB Council	1,757,214	2,011,231
Insurance	896,086	760,125
ICT expenses **	5,485,417	8,462,236
Fleet	552,812	563,243
Postage and courier	2,788	2,042
Printing and stationery	258,156	287,839
Public relations ***	659,404	2,524,775
Research and development costs	1,470	229,922
Staff development, recruitment, and welfare	1,462,999	1,874,958
Subscriptions and membership fees	543,625	306,293
Telephone and fax	1,328,574	1,631,977
Transport and courier	-	56,059
Travel - local ****	1,791,050	2,951,370
Travel - overseas	472,926	590,648
COIDA expense	312,201	325,567
Water and Electricity	789,061	1,078,781
Management fees	322,860	334,642
Enforcement committee	243,443	44,709
Workshops and meetings *****	140,780	1,595,273
Loss on foreign exchange	-	7,058
Lease expenses	27,075	28,622
Appeal Tribunal	-	451,710
Storage - Classification material	61,932	92,842
	26,533,632	36,133,823

Notes to the Financial Statements

Figures in Rand	2026	2025
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18. General expenses (continued)

*Legal Services - Legal fees movement is attributed to the reversal of the provision for the labour matter that was finalised this year. The amount includes the investigations initiated following whistle-blower reports, as well as other ongoing litigation matters.

**ICT expenses - Include system maintenance and license fees - The cost drivers is mainly due to the disaster recovery services, connectivity fees and license fees. The decrease in the compared to the prior year was mainly because some of the projects conducted were of capital nature such as server refresh

***Public relations - Public relations costs decreased compared to the prior year mainly due to the implementation of cost-containment measures. Management reduced the number of physical public relations and outreach-related activities and prioritised more cost-effective methods of engagement, including online platforms where appropriate. The entity also ensured that attendance at external events was limited to activities that were directly relevant to the FPB's mandate and aligned to its approved operational and Annual Performance Plan (APP) objectives. As a result, only selected public relations activities and events that added clear value to the organisation were undertaken, resulting in lower expenditure compared to the prior year

****Travel (Local) - Travel costs relate mainly to outreach activities undertaken by the FPB to educate consumers and stakeholders about its mandate, regulatory role and services. These activities are important in creating public awareness and supporting the achievement of the entity's strategic and APP objectives. The decrease in travel costs compared to the prior year was mainly due to the implementation of cost-containment measures. Management ensured that travel was limited to activities that were directly linked to approved operational plans and outputs in the APP. Employees were only authorised to travel where the trip was necessary, properly motivated and aligned to the achievement of planned performance targets.

***** Workshop and meeting - The costs decreased compared to the prior year, mainly because the organisation has continued to shift most of its meetings and engagements to online platforms. This reduced the need for physical venues, travel, accommodation, catering and other related costs that are normally incurred when meetings are held in person.

The amount of repairs and maintenance in relation to property, plant and equipment is immaterial and it is included under ICT expenses and cleaning and maintenance.

19. Finance Costs

Finance leases	34,238	63,552
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20. Auditors' remuneration

Fees	2,671,226	1,905,371
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Audit fees varied compared to the prior year mainly due to timing differences in billing between financial years. It was confirmed that audit fees have remained relatively stable over the past four years, with movements mainly attributable to standard annual rate adjustments and the timing of invoice recognition.

Notes to the Financial Statements

Figures in Rand	2026	2025
21. Net cash flows from operating activities		
Surplus (deficit)	12,719,586	(6,587,762)
Adjustments for:		
Depreciation and amortisation	3,139,628	3,355,665
Loss on sale of assets	21,834	270,125
Finance costs	34,238	63,552
Debt impairment - Other	414,843	-
Movements in provisions	(3,447,205)	(369,659)
Changes in working capital:		
Receivables from exchange transaction	(5,643,488)	(928,295)
Statutory receivables	6,312,147	3,672,864
Prepayments	437,000	(1,311,000)
Payables from exchange transactions	702,034	(1,320,085)
	14,690,617	(3,154,595)

22. Lease rentals on operating lease

Operating lease

Premises	8,058,892	7,585,728
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22.1 Operating Lease - Head Office

Film and Publication Board has an outstanding commitment in respect of operating lease for Head Office situated in Centurion. The lease agreement was entered into for a period of 5 years effective from 1 February 2012.

In February 2014, the Film and Publication Board acquired new office space for their Head Office situated in Centurion. The lease agreement was entered into for a period of 3 years effective from 1 February 2014.

In February 2018, The Film and Publication board entered into an agreement on a month-to-month lease until recently when they entered into another lease agreement for 12 months from 1 March 2022 to 28 February 2023 and further extension of 12 months from 1 March 2024 to 28 February 2025 and again from 1 March 2025 to 28 February 2026.

The current extension is valid from 1 March 2026 to 28 February 2027. There is no contingent rental payable in terms of the agreement.

Annual escalations 6.5% (2026 & 2025).

Future Minimum Lease Payments

Up to 1 Year	6,876,927	5,922,007
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Notes to the Financial Statements

Figures in Rand	2026	2025
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22.2 Operating Lease - Durban Office

The Film and Publication Board acquired additional office space for their Regional Office situated in Durban. The lease agreement was entered into for a period of 3 years effective from 1 August 2015 to July 2018 and it was further extended for additional 3 years from 01 August 2018 to 31 July 2021 and it was again extended for additional 12 months from 01

August 2021 to 31 July 2022. There is an additional extension of 12 months from 1 August 2022 to 31 July 2023. Operating leases liabilities for this lease fall due as follows:

A further extension was granted from 1 March 2024 to 28 February 2025. Subsequently, a third lease addendum was signed, formally extending the lease term from 1 June 2024 to 31 May 2025. The lease remains classified as an operating lease, with no change to the nature of the arrangement.

In 2025, a new long-term lease agreement was entered into, commencing on 1 June 2025 and valid until 31 May 2030, with an annual escalation of 10%. This marks a strategic long-term occupancy commitment by the FPB for its Durban regional operations. The lease is treated as an operating lease, with future commitments recognised in accordance with the relevant accounting standards.

There is no contingent rental payable in terms of the agreement. Annual escalations 10%: 2026 & 5%: 2025.

Future Minimum Lease Payments

Up to 1 Year	870,498	884,349
2 - 5 Years	3,365,560	-
	4,236,058	884,349

22. Lease rentals on operating lease (continued)

22.3 Operating Lease - Cape Town Office

The Film and Publication Board has the office space for their Regional Office situated in Cape Town. The lease agreement was entered into for a period of 5 years effective from 1 March 2025 and valid until 28 February 2030, with an annual escalation of 8%. This marks a strategic long-term occupancy commitment by the FPB for its Western Cape regional operations. The lease is treated as an operating lease, with future commitments recognised in accordance with the relevant accounting standards.

Operating leases liabilities for this lease fall due as follows: There is no contingent rental payable in terms of the agreement.

Annual escalations 8% (2026 & 2025).

Future Minimum Lease Payments

Up to 1 Year	563,157	521,442
2 - 5 Years	1,911,067	2,474,224
	2,474,224	2,995,666

Notes to the Financial Statements

Figures in Rand	2026	2025
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23. Contingencies

Contingent assets for enforcement	992,250	-
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23.1 Contingent assets in relation to Enforcement Committees

23.1.1 Invoices and Bill of costs from the attorneys

The contingent asset of R992 250 arises from the submitted bills of costs and invoices in respect of certain matters brought before the Enforcement Committee. These amounts may become recoverable from the respondents should the Committee rule in favour of the FPB and grant a costs order. As the outcome of these matters, including the ruling on costs, had not been finalised at reporting date, no receivable has been recognised. The matter has accordingly been disclosed as a contingent asset.

23.1.2 Penalties awards

The Film and Publication Board has matters before the Enforcement Committee relating to non-compliant distributors. Depending on the outcome of these matters, the entity may become entitled to penalty awards and related recoveries. As the rulings had not yet been issued at reporting date, the inflow of economic benefits or service potential is not yet virtually certain. Accordingly, no receivable has been recognised. The financial effect of these possible recoveries cannot presently be determined reliably.

23.2 Labour related contingencies

Contingent liabilities incurred relating to the entity's interests in associates are as follows:

The entity is involved in labour-related matters arising from disputes with current and/or former employees. During the year, one labour matter was concluded in favour of the entity. The outcome of the matter resulted in costs being awarded to the entity. However, at reporting date, the amount recoverable had not yet been quantified and there was uncertainty regarding the timing and recoverability of the awarded costs. As a result, no asset has been recognised in the financial statements. The matter has been disclosed as a contingent asset, as the inflow of economic benefits or service potential is dependent on the final quantification and recovery process.

The entity is also involved in an ongoing legal matter relating to a former employee. The matter had not been finalised at reporting date, and the outcome remains uncertain. Based on the information available at the date of approval of the financial statements, management has assessed that there may be a possible financial outflow arising from this matter. However, the amount of the potential obligation cannot be reliably estimated at this stage due to the preliminary and uncertain nature of the proceedings.

Accordingly, no provision has been recognised in respect of the ongoing matter, as the recognition criteria for a provision have not been fully met. The matter has been disclosed as a contingent liability because the existence and amount of any obligation will only be confirmed by the outcome of future legal or settlement processes, which are not wholly within the control of the entity.

Notes to the Financial Statements

Figures in Rand	2026	2025
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23.3 Surrender of surpluses

The entity annually declares all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits.

The entity submits requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Unless exempted by the National Treasury, the entity invests surplus funds with the Corporation for Public Deposits.

Approval will be requested from National Treasury to retain current year's accumulated surplus. In the preceding years the National Treasury has always allowed the retention of the accumulated surplus.

24. Events after the reporting date

On 24 April 2026, the Chief Executive Officer resigned from his position. This event occurred after the reporting date and does not affect the conditions that existed at year-end.

The term of office of the Council members came to an end on 22 April 2026. Subsequent to year-end, the term was extended for a period of six months to allow for the finalisation of the appointment process for the new Council by the Minister.

25. Related parties

Related party transactions

Amounts paid to (received from) related parties

1. DCDT	107,717,000	103,098,000
2. SITA - FPB procured ICT-related services from SITA for the financial year 2023/24 to the value of R2 090 234 and the commitments to the value of R972 124 (R972 124: 31 March 2025). SITA and FPB are part of the same economic portfolio that is under the control of the DCDT.		
3. ICASA - During the 2025/26 financial year, ICASA paid FPB a total amount of R1,514,234.69 in respect of the employee secondment arrangement. Of this amount, R661,197.00 related to the 2024/25 financial year. FPB further invoiced ICASA an amount of R1,340,489.22 during the 2025/26 financial year for secondment-related costs attributable to the current reporting period. After taking into account the portion of the payment relating to the prior year, the outstanding balance in respect of the 2025/26 financial year amounts to R487,450.64.		

Notes to the Financial Statements

Figures in Rand	2026	2025
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25. Related parties (continued)

4. SABC - The Film and Publication Board (FPB) entered into a lease agreement with the South African Broadcasting Corporation (SABC) for office space used to support its Western Cape and Durban regional operations. The agreement is for a period of five years to the value of R3,038,831.95 for Cape Town and R4 905,672.15 under this lease arrangement. The lease agreement commenced on 1 March 2025 and valid until 28 February 2030 for Cape Town and 1 June 2025 to 31 May 2030 for Durban offices. The new lease includes an annual escalation of 8% for Cape Town and 10% for Durban, reflecting prevailing market conditions and supporting FPB's strategic decision to maintain a stable operational presence in the Western Cape and Durban.

Remuneration of management

Management class: Councillors

Councillors/Board members

Adv Nevondwe LT	293,078	307,571
Mkosi Z (Chairperson)	172,593	225,060
Prof Tyali SM (Deputy Chairperson)	307,028	312,984
Nxele L	195,893	273,608
Sedibe M	111,683	155,295
Pillay M	60,391	108,141
Nkosi GZ	342,202	224,987
Dr Mashangoane PJ	120,926	240,851
Dr Nontso A	153,420	162,733
	1,757,214	2,011,230

Notes to the Financial Statements

Figures in Rand	2026	2025
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25. Related parties (continued)

Management class: Executive management

2026

Name	Basic salary	Bonuses and performance related payments	Retirement fund contributions	Medical Aid contributions	Group Life Insurance	13th Cheque	Cellphone allowance	Acting allowance	Total
1. Gidi N - Chief Executive Officer	539,748	-	31,847	-	8,064	-	12,438	-	592,097
2. Tlhako E - Technology support and Platform Monitoring Executive	2,081,018	23,496	-	-	62,723	-	55,440	71,210	2,293,887
3. Lindhorst M - Regulatory Development and Enforcement Executive	2,005,698	23,496	106,066	44,843	40,930	-	55,440	-	2,276,473
4. Nkumanda B - Corporate Service Executive	1,695,672	23,496	77,642	-	36,504	145,535	55,440	-	2,034,289
5. Ramugadi H - Chief Financial Officer	1,835,652	23,496	94,598	-	36,504	-	55,440	153,428	2,199,118
	8,157,788	93,984	310,153	44,843	184,725	145,535	234,198	224,638	9,395,864

1. Gidi N was appointed as CEO effective from 12 January 2026
2. Tlhako E acted as CEO from 12 February 2025 to 11 August 2025.

Notes to the Financial Statements

Figures in Rand	2026	2025
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5. Ramugadi H acted as CEO from 12 August 2025 to 11 January 2026.

Key management personnel have also been identified as related parties because of the position that they hold and their remuneration has been disclosed above. There were no commitments to related parties for the year-ended 31 March 2026 and 31 March 2025.

25. Related parties (continued)

2025

Name	Basic salary	Bonuses and performance related payments	Retirement fund contributions	Medical Aid contributions	Group Life Insurance	13th Cheque	Cellphone allowance	Total
1. Boloka M - Chief Executive Officer	2,069,979	20,413	120,360	86,492	56,579	182,947	55,440	2,592,210
2. Tlhako E - Technology support and Platform Monitoring Executive	1,986,700	20,413	-	-	-	-	55,440	2,062,553
3. Lindhorst M - Regulatory Development and Enforcement Executive	1,761,490	20,413	102,242	91,665	48,062	-	55,440	2,079,312
4. Nkumanda B - Corporate Service Executive	1,616,553	20,413	74,232	-	42,865	136,431	55,440	1,945,934
5. Ramugadi H - Chief Financial Officer	1,749,224	20,413	91,187	-	42,865	11,223	55,440	1,970,352
	9,183,946	102,065	388,021	178,157	190,371	330,601	277,200	10,650,361

2. Tlhako E commenced acting as CEO from 12 February 2025 to 11 August 2025.

3. Lindhorst M acted as CEO from 8 August 2024 to 11 February 2025 (a period of 6 months). It is noted that she was not paid any remuneration for the acting period.

Key management personnel have also been identified as related parties because of the position that they hold and their remuneration has been disclosed above. There were no commitments to related parties for the year-ended 31 March 2025 and 31 March 2024.

Notes to the Financial Statements

Figures in Rand	2026	2025
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26. Risk management

Liquidity risk

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

At March 31, 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	14,630,123	-	-	-
Finance lease liability	144,931	-	-	-
At March 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	13,928,079	-	-	-
Finance lease liability	265,638	144,931	-	-

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity.

Maximum exposure to credit risk.

FPB's exposure to credit risk to loans and receivables is limited.

The entities maximum exposure to credit risk is the carrying amount of the financial assets.

FPB credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables are exposed to a low credit risk as most of FPB's revenue transactions require deposits

Default is defined as the debtor who has failed to meet contractual obligations at the required time as per the contractual agreement. This definition has been selected as it ties default directly to the contractual terms, and if the payment or obligation is missed, default is triggered.

The Expected Credit Loss Allowance on the trade receivables, cash deposits, cash equivalents, and trade debtors was assessed by FPB by first determining if there were significant changes in the credit risks of the debtor to assess if the lifetime expected credit loss or 12-month expected credit loss allowance should be determined. The credit risk of debtors is determined based on the estimated credit ratings by reliable rating agencies, and if the credit ratings of the debtor are not available, then the credit risk is determined by assessing the history of default of the debtor.

The probability of default is determined based on the historical default rates of that debtor by comparing the amounts actually paid by the debtor (if the debtor paid) against the amount that the debtor was supposed to pay to FPB.

Notes to the Financial Statements

Figures in Rand	2026	2025
Financial assets		
Cash and cash equivalents	38,622,719	25,891,476
Receivables from exchange transactions	1,768,907	2,590,686
	40,391,626	28,482,162

26. Risk management (continued)

Financial liability		
Finance lease liability	144,931	410,569
Payable from exchange transactions	9,373,268	8,753,427
	9,518,199	9,163,996

ECL movement category	Opening loss allowance	Current year ECL	Write offs	Recoveries of amounts previously written off	Closing loss allowance
Lifetime ECL	-	1,796,655	-	-	1,796,655

The loss allowance for the deposit receivable from Vodacom, measured at amortised cost, increased significantly during the year due to management of FPB classifying the balance receivable from Vodacom as being 100% impaired.

Write off policy

Irrecoverable debtors will be written off if the following have been satisfied:

- a) all reasonable steps have been taken to recover the debt owed and it is still irrecoverable; or
- b) the FPB is convinced that :
 - (i) recovery of the debt would be uneconomical;
 - (ii) recovery would cause undue hardship to the debtor or his/ her dependents; or
 - (iii) it would be to the advantage of the FPB to effect a settlement of or to waive the claim.

Market risk

Interest rate risk

FPB invests surplus cash on which it earns interest income. The interest income is not independent of changes in market interest rates.

Notes to the Financial Statements

Figures in Rand	2026	2025
27. Fruitless and wasteful and Irregular Expenditure		
Fruitless and wasteful expenditure	5,105	1,297,674
Irregular expenditure	2,131,694	8,459,768
Closing balance	2,136,799	9,757,442

Please refer to the Annual Report for the reconciling notes of the Fruitless and wasteful expenditure and Irregular expenditure.

28. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	149,930	1,028,031
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Total capital commitments

Already contracted for but not provided for	149,930	1,028,031
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Authorised operational expenditure

Already contracted for but not provided for

• Already contracted and provided for	24,492,939	29,021,265
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Total operational commitments

Already contracted for but not provided for	24,492,939	29,021,265
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Total commitments

Total commitments		
Authorised capital expenditure	149,930	1,028,031
Authorised operational expenditure	24,492,939	29,021,265
	24,642,869	30,049,296

Commitments disclosed relates to contracts awarded but not completed before 31 March 2026 The operating lease commitments have been disclosed in Note 22. Cash and cash equivalents balance disclosed in Note 3 as well as the MTEF budget will be utilised to finance these commitments during the 2026/27 financial year.

29. Change in accounting estimates

GRAP 17 - Property, plant and equipment requires the review of the useful life of an asset at least at each financial year end. The FPB revised the useful life as at 1 April 2025 for various categories of assets within the range that was initially approved in 2015/16 financial year. The assumptions were revised as follows.

Leasehold improvement - additional 12 months

Motor Vehicle - additional 12 Months

Notes to the Financial Statements

Figures in Rand	2026	2025
Asset category	Impact on current year surplus	Impact on future financial periods
Leasehold improvements and vehicle	295,536	(295,536)

30. Prior-year adjustments

Prepayment

During the current year, management identified that certain prepayments had not been correctly classified between current and noncurrent assets in the prior year's financial statements. The current year presentation separates prepayments into current and noncurrent portions in line with the entity's expected realisation profile. The prior year's comparatives have been restated to reflect the same classification. This is a reclassification error and does not affect total assets, total comprehensive income or cash flows for the prior year.

Interest Incorrectly charged

FPB identified a prior period error relating to interest of R194,322.70 that was incorrectly charged in the 2025 financial year and only discovered in 2026. The error has been corrected retrospectively in accordance with GRAP 3. The correction resulted in a decrease in interest revenue, decrease in statutory receivables, and decrease in accumulated surplus.

Statement of financial position

2025

	As previously reported	Correction of error	Restated
Statutory receivables	9,679,831	(194,323)	9,485,508

Statement of financial performance

2025

	As previously reported	Correction of error	Restated
Revenue from exchange transactions (Interest)	2,375,941	(194,323)	2,181,618

Notes

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Notes

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Notes

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