# *Annual* REPORT

## 2025/2026



# ERRATUM NOTICE

**Reporting Period:**

**1 April 2025 to 31 March 2026**

NORTH WEST DEVELOPMENT CORPORATION

# NOTICE TO READERS

Notice is hereby given that certain information in the published **North West Development Corporation SOC Ltd Annual Report 2025/2026** has been amended after identifying disclosures that require correction and alignment with the audited Annual Financial Statements, as well as amendments communicated by the Auditor-General of South Africa (AGSA).

The Erratum Notice ensures transparency, maintains the integrity of the public record and provides readers with a complete record of the material amendments made after publication. The Schedule of Amendments identifies the affected page numbers, financial statement notes and disclosures together with the amended information, where applicable.

To ensure the accuracy, completeness and reliability of the information presented to stakeholders, the amendments contained in this Erratum Notice have been incorporated into the official record of the Annual Report for the financial year ended 31 March 2026.

The amendments relate to specific disclosures contained in **Part F: Financial Information** and affect the following sections of the published Annual Report:

- ☐ Auditor-General South Africa Report.
- ☐ Statement of Financial Position.
- ☐ Note 5: Loans to/(from) Economic Entities.
- ☐ Note 9: VAT Payable.
- ☐ Note 12: VAT Receivable.
- ☐ Note 31: Taxation.
- ☐ Note 34: Financial Instruments.
- ☐ Note 36: Contingencies.
- ☐ Note 40: Going Concern.

Readers are requested to read the published Annual Report together with **Annexure A: Detailed Schedule of Amendments**, which forms an integral part of the Annual Report and the official record of the North West Development Corporation SOC Ltd for the financial year ended 31 March 2026.

Except for the amendments reflected in Annexure A, all other information contained in the published Annual Report 2025/2026 remains unchanged and continues to apply.

This Erratum Notice shall be deemed to form part of the published Annual Report 2025/26 and shall accompany all printed, electronic, archived and officially distributed versions thereof.

# ANNEXURE A

## DETAILED SCHEDULE OF AMENDMENTS

| Amendment 1 | Page 66 | AGSA Report | Paragraph 8: Net Assets |
|---|---|---|---|

**Nature of Amendment**

Paragraph 8 of the Auditor-General South Africa Report was amended and replaced in its entirety.

**Amended Disclosure**

I was unable to obtain sufficient appropriate audit evidence for both the current and prior year balance of net assets in the consolidated and separate financial statements, as there were differences identified and sufficient supporting evidence for the variance was not provided. I was unable to confirm the balances by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to net assets in the consolidated and separate financial statements.

| Amendment 2 | Page 66 | AGSA Report | Paragraph 14: Material Uncertainty Related to Going Concern |
|---|---|---|---|

**Nature of Amendment**

Paragraph 14 forms part of the amended Auditor-General South Africa Report and should be read together with the amended Going Concern disclosure contained in Note 40.

**Disclosure**

I draw attention to Note 40 to the annual financial statements, which indicates that the entity and the group incurred deficits of R671.933 million and R671.933 million, respectively, for the year ended 31 March 2026. As at that date, the entity and the group were in a net current liability position of R101.779 million and R121.757 million, respectively, and continued to experience liquidity and revenue collection challenges. As stated in Note 40, these events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the entity's and group's ability to continue as going concerns.

| Amendment 3 | Page 67 | AGSA Report | Paragraph 17: Deletion of Paragraph 17 and consequential renumbering |
|---|---|---|---|

**Nature of Amendment**

Paragraph 17 referred to the impairment and write-off of trade debtors disclosed in Note 28 to the Annual Financial Statements. After issuing the revised Auditor-General South Africa Report, we deleted paragraph 17 and renumbered the remaining paragraphs accordingly. The amendment does not affect the underlying disclosure contained in the Annual Financial Statements.

**Impact of Amendment**

As a consequence of the deletion of Paragraph 17:

- ☐ Paragraph 17 was removed from the Auditor-General South Africa Report.
- ☐ All subsequent paragraphs were renumbered accordingly.
- ☐ Cross-references contained in the Auditor-General South Africa Report were amended where applicable to align with the revised paragraph numbering.

| Amendment 4 | Page 70 | AGSA Report | Amendment to Paragraph 39 (Renumbered as Paragraph 38) |
|---|---|---|---|

**Nature of Amendment**

After deleting paragraph 17 of the Auditor-General South Africa Report and renumbering subsequent paragraphs, Paragraph 39 was renumbered as Paragraph 38 and amended in its entirety.

**Published Disclosure**

The paragraph contained the wording included in the originally published Auditor-General South Africa Report.

**Amended Disclosure**

The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 55(1)(a) and (b) of the Public Finance Management Act, 1999 (Act 1 of 1999). Material misstatements of non-current assets, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, and the supporting records were provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

**Impact of Amendment**

The amendment forms part of the revised Auditor-General South Africa Report and should be read together with the amended audit report included in the Annual Report. After deleting paragraph 17, the paragraph numbering throughout the Auditor-General South Africa Report was updated accordingly, renumbering paragraph 39 as paragraph 38.

| Amendment 5 | Page 76 and 114 | Statement of Financial Position and Notes to the Annual Financial Statements | Note 5: Loans to/(from) Economic Entities |
|---|---|---|---|

**Nature of Amendment**

Following a review of the intercompany loan disclosures, we amended the presentation of loans to controlled entities and the related impairment provision disclosed in the Statement of Financial Position and Note 5: Loans to/(from) Economic Entities.

The review identified that a loan asset balance of R11.164 million previously disclosed in the Economic Entity was not supported by the final accounting presentation and was accordingly amended to Nil (R0). In addition, we amended the impairment of loans to controlled entities to R57.872 million for both the 2025 and 2026 financial years to align the disclosure with the underlying accounting records and supporting schedules.

**Amended Disclosure**

| Controlled Entities | Economic Entity | | Controlling Entity | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Signal and GLR (disposed of) | 57 872 | 57 872 | 69 036 | 69 036 |
| *Loans relate to loans to subsidiaries (subsidiaries were not active during the year, and loans have been impaired)* | | | | |
| | 57 872 | 57 872 | 69 036 | 69 036 |
| Impairment of loans to controlled entities | (57 872) | (57 872) | (69 036) | (57 899) |
| | - | - | - | **11 137** |
| Current assets | - | - | - | 11 137 |
| Current liabilities | - | - | - | - |
| | - | - | - | **11 137** |

**Impact of Amendment**

As a result of the amendment:

- ☐ The loan asset balance previously reflected in the Statement of Financial Position was reduced to Nil (R0).
- ☐ The impairment provision relating to loans to controlled entities was increased to R57.872 million.
- ☐ The carrying value of loans to controlled entities was reduced to Nil (R0).
- ☐ Related balances within the Statement of Financial Position were amended accordingly.
- ☐ Consequential amendments were made to the affected subtotals and totals to ensure consistency between the Statement of Financial Position and Note 5.

The amendment relates to the classification, measurement and presentation of the affected balance and was made to ensure consistency between the Statement of Financial Position, Note 5 and the supporting accounting records.

The amendment did not create a new financial obligation for the Corporation and did not result in an additional loss being incurred during the 2025/26 financial year. The amendment ensured that the value of loans to controlled entities and the associated impairment provision were accurately reflected and consistently disclosed throughout the Annual Financial Statements.

| Amendment 6 | Page 115 | Notes to the Annual Financial Statements | Note 9: VAT Payable |
|---|---|---|---|

**Nature of Amendment**

The VAT Payable disclosure was amended to ensure consistency between the Economic Entity and the Controlling Entity.

| Figures in Rand Thousand | Economic Entity | | Controlling Entity | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| VAT control | (296) | - | (296) | - |

| Amendment 7 | Page 118 | Notes to the Annual Financial Statements | Note 12: VAT Receivable |
|---|---|---|---|

**Nature of Amendment**

The VAT Receivable disclosure was amended to ensure consistency between the Economic Entity and the Controlling Entity for the 2026 financial year.

| | Economic Entity | | Controlling Entity | |
|---|---|---|---|---|
| **Figures in Rand Thousand** | **2026** | **2025** | **2026** | **2025** |
| VAT control | 14 934 | - | 14 934 | - |
| VAT input accrual | 6 926 | 6 926 | 6 926 | 6 926 |
| | **21 860** | **6 926** | **21 860** | **6 926** |

| Amendment 8 | Pages 123 and 124 | Notes to the Annual Financial Statements | Note 31: Taxation |
|---|---|---|---|

**Nature of Amendment**

The taxation disclosure did not agree with the taxation amount disclosed in the Statement of Financial Performance, and we amended it accordingly.

**Amended Disclosure**

| | Economic Entity | | Controlling Entity | |
|---|---|---|---|---|
| **Deferred:** | **2026** | **2025** | **2026** | **2025** |
| Deferred tax | 287 159 | (72 095) | 287 159 | (72 095) |

**Impact of Amendment**

The amendment aligns Note 31 with the audited Statement of Financial Performance and related Annual Financial Statement disclosures.

| Amendment 9 | Page 125 | Notes to the Annual Financial Statements | Note 34: Financial Instruments Disclosure |
|---|---|---|---|

**Nature of Amendment**

The Financial Instruments disclosure was amended, and an additional disclosure table was incorporated.

**Amended Disclosure**

**Categories of financial instruments: Economic Entity 2026**

| **Financial Assets** | **At amortised cost** | **Total** |
|---|---|---|
| Loans to economic entities | - | - |
| Trade and other receivables from exchange transactions | 47 784 | 47 784 |
| Cash and cash equivalents | 45 945 | 45 945 |
| | **93 729** | **93 729** |

| Financial Liabilities | At amortised cost | Total |
|---|---|---|
| Other financial liabilities | 88 767 | 88 767 |
| Trade and other payables from exchange transactions | 222 301 | 222 301 |
| Bank overdraft | 581 | 581 |
| | **311 649** | **311 649** |

## Categories of financial instruments: Economic Entity 2025

| Financial Assets | At amortised cost | Total |
|---|---|---|
| Loans to economic entities | - | - |

### Additional Disclosure

| | Economic Entity | | Controlling Entity | |
|---|---|---|---|---|
| **Financial Instrument Disclosure** | **2026** | **2025** | **2026** | **2025** |
| Trade and other receivables from exchange transactions | - | - | 46 586 | 46 586 |
| Cash and cash equivalents | - | - | 64 245 | 64 245 |
| | **-** | **-** | **110 831** | **110 831** |

### Amended Disclosure

| Financial Liabilities | At amortised cost | Total |
|---|---|---|
| Other financial liabilities | 93 063 | 93 063 |
| Trade and other payables from exchange transactions | 260 417 | 260 417 |
| Bank overdraft | 581 | 581 |
| | **354 061** | **354 061** |

### Impact of Amendment

The amendment aligns the Financial Instruments disclosure with the audited classification and carrying values of financial assets and financial liabilities and enhances completeness and compliance with applicable financial reporting requirements.

| Amendment 10 | Page 133 | Notes to the Annual Financial Statements | Note 34: Financial Instruments Disclosure |
|---|---|---|---|

### Nature of Amendment

We have identified an inconsistency in the maturity analysis disclosed under the liquidity risk section of Note 34: Financial Instruments. The allocation of certain balances within the maturity profile of Other Financial Liabilities was amended to ensure consistency with the underlying contractual repayment terms and supporting schedules.

### Published Disclosure

The maturity analysis reflected R45.132 million under the category “Less than 1 year” for Other Financial Liabilities.

**Amended Disclosure**

The amount disclosed under "Less than 1 year" for Other Financial Liabilities was amended to R26.250 million for both the 2026 and 2025 financial years.

**Impact of Amendment**

The amendment affects the presentation of the maturity analysis disclosed in Note 34 and ensures that financial liabilities are allocated to the appropriate contractual maturity periods.

The amendment does not affect:

- ☐ The total value of financial liabilities reported in the Annual Financial Statements.
- ☐ The Statement of Financial Position.
- ☐ The Statement of Financial Performance.
- ☐ The overall financial position of the Corporation.

The amendment relates solely to the classification and presentation of liability balances within the liquidity risk disclosure contained in Note 34: Financial Instruments.

| Amendment 11 | Pages 126 and 127 | Notes to the Annual Financial Statements | Note 36: Contingencies |
|---|---|---|---|

**Nature of Amendment**

The contingency relating to the South African Revenue Service (SARS) was removed from the contingency schedule.

**Amended Disclosure**

| | Economic Entity | | Controlling Entity | |
|---|---|---|---|---|
| **Financial Instrument Disclosure** | **2026** | **2025** | **2026** | **2025** |
| MA Huma | - | 23 000 | - | 23 000 |
| Opal Mining (Pty) Ltd | 30 000 | 30 000 | 30 000 | 30 000 |
| Altimax | - | 18 500 | - | 18 500 |
| Tshireletso Professional Services | 4 597 | 4 597 | 4 597 | 4 597 |
| Tokiso Security Services | - | 1 250 | - | 1 250 |
| Bucs Security Services | 8 000 | 8 000 | 8 000 | 8 000 |
| Bigen Africa | 552 | - | 552 | - |
| Minds Alike Consultants | 390 | - | 390 | - |
| TopDem Security Services | 414 | - | 414 | - |
| | **43 953** | **85 347** | **43 953** | **85 347** |

**Impact of Amendment**

Removing the SARS contingency has revised total contingencies from R84.511 million to R43.953 million for both the Economic Entity and the Controlling Entity.

| Amendment 12 | Page 127 | Notes to the Annual Financial Statements | Note 36: Contingencies |
|---|---|---|---|

**Nature of Amendment 1**

The SARS narrative disclosure was removed entirely.

**Nature of Amendment 2**

The Altimax narrative disclosure was amended to reflect management's reassessment of the matter and the current status of legal proceedings.

**Amended Disclosure**

As disclosed in the prior year, NWDC appointed attorneys to defend a claim by Altimax amounting to R11.5 million for services allegedly rendered and not paid. During the 2025/26 financial year, management assessed additional supporting information and concluded that the R11.5 million met the definition of a payable.

Accordingly, the amount was derecognised as a contingent liability and recognised as a liability. Altimax subsequently indicated that it would not accept a settlement of less than R18 million, which NWDC rejected. The matter remains subject to ongoing legal proceedings, and the outcome is uncertain. The case is expected to proceed to trial during 2026.

**Impact of Amendment**

The amended disclosure replaces the previously published Altimax narrative entirely.

**Nature of Amendment 3**

The City of Tshwane contingent liability narrative disclosure was removed entirely.

| Amendment 13 | Pages 134 and 135 | Notes to the Annual Financial Statements | Note 40: Going Concern |
|---|---|---|---|

**Nature of Amendment**

The Going Concern disclosure was revised and replaced in its entirety.

**Amended Disclosure**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

For the year ended 31 March 2026, the entity and the group incurred deficits of R671.933 million and R671.933 million, respectively. In addition, the entity and the group face a number of conditions that indicate the existence of a material uncertainty that may cast significant doubt on their ability to continue as going concerns. These conditions include:

- ☐ Recurring operating deficits in the current and prior years, indicating ongoing financial sustainability challenges.
- ☐ Liquidity constraints and challenges in meeting financial obligations as they fall due, as evidenced by an average creditor payment period of 65.1 days.
- ☐ A net current liability position, with current liabilities exceeding current assets by R101.779 million and R121.757 million for the entity and the group, respectively, as at 31 March 2026.
- ☐ Revenue collection challenges, resulting in significant impairments of receivables in both the current and prior financial years, which have adversely affected cash flows and the ability to fund operations.

Management has assessed the entity's and group's ability to continue as going concerns and concluded that the going concern basis of preparation remains appropriate. This assessment is based on a number of initiatives that are either being implemented or are at an advanced stage of execution, including:

- ☐ The disposal of identified non-performing properties and the reinvestment of proceeds into activities that support operational sustainability. The necessary approvals have been obtained, and implementation has commenced.
- ☐ The establishment of strategic partnerships with private sector investors to unlock value from existing property assets and generate additional revenue streams.
- ☐ The implementation of intensified debt collection measures aimed at improving revenue collection, liquidity and cash flow generation.
- ☐ The execution of turnaround strategy initiatives and an organisational reform programme designed to improve operational efficiency, strengthen governance and enhance long-term financial sustainability.

While management expects these initiatives to improve the financial position, liquidity and cash flows of the entity and the group, the conditions described above indicate the existence of a material uncertainty that may cast significant doubt on the entity's and group's ability to continue as going concerns.

Accordingly, the annual financial statements have been prepared on the going concern basis, which assumes that the entity and the group will continue in operational existence for the foreseeable future and will realise their assets and settle their liabilities in the ordinary course of business.

**Impact of Amendment**

The amended disclosure provides enhanced information relating to:

- ☐ Recurring operating deficits.
- ☐ Liquidity constraints.
- ☐ Net current liability position.
- ☐ Funding and revenue collection challenges.
- ☐ Management intervention measures.
- ☐ Strategic initiatives.
- ☐ Disposal of non-performing assets.
- ☐ Strategic partnerships.
- ☐ Material uncertainty relating to the going concern assumption.

The amended Note 40 replaces the previously published disclosure in its entirety.

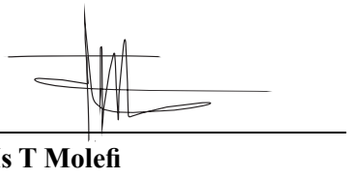
# GENERAL

Where applicable, we have made consequential amendments to affected subtotals, totals and cross-referenced disclosures arising from the corrections reflected above.

This Erratum Notice is issued by the **North West Development Corporation SOC Ltd** in accordance with its reporting obligations, and it forms an integral part of the **North West Development Corporation SOC Ltd Annual Report 2025/2026**. The amendments contained herein replace the corresponding disclosures contained in the originally published Annual Report and shall apply to all printed, electronic, archived and officially distributed versions of the Annual Report.

# CERTIFICATION

The Board of the North West Development Corporation SOC Ltd hereby certifies that the amendments reflected in this Erratum Notice have been reviewed and approved for publication and that, except for the amendments contained herein, all other information contained in the Annual Report 2025/2026 remains unchanged.



**Ms T Molefi**
Chairperson of the Board
North West Development Corporation SOC Ltd

## END OF ERRATUM NOTICE



North West Development Corporation SOC Ltd
Annual Report 2025/2026

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