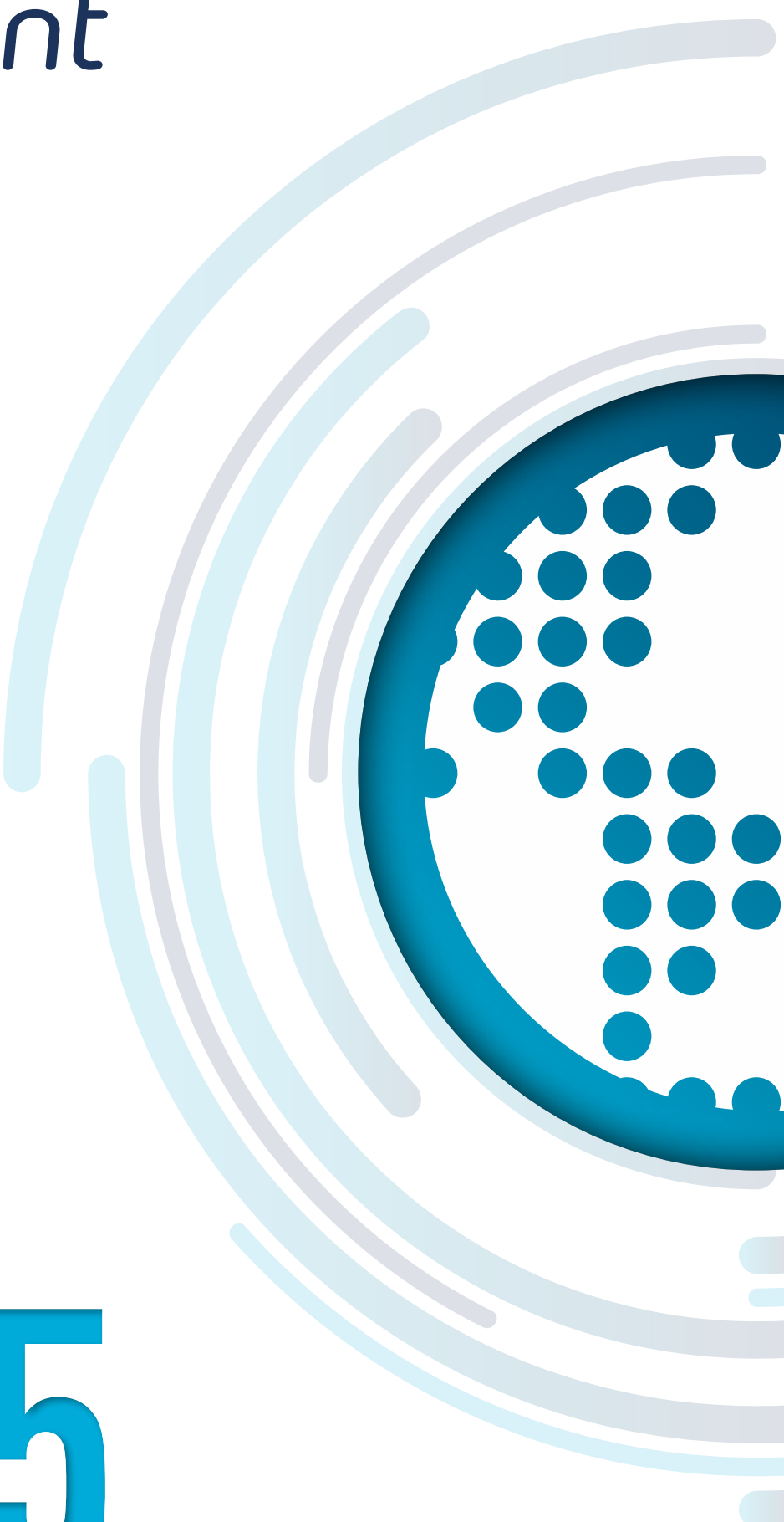


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2025

ANNUAL REPORT

Title of Publication: Interfront Annual Report 2024/25

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ACKNOWLEDGEMENTS

The managers and staff of all the departments of Interfront are thanked for their contributions.

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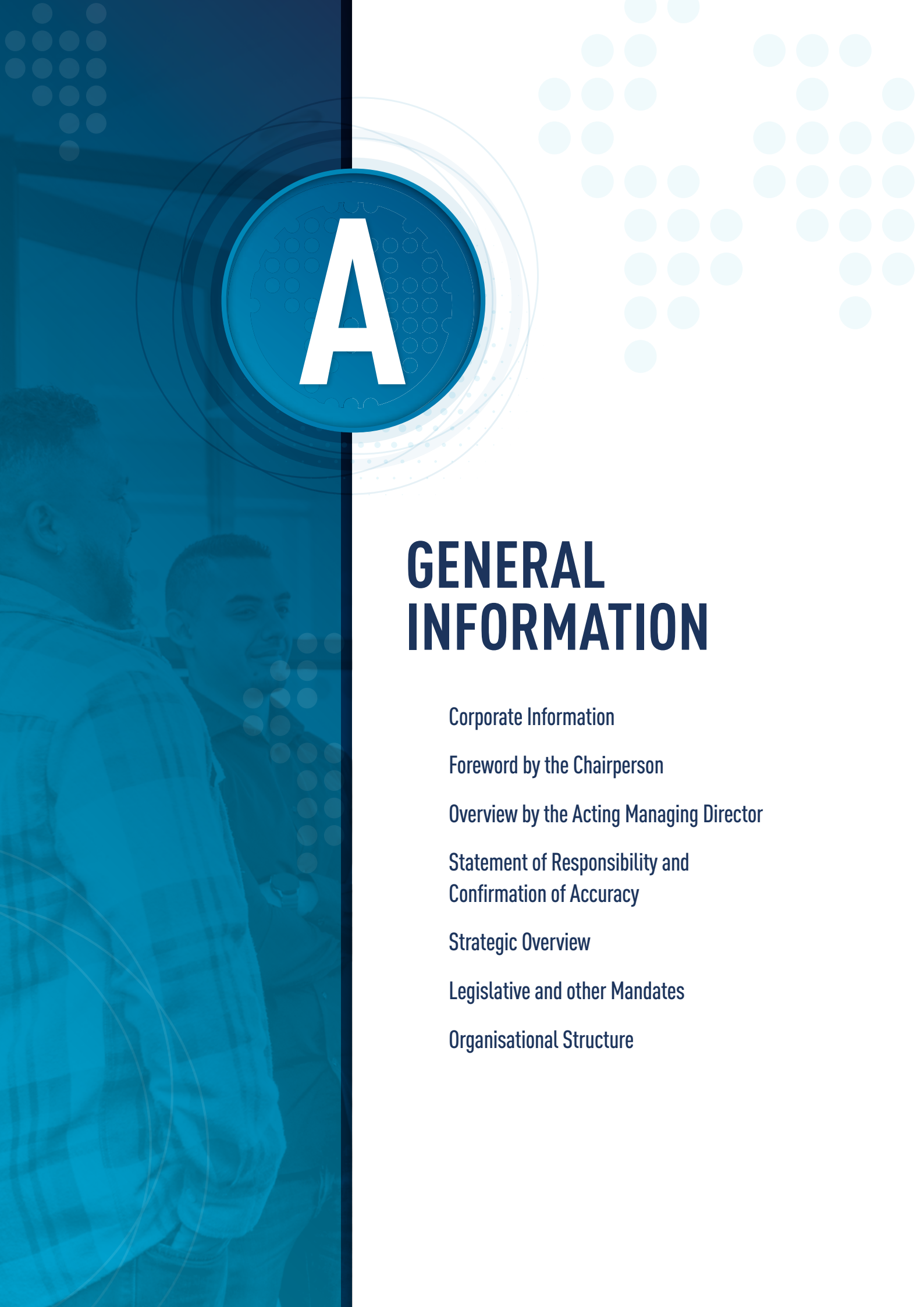
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GENERAL INFORMATION

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Legislative and other Mandates

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01 Corporate Information

International Frontier Technologies SOC Ltd
Registration Number: 2009/007987/30

Registered Office and Business Address

3rd Floor, St Andrews Building
Somerset Links Office Park
De Beers Avenue, Somerset West, 7130

Postal Address

PostNet Suite #10
Private Bag X15
Somerset West, 7129

Contact

Tel: 021 840 3400
Fax: 021 840 3401
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Website address: www.interfront.co.za

External Auditors

The Auditor-General of South Africa
4 Davenry Street, Lynnwood Bridge Office Park,
Lynnwood Manor, Pretoria, 0081

Bankers

ABSA Bank Limited
7th Floor, ABSA Tower West,
15 Troye Street, Johannesburg

Company Secretary

Madelein Pepperell
LLB and Associate of the Chartered Governance Institute of Southern Africa



“

Interfront remains a trusted technology partner to SARS, enabling innovation, compliance, and effective revenue collection.”

02

Foreword by the Chairperson

It is my privilege to present the Chairperson’s Overview for the 2024/2025 financial year, a period marked by steady performance, strengthened partnerships, and a continued commitment to our role as a trusted technology partner for the South African Revenue Service (SARS).

As a state-owned entity operating in the dynamic environment of digital government services, Interfront remains firmly aligned with its mandate to deliver secure, high-quality, tax, customs and border management solutions. Interfront supports SARS in achieving its strategic objectives through the delivery of technology solutions that enable effective revenue collection, trade facilitation, and compliance.

Governance and Accountability

Effective governance remains central to Interfront’s ability to deliver public value. Throughout the reporting period, the Board has maintained its commitment to principled oversight, drawing upon the guidance provided by the King IV Report on Corporate Governance. This framework has enabled the Board to fulfil its fiduciary responsibilities with diligence while ensuring ethical leadership, risk-informed decision-making and sound financial principles that permeate all organisational activities. In accordance with the Public Finance Management Act (PFMA), the Companies Act, and all applicable regulatory frameworks, the Board ensured rigorous monitoring of internal controls, financial management practices, and overall organisational performance. These compliance mechanisms have been continuously strengthened throughout the year to maintain the highest standards of accountability.

The Board has undertaken regular reviews and refinements of our governance frameworks to ensure continued alignment with evolving best practices and emerging regulatory requirements. During the period under review, the Board provided strategic oversight in response to the evolving operating environment facing Interfront.

Key strategic decisions included the approval of an expanded executive management structure designed to enhance strategic leadership ensuring effective monitoring of risks associated with digital transformation, talent retention, and service integration, as well as approving a strategic investment in research and development. The latter ensures that Interfront remains well-positioned to respond to emerging technology trends. These actions reflect the Board's commitment to future-proofing the organisation by equipping it with the necessary capacity, skills, and innovation focus to meet the evolving needs of South Africa's revenue and trade administration systems. These focus areas remain priorities for the Board as we guide Interfront through a critical period of organisational growth.

The Board further strengthened its complement of independent non-executive directors with the appointment of Mr Anton Roelofse on 17 January 2025, bringing the total number of independent non-executive directors to three. With more than three decades of experience in business development, strategic finance, and executive leadership, Mr Roelofse brings valuable expertise in leadership, strategic development, and enterprise growth.

Performance and Strategic Direction

The Board takes considerable satisfaction in acknowledging the achievement of all performance targets during the reporting period. This success reflects the exceptional capabilities of the executive team, the professionalism and dedication of the broader workforce, and the effectiveness of our collaborative working relationship with the South African Revenue Service (SARS).

The organisation's continued evolution, particularly its expanded role in supporting both tax and customs administration functions, has strategically positioned Interfront as a central enabler of SARS's modernisation agenda. The Board is pleased to report substantial progress during the first year of our five-year strategic plan, with particular success in embedding a client-centric, innovation-driven culture and expanding leadership structures to enhance strategic alignment across all operational areas.

Our long-term strategic priorities remain clearly defined and consistently pursued. These include embracing emerging technologies, expand our service offering, cultivate high-performing talent, and position Interfront as a preferred employer of choice, while maintaining responsible stewardship of public resources.

Human Capital and Leadership Development

Interfront's success is fundamentally anchored in the calibre of its people. Interfront is committed to transformation, employment equity, and building a value-driven, inclusive culture. The Board prioritise leadership development and internal capacity building to ensure that Interfront is well prepared to meet future demands. In recognition of performance, and in line with policy and governance processes, the Board has approved a merit-based annual increase and performance-related bonus system for staff and executive leadership, as recommended by the Remuneration, Social and Ethics Committee.

Looking Ahead

As the digital landscape advances, Interfront's ability to remain agile, innovative and responsive is critical. The Board remains focused on ensuring strategic alignment, enhancing stakeholder value, and upholding governance to support national revenue and border security objectives.

We are confident in Interfront's strategic direction and its ability to deliver lasting impact as a key enabler of digital transformation to SARS and the wider public sector.

Appreciation

On behalf of the Board, I wish to extend my appreciation to our shareholder representative at the South African Revenue Service, the Commissioner and the entire SARS team for their continued support and collaborative partnership. Their guidance and strategic alignment have been instrumental in enabling Interfront to fulfil its mandate effectively and contribute meaningfully to South Africa's revenue administration objectives. I also express my gratitude to my fellow Board members, executive leadership, and every Interfront employee whose collective wisdom, oversight, and strategic guidance have provided the foundation for our organisational success. It is through your collective efforts, expertise, and shared sense of purpose that we have achieved the significant milestones outlined in this report.

Together, we remain committed to our mission of providing innovative, efficient, and effective technology solutions that support the critical work of revenue and trade administration, ultimately serving the broader interests of all South Africans.



MUSTAQ ENUS-BREY
Chairperson of the Board
31 July 2025



Introduction

This annual report presents a comprehensive review of Interfront's operational and financial performance during the 2024/2025 financial year. The report examines the significant progress achieved in modernising South Africa's tax and customs administration systems through our strategic partnership with the South African Revenue Service (SARS). The review demonstrates Interfront's organisational agility in effectively managing sustained growth, increasing operational complexity and dynamic change within the public sector environment.

Interfront has strengthened its position as a strategic digital partner to SARS and its broader client base, consistently delivering efficient, secure, and sustainable technology solutions. These solutions directly support our client's operational objectives and contribute to the wider digital transformation agenda across the South African public sector.

Performance Review

Interfront successfully achieved all performance targets for the financial year, maintaining operational excellence despite a dynamic operating environment. The integration of a new senior management layer was completed successfully, strengthening leadership capacity and strategic delivery capabilities. This structural enhancement was implemented seamlessly, with no significant operational disruptions or service interruptions experienced across the organisation.

Several major project milestones were achieved during the reporting period:

The Biometric Verification project was successfully implemented, meeting all specified requirements and timeliness. Substantial progress was made on the Single Window Platform initiative, advancing SARS's digital transformation objectives. The e@syFile re-platforming project was completed, modernising core system infrastructure. These strategic initiatives directly supported SARS's modernisation efforts while improving client service capabilities across all touchpoints.

“

Interfront strengthened its role as SARS's strategic digital partner, delivering secure, efficient, and sustainable solutions.”



Interfront maintained consistent service levels across all core platforms throughout the year, demonstrating robust technical infrastructure and operational resilience. System availability and performance metrics remained within established parameters, ensuring uninterrupted service delivery to stakeholders.

Through targeted leadership transitions and streamlined delivery models, we fostered a culture of continuous improvement, enhanced cross-functional collaboration, and responsiveness to client needs.

Financial Overview

Interfront delivered strong financial performance in the 2024/2025 financial year, recording a modest net surplus of R6.91 million, representing an increase from the previous year's R4.08 million. Revenue growth of 12.15%, was achieved through sustained client demand and the successful progress on strategic initiatives. To support this growth, the organisation strategically expanded staffing levels, resulting in increased employee costs, while reducing dependency on external developers. Strong collections and financial controls nearly doubled cash and cash equivalents, reinforcing Interfront's liquidity and enabling a 12.6% increase in net assets to R61.9 million. These outcomes reflect sound fiscal management and a continued focus on operational sustainability.

Total expenditure for the 2024/2025 financial year increased by 10.8% to R236.5 million, compared to R213.5 million in the preceding year. This expenditure was primarily attributed to strategic investments in human capital development. Employee-related costs rose by 13.3%, representing nearly 88% of total organisational expenditure. This increase reflects deliberate investment in workforce capacity to support Interfront's expanding operational mandate and enhanced service delivery requirements.

While employee costs increased, external development services decreased by 34.8%, aligning with the company's strategy to build internal capacity. Administrative expenses rose marginally by 2.8%, representing a real-term reduction when adjusted for prevailing inflation rates. Cost controls remained robust, and Interfront upheld strong cost discipline and remained focused on financial sustainability, successfully funding its operations without reliance on external support, while safeguarding liquidity through effective cash flow management.

Constraints and Challenges

As Interfront's mandate has expanded beyond customs to include tax administration systems, the organisation has faced increased demands on both operational and technical capacities. A key challenge has been managing continuous change amidst multiple ongoing organisational transformations. Notably, the recent introduction of an additional senior management layer has enhanced leadership and strategic oversight, while also introducing significant change to established ways of working.

Attracting and retaining skilled IT professionals remains a critical priority in a competitive labour market, especially given the limited availability of specialised software development expertise. Additionally, the rapid pace of technological advancement and evolving client expectations necessitate ongoing upskilling and organisational agility. Despite these challenges, Interfront remains committed to strengthening workforce development, building internal capacity, and driving effective change management practices. These efforts are essential to ensuring sustainable service delivery and maintaining organisational resilience in a dynamic environment.

Supply Chain Management

Interfront has established robust supply chain management systems that ensure all procurement activities comply fully with applicable laws, regulations and best practices. These systems are designed to promote transparency, accountability and value for money, while effectively mitigating risks associated with procurement processes. During the reporting period, Interfront did not incur any irregular, fruitless or wasteful expenditure, nor were there any losses resulting from criminal conduct. These effective controls enable Interfront to maintain operational continuity and service delivery, safeguard public resources, and uphold the highest standards of procurement integrity and compliance.



External Audit

Interfront is proud to have obtained a clean audit for the reporting period, reaffirming its commitment to sound financial management, transparency, and accountability. This achievement reflects the organisation's robust internal control environment, effective risk management practices, and adherence to regulatory requirements. Securing a clean audit demonstrates the strength of Interfront's governance frameworks and the dedication of its staff to maintaining high standards of financial and reporting integrity. The outcome reinforces stakeholder confidence and supports sustainable growth and excellence in service delivery.

Economic Viability

The organisation is economically viable, with no material uncertainty regarding its ability to continue operating as a going concern. Strong shareholder support, a clear operational mandate, and sound financial management support Interfront's long-term sustainability. We are confident in meeting future obligations and delivering on strategic commitments without external funding.

Outlook

As we move into the next year of our five-year strategic cycle, Interfront's focus will remain on deepening our partnership with SARS, expanding our service offerings in line with our mandate, and reinforcing our internal capabilities. Key priorities include continued investment in digital innovation, talent development, and embedding agile delivery methodologies. Although no material financial risks have been identified, we will continue to monitor economic trends and adjust our financial planning accordingly.

Acknowledgements

I wish to express my heartfelt gratitude to our shareholder, SARS, for their unwavering partnership and trust, which continue to anchor and guide our work. I am equally grateful to the Board of Directors for their steadfast support and strategic guidance throughout the year. To our executive team and every member of staff, I extend my deepest thanks for your dedication, commitment, and resilience in the face of constant change. It is through your collective efforts that we are able to deliver solutions that not only empower our customers but also contribute meaningfully to national progress through technology.



LEILANIE JANSE VAN RENSBURG

Acting Managing Director

31 July 2025



Statement of Responsibility and Confirmation of Accuracy

To the best of our knowledge, we hereby confirm the following:

All information and amounts in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa (AGSA).

The Annual Report is complete, accurate and free from significant omissions. It was prepared in accordance with the relevant guidelines issued by the National Treasury.

The Annual Financial Statements, as set out in _____, have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to Interfront.

The Board, as the accounting authority, is responsible for the preparation of the Annual Financial Statements and for the judgements made and presented in this information.

The Board is responsible for establishing and implementing a system of internal control to provide reasonable assurance regarding the integrity and reliability of Performance Information, Human Capital Information and Annual Financial Statements.

External auditors are engaged to express an independent opinion on Annual Financial Statements.

In our opinion, this Annual Report fairly reflects the operations, performance information, human capital information and financial affairs of Interfront for the financial year ending 31 March 2025.

Yours faithfully,

LEILANIE JANSE VAN RENSBURG

Acting Managing Director

31 July 2025

MUSTAQ ENUS-BREY

Chairperson of the Board

31 July 2025

STRATEGIES FOR THE FIVE-YEAR PERIOD 2024/25–2028/29

PROVIDING TAILORED SOLUTIONS

Interfront will focus on delivering customised IT solutions with comprehensive support to meet the specific needs of SARS.

EXPANDING INTERFRONT'S FOOTPRINT

Interfront will seek opportunities to expand its reach and establish closer collaborations between SARS, government entities, and other stakeholders.

STAYING TECHNOLOGICALLY CURRENT

Interfront will strive to stay ahead of rapid advancements in information technology to ensure its solutions remain cutting-edge.

BECOMING AN EMPLOYER OF CHOICE

Interfront is committed to attracting and retaining top talent to safeguard its intellectual property and enhance its capabilities as an organisation.

CORPORATE RESPONSIBILITY

Interfront will prioritise compliance with legislation, ethical business practices and responsible resource management to strengthen its reputation as a responsible corporate citizen.

5

Strategic Overview

Strategic Realignment: A Defining Year for Interfront

The integration of the eFiling and e@syFile teams into Interfront's operational environment marked a turning point in Interfront's organisational evolution. This strategic development expanded Interfront's responsibilities and increased its accountability to the South African Revenue Service (SARS). By combining these critical capabilities with its established expertise in Customs systems, Interfront laid a strong foundation for a more integrated and responsive partnership with SARS.

Originally established to develop and maintain customs-related software systems, Interfront's mandate has significantly evolved. Today, Interfront is entrusted with the design, enhancement, and support of software solutions that underpin SARS's ability to collect revenue, promote compliance, and facilitate efficient cross-border trade. This expanded role is a testament to our commitment to SARS's strategic vision and to supporting South Africa's broader developmental objectives.

Throughout the year under review, there was a continued emphasis on effectively managing this transition. Interfront advanced its structured change management efforts to ensure seamless alignment of legacy teams, consolidation of critical systems, and harmonisation of internal processes to support its expanded mandate. To enhance governance and operational oversight, the senior management structure was revised to include three new roles – two focused on product line management and one overseeing technical shared services. This strategic realignment has strengthened Interfront's organisational capacity and is expected to improve strategic execution as the changes take full effect. This realignment supports sustainable expansion while reinforcing Interfront's commitment to service excellence. Recognising that transformation is an ongoing process, Interfront will continue to embed change management practices to ensure lasting alignment with its strategic objectives and evolving operational demands.

During this period of significant change, Interfront enhanced its culture of engagement, agility, and accountability, which are essential elements for successful transformation. Change management is central to Interfront's approach, ensuring that its people and structures are fit for purpose and aligned with operational requirements and long-term strategic goals.

As Interfront entered the 2024/2025 financial year, it did so from a position of strength, grounded in more than two decades of experience in software development and support. Looking ahead, Interfront is well-positioned to play a key role in advancing SARS's modernisation priorities.

Interfront is intensifying its focus on research and development to ensure that its solutions are not only responsive to current needs but also anticipatory of future challenges. Interfront's agility and strong engineering capabilities will continue to enable SARS to innovate with confidence.

Operating within the fiscal parameters that govern state-owned entities, Interfront is dedicated to enhancing operational efficiency, optimising resource utilisation, and delivering high-quality outcomes.

By fostering strategic alignment and collaboration, along with a commitment to continuous innovation, Interfront strives to be a trusted enabler of SARS technology ecosystem and a long-term asset to the broader public sector. Additionally, Interfront is aware of the challenges associated with public sector innovation, such as resource constraints and the evolving regulatory landscape.

In this context, Interfront reaffirms its commitment to supporting SARS's mission by delivering innovative, reliable, and scalable digital solutions that enable modern, efficient, and future-ready tax administration.

This Annual Report outlines the progress made over the past year and lays the groundwork for continued delivery in the years ahead.





OUR VISION

As your trusted partner, we unite to deliver cutting-edge software solutions. Being an employer of choice for our Techies, expanding to bring our unique experience to make South Africa better, one app at a time.



OUR MISSION

Our strength is our people. We enjoy what we do. With integrity and thought leadership we design, develop, deliver, and support secure software solutions with unwavering excellence.



OUR VALUES

T

TRUST

Being honest, reliable and trustworthy.



E

EXCELLENCE

Striving for continuous excellence in our organisation and products by being customer- and output-focused, innovation-conscious, and proud of our work.



C

CAMARADERIE

Being passionate about teamwork, going the extra mile, commitment to the team and organisation, and having fun. Treating one another with respect.



H

HUMILITY

An attitude of modesty that comes from understanding our role in the bigger picture. Being supportive, acting in the best interests of those you are leading and following.



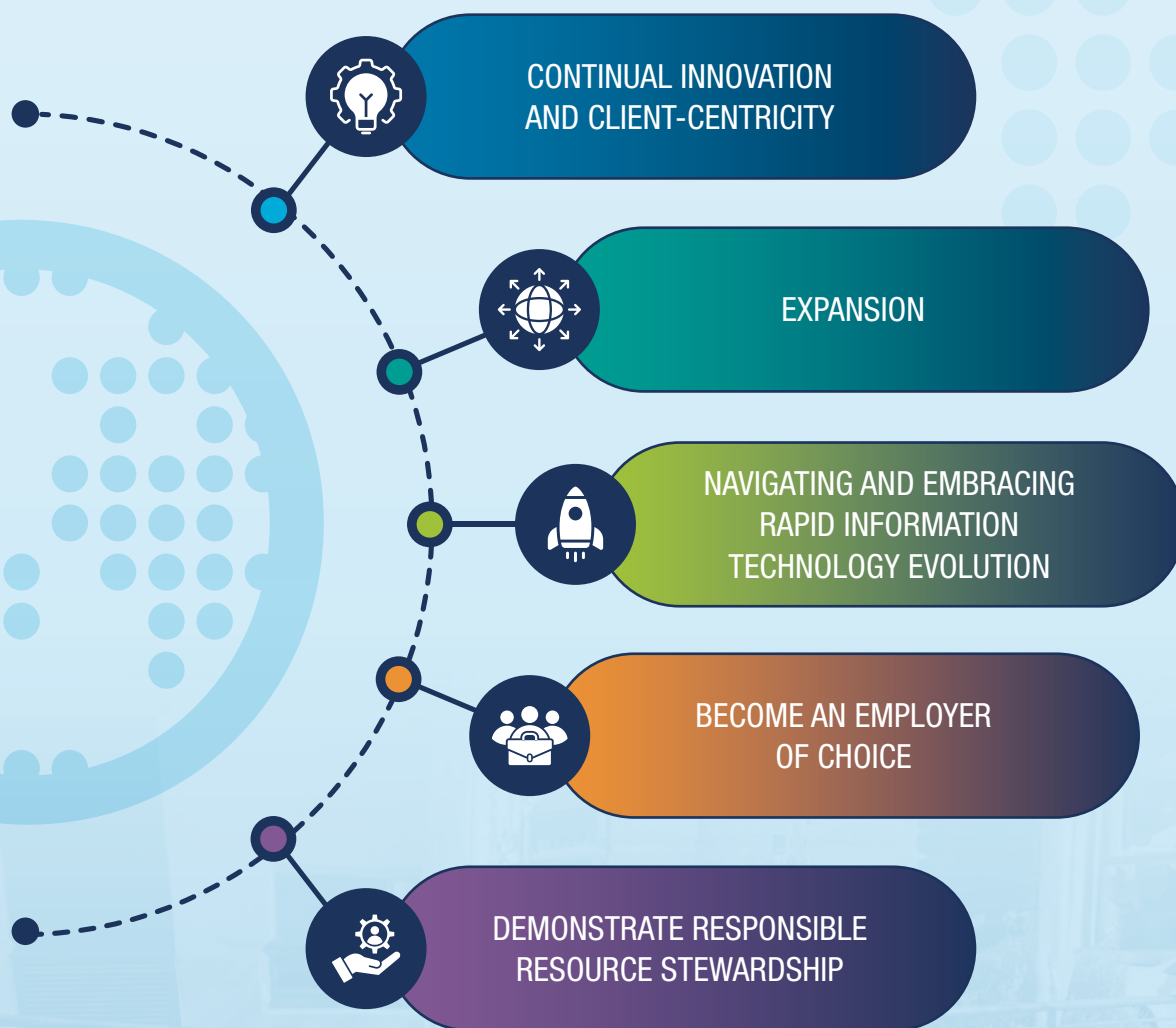
I

INTEGRITY

Consistently acting in an honest, respectful and trustworthy manner. Being transparent, sharing clear, ongoing and effective communication.



Interfront has identified five overarching strategic goals for the 2024/25 to 2028/29 period, which consolidate its primary objectives. These are:



6

Legislative and other Mandates

Interfront operates as a public entity listed under Schedule 3A of the Public Finance Management Act, No. 1 of 1999 (PFMA), and as a State-owned company incorporated under the Companies Act, No. 71 of 2008. It is governed by the PFMA, the Companies Act, and the associated Treasury Regulations.

Interfront was established with the approval of the then Minister of Finance as a wholly owned subsidiary of the South African Revenue Service (SARS), to supporting SARS's strategic objectives through the development and maintenance of software systems. Its initial mandate focused on Customs and Excise-related solutions, with SARS as its sole shareholder and primary client. At inception, Interfront also assumed responsibility for legacy support services provided to the Customs Authority of Luxembourg (ADA), a relationship that formed part of the entity's early operational landscape and concluded in December 2024.

There were no significant changes to legislation or government policy that directly impacted Interfront's regulatory framework during the 2024/2025 financial year. However, the entity's functional mandate continued to evolve in alignment with SARS's strategic priorities. Building on the expansion initiated during the 2022/2023 financial year, Interfront's role broadened to include the integration of new product teams – most notably within the eFiling and e@syFile environments – marking a significant shift in both its operational scope and service responsibilities.

This expansion further entrenches Interfront's strategic position within SARS's modernisation agenda and reinforces its role in delivering critical technology solutions that support tax administration, compliance, and cross-border trade enablement.

7

Organisational Structure



MANAGEMENT TEAM

EXECUTIVE COMMITTEE



ACTING MANAGING DIRECTOR
Leilanie Janse van Rensburg



FINANCIAL DIRECTOR
Leilanie Janse van Rensburg



HEAD: HR
Nombulelo Mohoto



HEAD: LEGAL ADVISOR & COMPANY SECRETARY
Madelein Pepperell



HEAD: BUSINESS DEVELOPMENT & INNOVATION
Warren Barratt



DIRECTOR
John Robertson



SENIOR MANAGER: SHARED SERVICES
Terence Fry



MANAGER: FINANCE
Regan Randelhof



MANAGER: ORGANISATIONAL DEVELOPMENT
Fahrial Amla



MANAGER: PMO
Dominic Hurst



MANAGER: SYSTEMS ENGINEERING
Ryan Adriaanse



MANAGER: ICT & DEVOPS
Steven Hardisty



MANAGER: BA/UX
Vacant



MANAGER: SYSTEMS SUPPORT
Louise Taljaard



HEAD: OPERATIONS & MAINTENANCE
Samuel Mtsweni



OPERATIONS DIRECTOR
Danie de Kock



SENIOR MANAGER: TAX
Linda Hunkin



MANAGER: TAX SOLUTIONS DEVELOPMENT
Christopher Young*



SENIOR MANAGER: CUSTOMS
Jason Bain



MANAGER: SOFTWARE DEVELOPMENT
Francois Smit



MANAGER: QA
Queen-Ethel Mnguni*

EXECUTIVE COMMITTEE



PERFORMANCE REPORT

Auditor-General's Report: Predetermined Objectives

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Operational Challenges

Operational Outlook

Information and Communications Technology (ICT)

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Key Policy Developments and Legislative Changes

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Linking Performance with Budget



01

Auditor-General's Report: Predetermined Objectives

The Auditor-General of South Africa (AGSA) performs conducts the requisite audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion regarding performance against predetermined objectives is incorporated in the Report to Management, with material findings reported under the Predetermined Objectives heading in the section of the AGSA's report addressing other legal and regulatory requirements. The AGSA report is included in .

02

Overview

Service delivery environment

Interfront's service delivery model is defined by its commitment to supporting SARS's digital infrastructure through tailored, high-performance software systems. Interfront plays a key role in enabling efficient border management and revenue administration, delivering mission-critical solutions that must adhere to strict timelines, security standards, and compliance requirements.

The delivery environment is influenced by complex stakeholder expectations, legislative oversight, and a need for continuous alignment with national strategic priorities. Interfront navigates this landscape by maintaining a strong client focus, robust internal controls, and a culture of continuous improvement. As public sector demands evolve – particularly in the context of digital government initiatives and economic recovery – Interfront's ability to respond with agility and technical precision remains a cornerstone of its success.

Organisational environment

Internally, the organisation continued to evolve due to the earlier integration of the eFiling and e@syFile teams into Interfront's operational structure. While the incorporation of these teams occurred in previous years, ongoing efforts remain focused on aligning internal ways of working, refining processes to establish a best-of-both approach in light of the amalgamations, and adjusting the management structure to support the expanded scope. These on-going shifts have been underpinned by targeted leadership changes, enhancements to governance frameworks, and sustained attention to internal communication and staff engagement to ensure uninterrupted service delivery.

A notable development during the year under review was the expansion of Interfront's management structure through the creation of a senior management layer. Three senior management positions within this layer were successfully filled, with two additional positions approved for future expansion to further strengthen organisational capacity. This structural evolution aims to enhance operational oversight, improve strategic execution, and deepen domain expertise in key areas.

Additionally, the transition of the Director of Operations role was successfully completed, with a new appointee taking over following a structured and well-managed handover process. To ensure continuity and preserve institutional memory, the outgoing director remained available on a reduced-hour basis for an additional year. This transitional support was instrumental in maintaining momentum during the period of change.

The integration of internal teams has yielded tangible results in the past. The previously independent eFiling and customs teams have not only been structurally aligned but have also collaborated to deliver their first combined project, the "Biometrics" initiative, during the year under review. This successful delivery marks a milestone in the organisation's post-integration journey and reflects the effectiveness of the team's harmonised capabilities.

As Interfront continues to mature as an organisation, it remains committed to ensuring that its internal structures, leadership, and capabilities are aligned to support its strategic mandate and enable responsive, innovative, and reliable digital solutions for the public sector.

Key policy developments and legislative changes

There have been no significant changes to relevant policies or legislation affecting the entity during the review period. Interfront has remained committed to good governance, adhering to the principles of transparency, accountability, and compliance. The organisation has continued to meet the requirements of the Public Finance Management Act, Treasury Regulations, and King IV on Corporate Governance, as well as complying with the Basic Conditions of Employment Act, Broad-Based Black Economic Empowerment (B-BBEE), and procurement prescripts.

03 Operational Highlights

Over the past financial year, Interfront has solidified its position as a trusted software development partner for SARS by delivering essential digital solutions that facilitate the modernisation of SARS's revenue collection systems. Central to our contribution has been our consistent operational delivery and support, which ensured the reliability and efficiency of the SARS platforms.

A notable achievement was the successful implementation of the Biometric Verification Project, a significant advancement in securing taxpayer interactions with SARS. This project integrated facial recognition technology into SARS's eFiling and MobiApp platforms, greatly enhancing account protection and minimising the risk of identity fraud as part of the SARS modernisation and transformation strategy.

Another key milestone was our continued progress on the Single Window Platform (SWP), designed to streamline trade-related customs processes. With Phase 2 completed and Phase 3 deployed to the SARS Testing environment by year-end, the SWP has received positive feedback from multiple trade stakeholders, who are experiencing tangible improvements in operational efficiency and process simplification.

On the technology modernisation front, Interfront completed the e@syFile re-platforming project, a critical initiative that transitioned the platform from legacy technology to a scalable, future-ready architecture. This shift has already yielded measurable benefits, including improved system performance and a noticeable increase in the successful submissions of employer declarations year-on-year.



Beyond these projects, Interfront delivered a broad portfolio of impactful enhancements and updates across tax and customs domains. This included automating bond processes, improving efficiency for RLA and SOQS (Phase 2), and implementing critical updates to support filing seasons for PAYE, CIT, and Trust tax returns. We also strengthened taxpayer account security by implementing two-factor authentication and stronger password protocols. Our work on PIT and the SA Traveller MobiApp streamlined the interactions between individuals and cross-border travellers.

Throughout the year, Interfront met all agreed contractual service levels across the Customs, eFiling, and e@syFile platforms, reinforcing our commitment to service excellence and uptime performance.

Through the implementation of all these projects and the reliable delivery of support services, Interfront enables SARS to fulfil its core mandate to collect all revenues due and ensure optimal compliance within the Tax and Customs domains. Each initiative contributes to the integrity and efficiency of South Africa's revenue systems and ultimately supports the nation's fiscal health and governance.

Following the scheduled retirement of the previous Operations Director in April 2025, the leadership transition commenced 18 months earlier and concluded as planned, with a new Operations Director and senior management team now in place.

Our delivery capability was further enhanced by our ongoing knowledge transfer initiatives with SARS and its key stakeholders. These efforts ranging across Customs for Service Manager, SARS Risk, Telephony, Dynamic Forms, and SOQS have enabled Interfront to expand its domain expertise while reinforcing the depth of our support teams.

Interfront will embark on a series of internal Research and Development initiatives aimed at strengthening its skills and broadening its capabilities, starting with a Digital Identity project in May 2025.

Together, these achievements reflect meaningful progress in SARS's digital transformation journey and Interfront's strategic partner role in building secure, scalable citizen-focused public digital services.



KEY HIGHLIGHTS INCLUDE:



SERVICE LEVEL PERFORMANCE: Interfront consistently met all contractual service level agreements (SLAs) across core platforms, Customs, eFiling, and e@syFile, ensuring reliable and uninterrupted service delivery.



BIOMETRIC VERIFICATION IMPLEMENTATION: The successful rollout of the Biometric Verification project introduced advanced facial recognition capabilities to the eFiling and MobiApp platforms, thereby enhancing security and protecting taxpayer accounts.



PROGRESS ON THE SINGLE WINDOW PLATFORM (SWP): Notable strides were made in the SWP initiative, with Phase 2 completed and Phase 3 deployed in the SARS SQM environment. The platform continues to receive positive feedback from trade stakeholders regarding its contribution to streamlined and efficient border processes.



E@SYFILE REPLATFORMING: Interfront modernised the e@syFile system, transitioning it from outdated technology to a scalable and maintainable platform. This re-platforming method yielded improved submission performance compared to previous years.



SUCCESSFUL PROJECT DELIVERY: Several key initiatives were completed during the year, including the following:

- Automation of Bonds
- RLA and SOQS Efficiency Improvements (Phase 2)
- PAYE Employer Reconciliation
- Corporate Income Tax (CIT) and Trust Filing Season updates
- Personal Income Tax (PIT) and SA Traveller MobiApp enhancements
- Security upgrades to the eFiling platform, including Two-Factor Authentication and improved password protocols
- Technical and architectural enhancements to support long-term system stability



EXPANDED TECHNICAL CAPABILITY: Interfront deepened its collaboration between SARS and external stakeholders through joint knowledge transfer and integration initiatives. These efforts enhanced internal capabilities across a broader range of domains, including customs for service managers, SARS risk, telephony, dynamic forms, and the SOQS.

These achievements reflect Interfront's continued alignment with SARS's modernisation priorities and its ability to deliver high-quality, secure, and future-focused technology solutions.

04

Operational Challenges

While Interfront faced various operational challenges during the reporting period, these were effectively managed, ensuring uninterrupted service delivery and support. Balancing production support with multiple parallel development streams continued to strain resource and capacity management. The technical environment also remains complex, with multiple system versions across SARS platforms requiring robust coordination and risk management.

Budget constraints, shaped by broader national fiscal pressures, required strategic prioritisation and cost-conscious decision-making. Moreover, the unpredictability of client delivery schedules, driven by postponed releases and late-stage changes, presented planning and forecasting challenges. Nonetheless, Interfront's proactive approach, agile delivery model, and close collaboration with SARS mitigated these issues without compromising service levels or support performance.



RESOURCE AND CAPACITY MANAGEMENT: Balancing the demands of production support with multiple development and delivery streams remains a key challenge. Constraints in customer medium-term planning have impacted our ability to optimally allocate resources and anticipate future needs.



COMPLEX TECHNICAL SUPPORT ENVIRONMENT: Multiple application versions and systems in various SARS environments creates layers of complexity and interdependency. This overlap places sustained pressure on Interfront's technical and support teams, which require ongoing coordination and risk mitigation.



BUDGETARY CONSTRAINTS: National fiscal pressure continues to influence the availability of budget funds. Interfront had to navigate limited financial resources, which meant prioritising projects and working closely with SARS to ensure delivery was both cost-effective and impactful.



UNPREDICTABLE DELIVERY SCHEDULES: Customer-driven delays of planned releases and the late introduction of changes to confirmed deliverables have disrupted revenue projections and hindered the optimal use of resources. These stop-start dynamics create challenges in maintaining delivery momentum and operational stability.

05 Operational Outlook

Looking ahead, Interfront remains committed to supporting SARS's strategic priorities and enhancing digital transformation across customs and tax landscapes. The key focus areas that will shape Interfront's operational direction in the immediate future are as follows:



STRENGTHENING DIGITAL ENABLEMENT: Interfront will continue to deepen its partnership with SARS by leveraging new and emerging technologies to enhance service delivery and improve the trader and taxpayer experience through innovative digital platforms.



EXPANDING APPLICATION DEVELOPMENT SUPPORT: Interfront will collaborate closely with SARS to develop and enhance various customs and tax-related applications, with the goal of expanding its operational footprint and broadening its value contribution.



ENHANCING BIOMETRIC CAPABILITIES: Building on the successful implementation of biometric verification in the registration process, plans are in place to extend biometric authentication to additional eFiling functions, further reinforcing security and user-verification protocols.



ADVANCING VAT MODERNISATION: Following successful collaboration on the VAT modernisation initiative and the development of a proof-of-concept e-invoicing demonstrator, Interfront will continue to play a key role in supporting SARS's efforts in this strategic area.

These initiatives reflect Interfront's proactive approach to innovation, strategic alignment with SARS, and commitment to delivering secure, efficient, and future-ready solutions that contribute to a capable and modern revenue service.





06

Information and Communications Technology (ICT)

Information and Communications Technology (ICT) remains a strategic enabler at Interfront, playing a vital role in ensuring operational continuity and resilience. With the majority of staff continuing to work remotely, ICT has delivered seamless support through stable infrastructure, secure systems, and responsive technical services. These capabilities empower employees to maintain high levels of productivity and service excellence in a distributed work environment.

The key initiatives and achievements during the reporting period are outlined below:

Security

Interfront prioritises infrastructure and cybersecurity enhancements to ensure secure, efficient, and resilient operations:

BIOMETRIC AND PASSWORDLESS AUTHENTICATION: Implemented to bolster system security while enhancing user experience through simplified access protocols.

ENDPOINT SECURITY MANAGEMENT: A comprehensive endpoint management system was rolled out, enabling the effective control and configuration of all user devices. Security monitoring and reporting are consolidated through a Security Information and Event Management (SIEM) platform.

EDGE DEVICE UPGRADES: All edge devices were upgraded to the latest technology stacks and firmware versions, improving the performance and security posture.

Disaster Recovery (DR)

Interfront successfully conducted all scheduled disaster recovery and backup restoration tests, thereby confirming the effectiveness and reliability of its DR systems.

The organisation significantly improved its Recovery Time Objective (RTO) from 24 hours to just 4 hours, reflecting enhanced preparedness and operational resilience.

Network and Server Infrastructure

The production data centre was successfully migrated to the St Andrews facility with zero unplanned downtime. Power redundancy was tested under multiple scenarios to validate the site's readiness.

Connectivity to the new data centre was strengthened through the introduction of automatic failover redundancy. A new redundant connectivity solution was also implemented in partnership with SARS, increasing the Interfront's resilience and service availability.

The DevOps team adopted modern technologies such as RedHat OpenShift and Azure DevOps, aligning Interfront's development environments with SARS's evolving technology landscape and improving delivery agility.

ICT Governance, Risk and Compliance

The Information Systems Management Committee (ISMC) convenes quarterly to oversee ICT governance, manage risks, and ensure alignment with regulatory requirements and industry best practices.

Interfront has successfully implemented 15 of the 18 CIS (Centre for Internet Security) Critical Security Controls, with the remaining 3 under active review and targeted for completion by the end of the 2025/26 financial year.

Interfront's ICT functions continue to drive digital enablement, secure operations, and technical excellence, positioning Interfront to meet the demands of a modern, agile, and digitally connected public sector partner.

“

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“

Our agility, client focus, and technical precision ensure that Interfront continues to deliver secure, high-performance systems that advance South Africa's trade and revenue objectives.

07

Situational Analysis

Interfront operates at the intersection of public sector accountability and digital innovation. As a wholly owned subsidiary of the South African Revenue Service (SARS), Interfront is entrusted with delivering software solutions that support national objectives related to trade facilitation, revenue collection, and digital transformation. In formulating its Annual and Strategic Plans, Interfront assessed its operating context against key factors, including the broader economic climate, evolving trade and technology requirements and regulatory frameworks governing state-owned entities.

The ongoing pressure on public finances, coupled with increased demands for service efficiency, transparency, and modernisation, continues to shape Interfront's strategic direction. At the same time, advances in technology and the need for secure, scalable solutions in customs and tax environments have created new opportunities for value creation. With over two decades of industry-specific experience, Interfront remains well positioned to respond to these challenges through innovation, disciplined software engineering, and deep domain knowledge.





Service Delivery Environment

Interfront's service delivery model is defined by its commitment to supporting SARS's digital infrastructure through tailored, high-performance software systems. Interfront plays a key role in enabling efficient border management and revenue administration, delivering mission-critical solutions that must adhere to strict timelines, security standards, and compliance requirements.

The delivery environment is influenced by complex stakeholder expectations, legislative oversight, and a need for continuous alignment with national strategic priorities. Interfront navigates this landscape by maintaining a strong client focus, robust internal controls, and a culture of continuous improvement. As public sector demands evolve, particularly in the context of digital government initiatives and economic recovery, Interfront's ability to respond with agility and technical precision remains a cornerstone of its success.



Organisational Environment

Internally, Interfront's operations are underpinned by a governance framework that complies with the Public Finance Management Act, National Treasury regulations, the Companies Act, and King IV principles. Regular oversight by internal and external audit bodies ensures the integrity of its financial, operational, and compliance practices.

To support effective project delivery, Interfront adopted a hybrid project management methodology that integrates both the Waterfall and Agile principles. This strategic blend allows for structured, well-documented execution, where predictability is key, while also enabling interactive development and responsiveness to change, both of which are particularly important in dynamic, client-driven environments. This approach enhances delivery efficiency, reduces risk, and ensures that solutions remain aligned with stakeholder needs.

As Interfront continues to mature, it is focused on optimising performance, building capacity, and driving innovation, positioning itself as a key enabler of digital transformation within the public sector.



10

Key Policy Developments and Legislative Changes

Interfront have closely monitored and responded to several key policy developments and legislative changes that have impacted the broader public sector and ICT environment. Notably, ongoing updates to the Public Procurement Bill and refinements to the Public Finance Management Act (PFMA) continue to influence procurement processes, compliance obligations, and governance expectations across all state-owned entities.

Additionally, the South African government's accelerated digital transformation agenda, as reflected in the revised National Treasury Guidelines and evolving ICT-related standards, underscores the need for greater innovation, efficiency, and cybersecurity in service delivery. Labour and employment-related policy updates, including proposed amendments to the Basic Conditions of Employment Act and the Employment Equity Act, have also provided internal HR policy reviews to ensure alignment with regulatory shifts and transformation objectives.

Interfront remains committed to adapting its policies, operational frameworks, and governance structures in line with these developments, ensuring continued compliance, good governance, and strategic responsiveness in a dynamic legislative landscape.

11

Performance Information

The Interfront Board approved the publication of Interfront performance results as set out below at its meeting held on 16 September 2025.

PROGRAMME 1

Continual Innovation and Client-Centricity

This strategic objective incorporates the design, development, deployment, and maintenance of innovative and reliable software solutions for SARS and other customers based on contractual agreements with them, reflecting Interfront's strategic goal of growing its role in servicing a broader client base.

The objective focuses on fostering a culture of constant innovation and placing Interfront's clients at the core of everything it does. It involves utilising new technologies and approaches to enhance Interfront's products and services while maintaining a sharp focus on meeting the evolving needs and preferences of Interfront clients. By combining innovation with a client-centric approach, Interfront aims to consistently deliver solutions that not only meet but also exceed its clients' expectations.

As a wholly owned subsidiary of SARS, SARS will remain Interfront's primary focus for the five-year period and Interfront's relentless dedication to client-centricity will remain the guiding principle in its interactions and engagements.

DEVELOP, ENHANCE AND EXPAND **iCBS CHANNELS** TO SUPPORT THE SARS CUSTOMS MODERNISATION PROGRAMME (CMP)

DEVELOP, ENHANCE AND EXPAND THE **eFILING AND MOBIAPP** PLATFORMS TO MEET SARS BUSINESS AND LEGISLATIVE REQUIREMENTS

DEVELOP, ENHANCE AND EXPAND THE **e@SYFILE PLATFORM** AND SYSTEMS TO MEET SARS BUSINESS AND LEGISLATIVE REQUIREMENTS PROVIDE TRAINING AND SUPPORT SERVICES TO EMPLOYERS AND PAYROLL ADMINISTRATORS

PROVIDE **EFFECTIVE SUPPORT SERVICES TO SARS** ON: CUSTOMS, eFILING, MOBIAPP AND e@SYFILE

PROVIDE **EFFECTIVE SUPPORT SERVICES TO OTHER CUSTOMERS** BASED ON CONTRACTUAL AGREEMENTS WITH THEM



INDICATOR 1.1

DEVELOP, ENHANCE AND EXPAND **iCBS CHANNELS** TO SUPPORT THE SARS CUSTOMS MODERNISATION PROGRAMME (CMP)

Interfront plays a pivotal role as a key development partner to SARS. Interfront's ongoing collaboration involves the expansion, modernisation and adaptation of the current Customs Border Solution (iCBS) product suite in use at SARS. This transformation aims at aligning with the objectives outlined in the approved SARS Customs Modernisation Programme (CMP) Business Plan, which aims to fulfil the government's requirements for customs compliance.

Interfront is committed to advancing its iCBS to enhance SARS' capacity in implementing the CMP, ensuring greater efficiency, compliance, and security in South Africa's customs operations.



THIS SUB-PROGRAMME ALIGNS WITH SARS'S STRATEGIC OUTCOMES BY:

- Facilitating compliance among taxpayers and traders makes it easier for them to meet their obligations.
- Enhancing the use of data within a robust knowledge management framework to maintain integrity, generate insights, and improve decision making.
- Modernising systems to deliver digital and streamlined online services.

OUTCOME	Develop, enhance, and expand the iCBS product to support SARS in their objective of the CMP.		
OUTPUT	Sprints/Software delivered on time, to specifications and within budget as set out and agreed to in the Work Order (WO).		
AUDITED ACTUAL PERFORMANCE 2022/2023		AUDITED ACTUAL PERFORMANCE 2023/2024	
DPS Upgrade: (W0114): release 7.0.7 uploaded to SARS on 14 June 2022 (Q1).	ACHIEVED	(W0177) RLA v6.12.0 uploaded to SARS on 7 September 2023 (Q2).	ACHIEVED
DPS release: 7.0.21.1 uploaded to SARS on 4 November 2022 (Q3).		RLA v6.12.10 deployed to SARS production on 8 December 2023 (Q3).	
Refunds and Drawbacks (W0124): release 7.1.0 uploaded to SARS on 23 June 2022 (Q1).		W0269 DPS Upgrade Phase 2 DPS 7.4.18 delivered to SARS on 29 February 2024 (Q4).	



ADDITIONALLY, IT SUPPORTS THE FOLLOWING SARS STRATEGIC MODERNISATION OBJECTIVES:

- Unique digital identity: strengthening the integrity of registers and financial transactions.
- Accelerating the modernisation of Customs and Excise administration by advancing physical and technological infrastructure at ports of entry, in collaboration with Other Government Agencies (OGA).

Since the 2017/2018 financial year, the Annual Performance Target has been achieved on seven occasions and partially achieved once.

OUTPUT INDICATOR		Completion Certificates per WO Milestone or signed WO.		
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS		No revisions were made to the outputs, indicators, or annual targets.		
PLANNED ACTUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASON FOR DEVIATION	
Automation of Bonds	CV0213a Integration Release 6.15.0 – uploaded to SARS on 16 May 2024. Functional Release 6.15.2 – uploaded to SARS on 30 May 2024.	ACHIEVED		
	CV0213 Deployed to production 26 July 2024.			
Single Window Platform	CV0238a FR1: Link to SARS Publications – uploaded to SARS on 5 February 2025. FR2 & FR3: User Management, Monitor and Declarations, and RLA Clickthrough – uploaded to SARS on 7 March 2024. FR 4: Manage P&R List – uploaded to SARS on 23 May 2024.			

AUDITED ACTUAL PERFORMANCE 2022/2023		AUDITED ACTUAL PERFORMANCE 2023/2024	
TMS Upgrade (W0117): presented second demo to SARS for upgrade progress on 19 May 2022 (Q1).	ACHIEVED	(W0124/CV0124D) DPS v7.3.0 uploaded to SARS on 25 May 2023 (Q1).	ACHIEVED
SARS Trader Taxpayer Rep Solution (W0120): RLA release 6.7.0 uploaded to SARS on 24 August 2022 (Q2).		VAT Number Validations (W0236).	
TMS Upgrade (W0117): TMS release 7.1.4.3 uploaded to SARS on 31 August 2022 (Q2).		RLA Bucket List (CV0234A) RLA v6.11.0 deployed to SARS production on 6 October 2023 (Q3).	
Single Window (OGA) RLA Release 6.10.0: uploaded to SARS for integration on 26 January 2023 (Q4). DPS Release 7.2.0: uploaded to SARS for integration on 27 January 2023 (Q4).		RLA SOQS Efficiency Changes Phase 2 (WO 272) FRS delivered to SARS on 17 November 2023 (Q3).	
Adobe Forms (W0127) – phase 1.		RLA SOQS Efficiency Changes Phase 1 (W0248) Functional Spec (FRS) delivered to SARS on 3 November 2023 (Q3).	
Adobe Forms (W0127) – phase 2.		TMS Upgrade TMS v7.4.3 deployed to SARS production on 6 October 2023 (Q3).	
Adobe Forms printing POC – phase 3 (W0167).		W0257 – Link between DPS and CPS v5.4.58 delivered to SARS on 8 February 2024 (Q4).	
Authorised Economic Operator (AEO) – AEO FRS was completed and ready for delivery to SARS on 12 December 2022 (Q4). SARS did not take delivery of the FRS.		W0248 – SOQS Part 1 – RLA v6.13.0 Integration release delivered to SARS on 15 February 2024 (Q4).	
		W0248 SOQS Part 1 – RLA v6.13.5 Functional release delivered to SARS on 29 February 2024 (Q4).	
		W0213 (Automation of Bonds) FRS delivered to SARS on 26 March 2024 (Q4).	
	W0303 System Design (SDD) delivered to SARS.		

PLANNED ACTUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASON FOR DEVIATION
Single Window Platform ... <i>continued</i>	SWP Phase1 (CV0238a): FR4 deployed to production on 26 July 2024.		
	SWP Phase 2 (W0330) Sprint 1 software release uploaded to SARS on 8 November 2024. Sprint 2 software release uploaded to SARS 8 November 2024. Sprint 3 software release uploaded to SARS 8 November 2024. Sprint 4 and 5 uploaded into SARS QA and PreProd and Go-Live achieved on 6 December 2024.		
	SWP Phase 2 (W0340) Completed the Phase 2 testing support for QA and Pre-prod on 17 January 2025. SWP Phase 3 (W0340) Sprint 6 software release uploaded to SARS on 17 January 2025. Sprint 7 software release uploaded to SARS on 17 January 2025.		
RLA SOQS Efficiency Phase 2	CV0272 (SOQS Part2) Integration release uploaded to SARS on 11 July 2024. Functional release uploaded to SARS on 1 August 2024.		
	SOQS Part 2 (CV0272a) Project Go-Live achieved on 4 October 2024. Post Go-Live Support phase milestone reached on 4 November 2024.		
		ACHIEVED	
		WOW 303 Large Declarations deployed into SARS Production on 14 June 2024.	Additional work requested by SARS.
		CV0259b Docker Swarm migration: deployed to production on 26 July 2024.	Additional work requested by SARS.



INDICATOR 1.2

DEVELOP, ENHANCE AND EXPAND THE **eFILING AND MOBIAPP** PLATFORMS TO MEET SARS BUSINESS AND LEGISLATIVE REQUIREMENTS

The SARS eFiling and MobiApp Platforms, including the API service for tax-software providers, serve as the fundamental infrastructure for electronically engaging with taxpayers and traders. The evolution of this platform is an ongoing process involving various projects, upgrades, and improvements to cater to the changing needs of taxpayers and traders. Given the critical role these systems play, their long-term sustainability demands continuous investments in development, modernisation, and enhancements, both in terms of application systems and underlying technology platforms. To keep pace with ever-evolving tax legislative requirements, it is imperative to ensure swift and adaptable updates and developments. The demand for updates, enhancements, and even new iterations of system functions and capabilities is driven by the government's requirements and the pursuit of realising the SARS Vision, all of which contribute to enhancing the experiences of taxpayers and traders.

OUTCOME	Develop, enhance and expand the eFiling and MobiApp Platforms to meet SARS business and legislative requirements.		
OUTPUT	Sprints/Software delivered on time, to specifications and within budget as set out and agreed to in the Work Order (WO).		
AUDITED ACTUAL PERFORMANCE 2022/2023		AUDITED ACTUAL PERFORMANCE 2023/2024	
2022 Filing Season functionality deployed to production on 24 June 2022 (Q1). Last milestone delivered to SARS on 29 July 2022 (Q2) December Release: Delivered to SARS on 19 September 2022 for QA testing (Q2).		PAYE Upgrades (W0131; W0131-1 and W0189) – functionality deployed to production on 21 April 2023 and 23 June 2023 (Q1).	
Trust Filing Season functionality deployed to production on 24 June 2022 (Q1).		PAYE Filing Season 2023 (W0131-1) deployed to SARS production on 15 September 2023 (Q2).	
PAYE Upgrades Delivered to SARS on 9 September 2022 (Q2).		PAYE December enhancements (W0243) delivery of the functional specification (Q2) deployed to SARS production on 8 December 2023 (Q3).	
Refunds and Drawbacks delivered to SARS on 31 August 2022 (Q2) for QA testing.		2023 Filing Season (W0196) functionality deployed to production on 23 June 2023 (Q1).	
SARS Trader Taxpayer Rep. Solution . Specification delivered to SARS and deployed to QA testing on 19 September 2022 (Q2) for testing.		CIT Filing Season (W0187) deployed to SARS production on 23 June 2023 (Q1).	
Bank Detail Verification Change Request (W0169).		Trust Filing Season (W0201) deployed to SARS production 23 June 2023 (Q1).	
Live Chat 2 (MVP) (W0159) deployed to production on 18 November 2022 (Q3).		Refunds and Drawbacks (W0135) deployed to QA testing in June 2023 (Q1). Deployed to SARS production on 15 September 2023 (Q2).	
ACHIEVED		ACHIEVED	



THIS SUB-PROGRAMME ALIGNS WITH SARS'S STRATEGIC OUTCOMES BY:

- Facilitating compliance for taxpayers and traders, making it easier for them to meet their obligations.
- Enhancing the use of data within a robust knowledge management framework to maintain integrity, generate insights, and improve decision-making.
- Modernising systems to deliver digital and streamlined online services.



ADDITIONALLY, IT SUPPORTS THE FOLLOWING SARS STRATEGIC MODERNISATION OBJECTIVES:

- Strengthening the integrity of registers and financial transactions through the development of a unique digital identity.
- Creating a comprehensive taxpayer account – single entity/customer view to enable a better balance between service and enforcement–Single Customer View (bigger than account balances).

Since its introduction in the 2022/2023 financial year, the Annual Performance Target has been achieved on all three occasions.

OUTPUT INDICATOR		Completion Certificates per WO Milestone or signed WO.	
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS		No revisions were made to the outputs, indicators, or annual targets.	
PLANNED ACTUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASON FOR DEVIATION
Mandatory Disclosure Rules	W0279 delivered to SARS in April 2024 (Q1).	ACHIEVED	
Disputes for Trust	W0278 delivered to SARS in April 2024 (Q1).		
	CV0278-2 Additional scope requested by SARS, Go-Live delivered in October 2024 (Q3).		
	CV0278-2 Suspension of Payments delivered in February 2025 (Q4).		
Cybercrime (Anti-Fraud Registration)	CV0246-1 Anti-Fraud Registration delivered in May 2024 (Q1).		
APT Phase 2	W0287 delivered in April 2024 (Q1).		
	W0355 APT Phase 2c – FRS delivered, ongoing project, Go-Live moved to June 2025 due to SARS reprioritisation delivered in February 2025 (Q4) (FRS Portion Completed).		

AUDITED ACTUAL PERFORMANCE 2022/2023		AUDITED ACTUAL PERFORMANCE 2023/2024	
Debt Management Final Demand Letter.	ACHIEVED	PIT Verification Enhancements (W0261) delivery of the functional specification (Q2). Deployed to SARS production on 8 December 2023 (Q3).	ACHIEVED
Corporate Tax (CIT) – IT14SD delivered to SARS on 9 September 2022 (Q2).		PIT Filing (W0284) delivery of the functional specification on 28 February 2024 (Q4).	
Tax Status (Enhancements) delivered to SARS on 9 September 2022 (Q2).		TCS Enhancements CR (W0263) deployed to SARS production on 27 October 2023 (Q3).	
Hardware & Software Upgrade (W0171) delivered to SARS in production: Database components – 10 February 2023 (Q4). Web components – week starting 13 February 2023 (Q4). Application server components – 3 March 2023 (Q4).		RLA AEO Clickthrough (W0197) deployed to SARS production on 8 December 2023 (Q3).	
2023 Filing Season (Spec) delivered for signoff in March 2023 (Q4).		MPRR client Accounting – Return processing (W0150) deployed to SARS production on 15 September 2023 (Q2).	
Tax Directive Phase 4 all functionality deployed to production on 22 April 2022 (Q1).		Air Passenger Tax (W0138) specification sign-off (Q1). Deployed to SARS production on 15 September 2023 (Q2).	
Third-Party Data View. PAYE – Admin Penalties. PIT Admin Penalties move to ITS – delivered to SARS on 9 September 2022 (Q2).		Third Party Data – Donations (W0142) deployed to SARS production on 15 September 2023 (Q2).	
Live Chat MVP – delivered to SARS on 26 September 2022 (Q3) for QA testing.		Third Party Data – Trusts (W0143) deployed to SARS production on 15 September 2023 (Q2).	
Tax status (Spec) delivered for signoff in January 2023 (Q4).		VAT Verifications (W0229) delivery of the functional specification (Q2). Deployed to SARS production on 8 December 2023 (Q3).	
SA Traveller Management System (W0183) deployed to production on 9 December 2022 (Q3).		SA Traveller MobiApp (W0262) delivery of the functional specification (Q2). Deployed to SARS production on 8 December 2023 (Q3).	
SARS Trader Taxpayer Rep Solution (W0141).		Disputes and Verifications (W0185) functionality deployed to production 21 April 2023 (Q1).	

PLANNED ACTUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASON FOR DEVIATION
PIT Filing Season 2024	CV0284-1 delivered in April 2024 (Q1). CV0284-1 – CR from SARS because of budget speech – changes to requirement and budget delivered in June 2024 (Q1). CV0284-2 CR from SARS for additional changes – changes to requirement and budget delivered in June 2024 (Q1).		
Trusts Filing Season 2024	W0285 FRS delivered in May 2024 (Q1) and in September 2024 (Q2).		
Tax Directives 2 POT System	CV0281-1 delivered in May 2024 (Q1). CV0281-3 delivered in September 2024 (Q2). CV0347-1 Tax Directives Legal Changes – delivered in February 2025 (Q4).		
Fraud Case Management		Not Completed	Project cancelled by SARS due to a lack of funding.
Trusts Debt Management		Not Completed	CV0282-1 was approved and signed by SARS; however, the project was not prioritised for implementation.
Trusts Admin Penalties	CV0277-1 FRS delivered in November 2024 (Q3). CV0277-1 Development delivered for testing in February 2025 (Q4).	Not Completed	
CIT Legal Changes 2024	CV0290-1 delivered in May 2024 (Q1). CV0290-1 delivered in September 2024 (Q2). CV0290-1 Second Phase in Development for Additional Work requested by SARS, delivered in December 2024 (Q3). CV0290-2 Reportable Arrangements February 2025 (Q4).		
Live Chat Channel and Fully Automated BOT		Not Completed	SARS did not prioritise this project for delivery in this financial year.
PAYE – Bi-Annual process updates	W0315 delivered in April 2024 (Q1). W0315 delivered in September 2024 (Q2).		
		W0312 MPRR Letters delivered April 2024 (Q1).	Additional work requested by SARS.
		W0286 Biometric Verification delivered in October 2024 (Q3).	Additional work requested by SARS.

ACHIEVED

AUDITED ACTUAL PERFORMANCE 2022/2023		AUDITED ACTUAL PERFORMANCE 2023/2024	
PIT Filing Season 2022 (W0133-3) – deployed to production on 9 December 2022 (Q3).	ACHIEVED	TCS Enhancements (W0154) functionality deployed to production 21 April 2023 (Q1).	ACHIEVED
Tax Directives 2022 (W0151-1).		Debt Modernisation (W0267) completed the commitment to testing support when the project went live on 27 October 2023 (Q3).	
		eFiling New Landing Page (ECP963) deployed to SARS production on 27 October 2023 (Q3).	
		(ECP961) deployed to SARS production on 27 October 2023 (Q3).	
		ACE (ESB) v12 upgrade (W0268) completed the commitment to testing support when the project went live on 16 February 2024 (Q4).	
		Mandatory Disclosure Rules (W0279) delivery of the functional specification on 22 November 2023. Deployed to SARS testing environment on 5 February 2024 (Q4).	
		Trusts for Disputes (W0278) delivery of the functional specification on 17 January 2024. Deployed to SARS testing environment on 5 February 2024 (Q4).	
		Cybercrime (Anti-Fraud Registrations) (W0246) delivery of the functional specification on 22 January 2024 (Q4). Deployed to SARS testing environment on 12 February 2024 (Q4).	
		APT Phase 2 (W0287) delivery of the functional specification on 25 January 2024. Deployed to SARS testing environment on 23 February 2024 (Q4).	
		Biometrics (FS) (W0286) delivery of the draft functional specification on 28 March 2024 for SARS review (Q4).	
		Automation of Bonds (W0213) delivery of the functional specification on 26 March 2024 (Q4).	

PLANNED ACTUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASON FOR DEVIATION
	ACHIEVED	ECP969 SARS BQMS Mobile App Development delivered in June 2024 (Q1).	Additional work requested by SARS.
		W0298 Trust Verification delivered in September 2024 (Q2).	Additional work requested by SARS.
		W0311 Third Party Data – Medical Aid delivered in October 2024 (Q3).	Additional work requested by SARS.
		W0286 Biometric Verification delivered in October 2024 (Q3).	Additional work requested by SARS.
		ECP976 MobiApp AI assistant Q3.	Additional work requested by SARS.
		W0297 SARS Unicode Testing delivered in September 2024 (Q2).	Additional work requested by SARS.
		W0322 MDR – Extended Support delivered in October 2024 (Q3).	Additional work requested by SARS.
		ECP978 Enabled Two- Factor Authentication delivered in production November 2024 (Q3).	Additional work requested by SARS.
		ECP981 Password Strength delivered in production November 2024 (Q3).	Additional work requested by SARS.
		ECP984 Addition of “New SOQS icons for MobiApp delivered in November 2024 (Q3).	Additional work requested by SARS.
		ECP988 Transfer Duty (ISV): Field limit of Total Fair Value enhancement delivered in production November 2024 (Q3).	Additional work requested by SARS.
		CV0266-3 ISV Enhancements Sprint 3 delivered in February 2025 (Q4).	Additional work requested by SARS.
		ECP990 ITR12 OTP Bank Details Change delivered for testing (Q4).	Additional work requested by SARS.
		ECP1001 Decommission of Help-You-eFile (Phase 1) (Q4).	Additional work requested by SARS.



INDICATOR 1.3

DEVELOP, ENHANCE AND EXPAND THE **e@SYFILE PLATFORM** AND SYSTEMS TO MEET SARS BUSINESS AND LEGISLATIVE REQUIREMENTS PROVIDE TRAINING AND SUPPORT SERVICES TO EMPLOYERS AND PAYROLL ADMINISTRATORS

The e@syFile platform is the backbone for Employers and Payroll Administrators to electronically engage with SARS. The platform undergoes continuous evolution through regular upgrades and enhancements to keep up with the changing requirements of Employers and Payroll Administrators, as well as any legislative changes. This evolution requires a robust technical skillset and experience, since the sustainability of these critical systems depends on investments in developing, modernising and enhancing both of the application system and the underlying technology platforms. Additionally, Interfront provides training services to Employers and Payroll Administrators. This holistic approach aims to meet the ever-evolving needs of stakeholders and maintain the necessary proficiency to support the platform effectively.

OUTCOME	Develop, enhance, and expand the e@syFile platform and systems to meet SARS business and legislative requirements.	
OUTPUT	Sprints/Software delivered on time, to specifications and within budget as set out and agreed to in the Work Order (WO).	
AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	
New Measure from the 2023/2024 financial year	e@syFile Employer Re-platform (WO194).	ACHIEVED
	Uploaded v800.00.18 to SARS on 28 June 2023 (Q1).	
	31 July 2023 uploaded e@syFile replatform v22 (Q2)	
	2 August 2023 uploaded e@syFile re-platform v23 (Q2).	
	15 August 2023 uploaded e@syFile re-platform v24 (Q2).	
	1 September 2023 uploaded e@syFile re-platform v25 (Q2).	
	18 September 2023 uploaded e@syFile re-platform v26 (Q2).	
	5 October to 7 December 2023 11 releases were uploaded to SARS. The 11 releases included bug fixes and the following functionality. (Q3): Emp501 Submissions Full Installer Smart Search Historical data backup 11 January 2024 to 28 March 2024 6 releases were uploaded to SARS. The 6 releases included bug fixes and functionality (Q4).	



THIS SUB-PROGRAMME ALIGNS WITH SARS'S STRATEGIC OUTCOMES BY:

- Making it Easy for Taxpayers and Traders to comply with their obligations.
- Increasing and expanding the use of data within a comprehensive knowledge management framework to ensure integrity, drive insight and improve outcomes.
- Modernising systems to provide digital and streamlined online services.

The annual performance target, introduced in the 2023/2024 financial year, has been achieved in both the 2023/2024 and 2024/2025 financial years.

OUTPUT INDICATOR		Completion Certificates per WO Milestone or signed WO.	
REASONS FOR REVISIONS TO THE OUTPUTS/ INDICATORS/ANNUAL TARGETS		No revisions were made to the outputs, indicators, or annual targets.	
PLANNED ACTUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASON FOR DEVIATION
E@syFile Replatform	29 software uploads during support of the QA and pre- prod phase of the project. CV0194b delivered between 1 April to 30 June 2024 (Q1). Functional Release containing Modular Update functionality uploaded to SARS 15 July 2024 (Q2). Support Services for QA, Preprod and GO Live readiness for Modular Update functionality completed 8 August 2024 (Q2). Support Services for QA, Preprod and GO Live readiness for E@syFile Re-platform functionality completed 2 August 2024 (Q2). E@syFile Re-platform deployed to production 16 August 2024 (Q2). Postproduction Support for E@syFile Re-platform completed 2 September 2024 (Q2). Support Services for QA, Preprod and GO Live readiness for E@syFile Re-platform functionality completed CV0194b completed 2 August 2024 (Q2). Postproduction Support for E@syFile Re-platform completed. CV0194b completed on 2 September 2024 (Q2). W0325 and CV0325-1 Customs Support Docs Update Design and Functional Requirement Specification submitted to SARS 10 December 2024 (Q3). Full Functional Release made available to SARS for deployment and testing at SARS. 22 November 2024 (Q3). Client Acceptance completed and deployed to production 6 December 2024 (Q3). CRQ000000288590 – Production Fix Release 18 February 2025 (Q4).	ACHIEVED	

AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024	
New Measure from the 2023/2024 financial year ... <i>continued</i>		ACHIEVED

Provide training and support services to employers and payroll administrators: The Annual Performance Target introduced in the 2024/2025 financial year, has been successfully achieved.

OUTCOME	Providing Training and support services to Employers and Payroll Administrators.
OUTPUT	Enhancing the ability to effectively use relevant systems, through successful training sessions, robust support resources, and improved user competency.
AUDITED ACTUAL PERFORMANCE 2022/2023	AUDITED ACTUAL PERFORMANCE 2023/2024
New Target from the 2024/2025 financial year	New Target from the 2024/2025 financial year

PLANNED ACTUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASON FOR DEVIATION
AA88 Third Party	CV0194b Functional Release uploaded to SARS on 11 April 2024. Support Services for QA, Preprod and GO-Live readiness for AA88 functionality completed 2 August 2024 (Q2). AA88 Functionality deployed to production 16 August 2024 (Q2). Postproduction Support for AA88 functionality completed 2 September 2024 (Q2). Support Services for QA, Preprod and GO Live readiness for AA88 functionality completed CV0194b 2 August 2024 (Q2). Postproduction Support for AA88 functionality completed CV0194b 2 September 2024 (Q2).	ACHIEVED	
PAYE Bi-Annual Filing Season Updates	W0317 (PAYE Employer Reconciliation) Functional Requirement Specification delivered to SARS on 26 April 2024. W0317 – Functional Release uploaded to SARS 20 June 2024 (Q1). Demo of new Functionality to SARS to enable move to QA and sign off the Completion Certificate for the Functional Release upload 15 July 2024 (Q2). Deployed to production 13 September 2024 (Q2).		
		Functional Release containing Modular Update functionality uploaded to SARS. CV0194b delivered on 15 July 2024 (Q2).	Additional work requested by SARS.
		Support Services for QA, Preprod and GO Live readiness for Modular Update functionality completed 8 August 2024 (Q2).	Additional work requested by SARS.

OUTPUT INDICATOR	Tickets Closed/Training Attendance Sheet		
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.		
PLANNED ACTUAL TARGET 2024/2025	ACTUAL ACHIEVEMENT 2024/2025	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	REASON FOR DEVIATION
All Tickets Closed within 30 days – Support Services.	36 443 tickets logged and closed	ACHIEVED	
Training requests attended to	120 Training Sessions conducted		



INDICATOR 1.4

PROVIDE **EFFECTIVE SUPPORT SERVICES TO SARS** ON: CUSTOMS, eFILING, MOBIAPP AND e@SYFILE

SARS Support and Maintenance: To provide continuous support and maintenance for Interfront software 24/7/365 in strict adherence to the Service Level Agreement (SLA). This entails a commitment to promptly address any issues, implement updates, and proactively monitor the system to meet or exceed the SLA's performance benchmarks. Interfront's dedicated team of experts is on standby to ensure the reliability and availability of the Interfront software, minimising downtime and maximising operational efficiency to meet SARS's evolving needs.



THIS SUB-PROGRAMME ALIGNS WITH SARS'S STRATEGIC OUTCOMES BY:

- Making it Easy for Taxpayers & Traders to comply with their obligations.
- Increasing and expanding the use of Data within a comprehensive knowledge management framework to ensure integrity, drive insight and improve outcomes.
- Modernising systems to provide Digital and Streamlined online services.

CUSTOMS: The Annual Performance Target has been consistently achieved since its introduction in the 2017/2018 financial year.

EFILING & MOBIAPP: The Annual Performance Target was not achieved upon its introduction in the 2022/2023 financial year but has been successfully met over the past two financial years.

E@SYFILE: This objective has been achieved since its introduction in the 2023/2024 financial year.

OUTCOME	Provide effective support services to SARS on: Customs; eFiling, MobiApp and e@syFile.		
OUTPUT	Meeting the service levels for each month of the financial year as contained in the Service Level Agreement (SLA). To ensure smooth operations, compliance, and user satisfaction across these systems.		
OUTPUT INDICATOR	Monthly SLA reports show that service levels are met.		
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.		
AUDITED ACTUAL PERFORMANCE 2022/2023	Customs: ACHIEVED	eFiling and MobiApp: NOT ACHIEVED	e@syFile: New measure from 2023/2024
AUDITED ACTUAL PERFORMANCE 2023/2024	Customs: ACHIEVED	eFiling and MobiApp: ACHIEVED	e@syFile: ACHIEVED
PLANNED ACTUAL TARGET 2024/2025	Customs: Meet SLA Targets.	eFiling and MobiApp: Meet SLA Targets.	e@syFile: Meet SLA Targets.
ACTUAL ACHIEVEMENT 2024/2025	ACHIEVED		
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025			
REASON FOR DEVIATION			



INDICATOR 1.5

PROVIDE **EFFECTIVE SUPPORT SERVICES TO OTHER CUSTOMERS** BASED ON CONTRACTUAL AGREEMENTS WITH THEM

In line with Interfront's commitment to equitable service delivery and operational excellence, the organisation dedicates the same level of support to smaller clients as it does to its larger counterparts. Service level agreements are in place and rigorously upheld, ensuring that consistent, high-quality support is provided regardless of client size.

The last renewal of the ADA agreement expired at the end of December 2024. ADA has confirmed that they no longer require Interfront's services, as they have modernised their internal systems. Going forward, a new service provider will take over and the Interfront system has been archived accordingly.

ADA: The Annual Performance Target has been achieved six times and partially achieved twice since the 2017/2018 financial year.

OTHER: The Annual Performance Target was introduced in the 2024/2025 financial year, however there are currently no additional agreements in place to measure support services; these will be expanded in line with the Expansion objective.

OUTCOME	Provide effective software support services to customers based on Interfront's contractual agreements with them.	
OUTPUT	Service Levels are met as contained in Contractual Agreements: ADA and Other.	
OUTPUT INDICATOR	Reports show that support services as per Interfront's contractual obligations are met ADA and Other.	
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.	
AUDITED ACTUAL PERFORMANCE 2022/2023	ADA: ACHIEVED	OTHER: New measure from 2024/2025
AUDITED ACTUAL PERFORMANCE 2023/2024	ADA: ACHIEVED	OTHER: New measure from 2024/2025
PLANNED ACTUAL TARGET 2024/2025	Meet Interfront's contractual obligations regarding support services.	Meet Interfront's contractual obligations regarding support services.
ACTUAL ACHIEVEMENT 2024/2025	Up to the end of December 2024 when latest renewal of the Interfront/ADA agreement terminated and not renewed by ADA.	There are currently no other agreements in place to measure support services; however, these will be expanded in line with the expansion objective.
	ACHIEVED	N/A
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025		
REASON FOR DEVIATION		

IDENTIFY **NEW SERVICES AND
MODERNISE EXISTING SYSTEMS**
THAT MEET/MATCH SARS NEEDS
AND PURSUE OPPORTUNITIES

**EXPAND INTERFRONT'S
SERVICE OFFERINGS** TO OTHER
GOVERNMENT AGENCIES (OGA)
AND CLIENTS-OF-CLIENTS (COC)

PROGRAMME 2

Expansion

Interfront aims to increase its footprint, reaching new markets and clients while strengthening its core domains.

The goal is to strategically grow Interfront's presence in new markets, specifically focussing on expanding its range of services to SARS, other Government entities as well as the clients of our client.

It involves identifying opportunities to diversify services and penetrate markets while ensuring these endeavours remain sustainable and profitable.

Expansion is a key driver for Interfront's long-term risk management, requiring careful planning, resource allocation, and risk management to seize promising growth and development opportunities.





INDICATOR 2.1

IDENTIFY **NEW SERVICES AND MODERNISE EXISTING SYSTEMS** THAT MEET/MATCH SARS NEEDS AND PURSUE OPPORTUNITIES

Identify and implement new services while modernising existing systems to meet SARS' requirements, actively seeking opportunities to enhance operational efficiency and drive growth. Interfront aims to become the primary IT partner to SARS by delivering reliable and secure digital platforms, using data to enhance service delivery, promote compliance, ensure data security and enable efficient tax administration. These efforts are fundamental to supporting SARS' strategic objectives and strengthening its overall capability.

The Annual Performance Target, introduced in the 2024/2025 financial year, has been successfully achieved.

OUTCOME	Identify new services and modernise existing services that meet SARS needs and pursue opportunities.	
OUTPUT	Identification of new services and the modernisation of existing ones to align with SARS' needs, while actively pursuing additional growth opportunities.	
OUTPUT INDICATOR	Quarterly Reports on opportunities identified/Work Orders where applicable.	
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.	
AUDITED ACTUAL PERFORMANCE 2022/2023	New measure from the 2024/2025 financial year	
AUDITED ACTUAL PERFORMANCE 2023/2024	New measure from the 2024/2025 financial year	
PLANNED ACTUAL TARGET 2024/2025	Biometrics	Dynamic HTML5 Forms
ACTUAL ACHIEVEMENT 2024/2025	W0286 Work is ongoing focus on the development milestone with technical demos to SARS. CV0286-1 The Biometrics project phase 1 went live in Q3 and was enabled for registration of new eFilers. A second phase commenced in Q4, with the three initiatives for phase 2 of Biometric.	W0291 Month on Month capacity provides to SARS. CV0291-1 The Interfront Forms team performs both Dynamic and Static forms requirements for SARS.
	ACHIEVED	
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	W0288 Expansion of Technical Integrators.	CV0288-1 Extension of Technical Integrators services.
REASON FOR DEVIATION	SARS requested additional capacity.	SARS requested the extension.



INDICATOR 2.2

EXPAND INTERFRONT'S SERVICE OFFERINGS TO OTHER GOVERNMENT AGENCIES (OGA) AND CLIENTS-OF-CLIENTS (COC)

The aim of this strategic goal is to increase Interfront's impact by expanding its proven digital service offerings to more government agencies and to the clients and stakeholders of existing partners, such as SARS. By doing so, Interfront aims to unlock new opportunities, reduce duplication of effort across government entities and contribute to delivering more consistent and streamlined public services. This expansion builds on the strong foundations already in place, enabling greater use of existing platforms and technology investments. Ultimately, this will strengthen Interfront's position as a trusted digital partner in government, supporting the broader objective of providing smart, secure, and citizen-focused services.

The Annual Performance Target, introduced in the 2024/2025 financial year, has been successfully achieved.

OUTCOME		Expanding service offerings to Other Government Agencies (OGA) and Clients-of-Clients (CoC).
OUTPUT		Exploring opportunities outside of SARS to increase market reach and diversify revenue streams.
OUTPUT INDICATOR		Marketing Plan and reporting against the Plan.
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS		No revisions were made to the outputs, indicators, or annual targets.
AUDITED ACTUAL PERFORMANCE 2022/2023		New Measure from the 2024/2025 financial year
AUDITED ACTUAL PERFORMANCE 2023/2024		New Measure from the 2024/2025 financial year
PLANNED ACTUAL TARGET 2024/2025		Prepare a Marketing Plan.
ACTUAL ACHIEVEMENT 2024/2025	Q1	Preparation of Marketing plan framework. Market research criteria being determined to formulate an engagement plan for campaigns.
	Q2	Preparation of Marketing Plan ongoing. Engaging with SARS on opportunities with OGA. DHA engagement.
	Q3	Preparation of the Marketing Plan ongoing. SARS strategic relationship with DHA and SARB will enable further opportunities for Interfront.
	Q4	Marketing Plan prepared.
	ACHIEVED	
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025		
REASON FOR DEVIATION		

PROGRAMME 3

Navigating and Embracing Rapid Information Technology Evolution

This strategic goal reflects Interfront's commitment to remaining at the forefront of a rapidly evolving IT landscape. It is imperative that Interfront not only keeps pace with change but actively leads it. This commitment is demonstrated through the organisation's drive to promote a culture of continuous learning, proactive adaptation, and strategic innovation.

Interfront actively identifies and embraces emerging technologies; such as artificial intelligence, automation, advanced analytics, and cybersecurity innovations, to enhance the robustness, relevance, and responsiveness of its products and services. By cultivating a dynamic and future-focused skill sets within its workforce, the organisation ensures its teams are equipped to address evolving stakeholder needs with agility and technical excellence.

To support this, Interfront is investing in the development of robust internal processes that facilitate the integration of new technologies and innovative approaches into its existing ecosystem. These efforts are aligned with its broader mandate to provide secure, efficient, and modern digital platforms that support SARS's modernisation goals and broader public sector transformation.

By embedding innovation into its operational DNA, Interfront positions itself not only as a technology provider, but as a forward-looking, trusted digital partner, capable of delivering sustainable, scalable solutions that meet the demands of a rapidly transforming digital government environment.

MOVE TO CLOUD
TECHNOLOGY INTERNALLY

CONTINUOUS RESEARCH
AND DEVELOPMENT

CONTINUOUS FOCUS ON
TRAINING AND DEVELOPMENT

“

It is imperative that Interfront not only keeps pace with change but actively leads it.



INDICATOR 3.1

MOVE TO CLOUD TECHNOLOGY INTERNALLY

Effectively and securely move services to the Cloud, optimising scalability and reliability while enhancing agility and enabling seamless access to users and clients.

The strategic migration of services to the Cloud plays a vital role in optimising IT resources and enhancing flexibility, positioning Interfront to meet the growing demands of digital service delivery. Cloud infrastructure enables scalable, secure, and cost-effective operations, essential for supporting critical platforms such as Customs, eFiling, and e@syFile. By dynamically adjusting computing capacity, the Cloud ensures consistent performance, particularly during high-volume periods, while also improving efficiency during quieter cycles.

Security is a further benefit, with modern Cloud environments offering advanced protection through encryption, automated updates, and multi-layered access controls. In addition, the Cloud accelerates innovation by enabling rapid development, testing, and deployment, while facilitating collaboration and integration with modern technologies.

However, Interfront recognises that Cloud adoption must be approached strategically. Not all systems or services are equally suited to Cloud environments. Interfront will continue to assess each use case individually and will adopt Cloud solutions where they offer the greatest value and operational benefit. This ensures a balanced hybrid approach that aligns with the performance, cost, security, and stakeholder requirements.

By moving to Cloud, where it makes strategic sense, Interfront strengthens its position as a modern, adaptable IT partner to SARS, delivering secure, reliable, and future-ready digital solutions.

The Annual Performance Target, introduced in the 2024/2025 financial year, has been successfully achieved.

OUTCOME	Internally move to Cloud Technology.	
OUTPUT	Moving services to the Cloud internally to optimise IT resources, improving flexibility and reducing cost.	
OUTPUT INDICATOR	Cloud Migration Plan/Report against the plan.	
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.	
AUDITED ACTUAL PERFORMANCE 2022/2023	New Measure from the 2024/2025 financial year	
AUDITED ACTUAL PERFORMANCE 2023/2024	New Measure from the 2024/2025 financial year	
PLANNED ACTUAL TARGET 2024/2025	Cloud Migration Plan/prepare a cost vs. benefit analysis per instance.	
ACTUAL ACHIEVEMENT 2024/2025	Q1	Draft Cloud migration plan. Include current cloud usability current migration project and potential future migration options, cost.
	Q2	Final Cloud Migration Plan draft complete. Cloud plan tracking implemented and on track with the plan.
	Q3	Cloud Migration Plan implemented.
	Q4	Cloud Migration Plan all targets for 2024/2025 achieved.
	ACHIEVED	
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025		
REASON FOR DEVIATION		





INDICATOR 3.2

CONTINUOUS RESEARCH AND DEVELOPMENT

Conduct comprehensive investigations into new emerging technologies in the software development environment and subsequently integrate into the various phases of the software development lifecycle.

Interfront's commitment to continuous research and development reflects its passion for staying at the forefront of the rapidly evolving IT landscape. This strategic objective centres on fostering a culture of continuous learning, proactive adaptation, and deliberate innovation. Interfront aims to actively explore emerging technologies, modern development practices, and novel approaches to enhance its product and service offerings. By embracing new technologies and integrating them into its software development lifecycle, the organisation seeks to optimise processes, improve code quality, and align its solutions with industry best practices. Through robust internal processes, dynamic skill-building, and knowledge-sharing, Interfront ensures that it can swiftly adopt technological advancements.

This sustained focus on R&D enables the company to drive innovation, improve its competitive positioning, and deliver enhanced value to SARS and other stakeholders while safeguarding its long-term sustainability in a rapidly changing IT industry.

The Annual Performance Target, introduced in the 2024/2025 financial year, has been successfully achieved.

OUTCOME	R&D to investigate new technologies to integrate into various phases of the software development lifecycle.	
OUTPUT	Achieving sustained innovation, competitive advantage, and long-term growth by continuously investing in research and development.	
OUTPUT INDICATOR	Project Plan to establish a roadmap and action against the plan.	
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.	
AUDITED ACTUAL PERFORMANCE 2022/2023	New Measure from the 2024/2025 financial year	
AUDITED ACTUAL PERFORMANCE 2023/2024	New Measure from the 2024/2025 financial year	
PLANNED ACTUAL TARGET 2024/2025	Prepare a Project Plan to establish a Roadmap	
ACTUAL ACHIEVEMENT 2024/2025	Q1	R&D Project Plan to be drafted in Q2.
	Q2	First draft of the R&D Plan created.
	Q3	Review of R&D Plan is in progress.
	Q4	R&D Plan established and being executed.
	ACHIEVED	
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025		
REASON FOR DEVIATION		



INDICATOR 3.3

CONTINUOUS FOCUS ON **TRAINING AND DEVELOPMENT**

Sustain continuous emphasis on training and development initiatives to enhance employee skills, promote professional growth and ensure organisational flexibility in a dynamic environment.

To maintain excellence in service delivery and innovation, Interfront prioritises continuous training and development across all areas of business. Recognising that a skilled and adaptable workforce is vital to achieving its strategic objectives, the organisation invests in structured learning pathways, professional development opportunities and knowledge-sharing initiatives. These efforts equip staff to navigate complex technological environments, effectively support client needs, and adapt to new tools and methodologies through ongoing research and development.

This culture of continuous learning strengthens organisational capability and aligns the workforce with Interfront's long-term vision.

The Annual Performance Target, introduced in the 2024/2025 financial year, has been successfully achieved.

OUTCOME	Advancing individual and collective competencies within the workforce.	
OUTPUT	Enhance employee skills, boost productivity, and maintain a competitive edge by continuously focusing on training and development.	
OUTPUT INDICATOR	Training Plan and Report against the Training Plan.	
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.	
AUDITED ACTUAL PERFORMANCE 2022/2023	New Measure from the 2024/2025 financial year	
AUDITED ACTUAL PERFORMANCE 2023/2024	New Measure from the 2024/2025 financial year	
PLANNED ACTUAL TARGET 2024/2025	Establish a Training Plan/Action against the Plan.	
ACTUAL ACHIEVEMENT 2024/2025	Q1	Completed competency framework. Identify functional and generic skills per role and department. Accessibility to online technical courses for staff.
	Q2	Draft a company behaviour competency framework and positions profile for all. Compile a skills matrix and conduct training analysis to identify any gaps. Confirm technical course provider.
	Q3	Visible and updated training needs and reporting. Updated and visible training progress and reporting (quarterly). Confirmed technical course provider.
	Q4	Updated and visible training progress and reporting (quarterly) – completed. Open access for all staff to soft skills courses to support competency development. Support management capability to effectively capture and update development needs on system – completed.
	ACHIEVED	
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025		
REASON FOR DEVIATION		

PROGRAMME 4

Become an Employer of Choice

RETENTION OF MANAGEMENT
TEAM AND STAFF

MAINTAIN AND DEVELOP
A SKILLED, DIVERSE AND
ENGAGED WORKFORCE

GROW A CENTRE
OF EXCELLENCE

DEVELOP AND IMPLEMENT
A MULTI-DIRECTIONAL
COMMUNICATION PLAN

This goal centres on positioning Interfront as a highly sought-after employer by cultivating a work environment that inspires excellence, loyalty, and fulfilment.

Interfront aims to build a culture where employees feel empowered to contribute meaningfully, motivated to perform at their best, and committed to the organisation's long-term success.

Central to this vision is a sustained investment in employee growth, which is achieved through continuous training and development opportunities supporting career progression and skills enhancement. Equally important is creating a workplace culture that is rooted in mutual respect, inclusivity, collaboration, and open communication.

Interfront strives to create a space where employees experience a strong sense of purpose, work-life balance, and alignment between their professional goals and personal aspirations. By prioritising employee well-being, recognising performance, and creating opportunities for meaningful engagement, Interfront seeks not only to attract top talent but to retain and nurture it, ensuring a resilient, skilled, and future-ready workforce.





INDICATOR 4.1

RETENTION OF MANAGEMENT TEAM AND STAFF

The successful management and retention of Interfront's human capital is fundamental to the organisations long-term success, continuity and sustainability. Interfront recognises that among the key risks to its business is the potential loss of skilled and experienced employees. Retaining both the management team and broader staff base ensures the preservation of institutional knowledge, promotes consistency in delivery, enhances employee morale, and strengthens competitiveness in the market.

The retention rate is a vital indicator of an organisation's stability and employee satisfaction. A strong retention rate contributes not only to cost-efficiency by reducing expenditure related to turnover but also supports a cohesive work environment where individuals feel valued and committed.

In calculating the metric, we only include permanent employees and long-term contractors. We excluded individuals who have retired or been dismissed from the retention calculation.

For the 2025/2026 financial year, we have revised the annual performance target to $\leq 10\%$, which marks a significant improvement from the highest target of $\leq 22\%$ set in 2014, later lowered to $\leq 14\%$ in 2018. Although Interfront has achieved a retention figure below 10% on only three occasions over the past ten years, the new target reflects our organisation's unwavering commitment to this goal. It underscores both the ambition behind the target and Interfront's renewed focus on creating an environment that attracts, motivates, and retains top talent. This continued emphasis on workforce stability is central to Interfront's strategic objective of becoming an employer of choice.

The Annual Performance Target has been achieved on two and not achieved twice since the 2021/2022 financial year.

OUTCOME		Management Team and Staff Retention Rate.
OUTPUT		Staff turnover figures at the end of the financial year equal or below target.
OUTPUT INDICATOR		Record of staff turnover as provided and verified by the Human Resources Department.
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS		No revisions were made to the outputs, indicators, or annual targets.
AUDITED ACTUAL PERFORMANCE 2022/2023		NOT ACHIEVED
AUDITED ACTUAL PERFORMANCE 2023/2024		ACHIEVED
PLANNED ACTUAL TARGET 2024/2025		Staff turnover to be $\leq 14\%$
ACTUAL ACHIEVEMENT 2024/2025	Q1	0,58%
	Q2	2.33%
	Q3	3.51%
	Q4	4.07%
	ACHIEVED	
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025		
REASON FOR DEVIATION		



INDICATOR 4.2

MAINTAIN AND DEVELOP A SKILLED, DIVERSE AND ENGAGED WORKFORCE

Interfront recognises that the sustained development of a skilled, diverse, and engaged workforce is fundamental to its long-term success and strategic agility. This goal extends beyond compliance or corporate responsibility; it represents a core pillar of organisational sustainability and competitiveness in a rapidly evolving digital landscape. By investing in talent, embracing diversity, and fostering inclusion, Interfront aims to build a resilient and adaptive workforce that reflects both its values and the demands of its clients.

Employee engagement, as measured by the Employee Engagement Score, remains a key performance indicator. This metric reflects overall employee satisfaction, motivation, and commitment, factors that directly influence organisational culture, productivity, and service delivery. Tracking engagement allows Interfront to identify areas of strength and improvement, ensuring that it cultivates a supportive and energising work environment.

This strategic focus is essential to attracting and retaining high-performing individuals, and to fulfilling Interfront's broader objective of becoming an employer of choice.

The Annual Performance Target, introduced in the 2024/2025 financial year, has been successfully achieved.

OUTCOME		Maintain and develop a skilled, diverse and engaged workforce.
OUTPUT		Staff Engagement figure below baseline.
OUTPUT INDICATOR		Employee Engagement Surveys/Actions/Pulse Check.
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS		No revisions were made to the outputs, indicators, or annual targets.
AUDITED ACTUAL PERFORMANCE 2022/2023		New target from the 2024/2025 financial year
AUDITED ACTUAL PERFORMANCE 2023/2024		New target from the 2024/2025 financial year
PLANNED ACTUAL TARGET 2024/2025		Determine staff engagement to establish baseline
ACTUAL ACHIEVEMENT 2024/2025	Q1	Pulse Survey Completed Personality and team role assessments administered – Completed assessments, feedback and line manager workshop Assessments administration and results gathered. Customised leadership development programme per line manager EQ assessments administered and feedback sessions completed
	Q2	Pulse Survey administration and communication of results. Personality and team role assessments administer, feedback, team workshops, line managers workshops. Emotional Intelligence (EQ) assessments and feedback, monthly individual coaching sessions.
	Q3	Psychometric and selection evaluation of SM candidates. Psychometric assessment (ability and behaviour) of graduates. Heritage Day picnics held at Jhb and CT venues
	Q4	Personality and team role assessments administration, feedback, and team workshops. Psychometric and selection evaluation of LM candidate. Measured competence and identification of competency gaps for improved individual performance and development. Survey developed. Create awareness of changes and maintain engagement throughout change process.
	ACHIEVED	
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025		
REASON FOR DEVIATION		



INDICATOR 4.3

GROW A CENTRE OF EXCELLENCE

To establish and cultivate a Centre of Excellence (CoE) that serves as a hub for industry-leading expertise, innovation, and best practices, positioning Interfront as a recognised authority and thought leader in its field.

Interfront's commitment to growing a Centre of Excellence is underpinned by the continued investment in its Bursar and Graduate Internship Programme. This initiative plays a pivotal role in individual advancement, workforce development, and broader social and economic progress. By providing structured pathways for talented graduates to transition from academic study to meaningful industry experience, the programme helps to bridge the gap between theory and practice, equipping young professionals with critical skills required in the digital and software development landscape.

The Centre of Excellence serves as a strategic platform for nurturing future leaders and technical specialists, ensuring a pipeline of skilled, innovative, and diverse talent. It promotes inclusion, drives transformation, and supports national objectives related to youth employment and education access. Through mentorship, practical exposure, and continuous development, Interfront cultivates a learning environment where graduates not only gain experience but also contribute meaningfully to real-world projects.

By embedding this programme within its strategic goals, Interfront reaffirms its role as both a contributor to national skills development and a future-focused organisation that invests in sustainable human capital. Growing this Centre of Excellence is a key enabler of Interfront's long-term capability and competitiveness, ensuring that the organisation remains equipped to meet evolving client needs while positively impacting the broader ICT ecosystem.

The Annual Performance Target, introduced in the 2024/2025 financial year, has been successfully achieved.

OUTCOME	Cultivate a pipeline of skilled, future-ready talent and fresh perspectives through a Graduate Internship programme.
OUTPUT	The successful establishment of a centre of excellence, with 80% of graduates being appointed and smoothly transitioned into the workplace.
OUTPUT INDICATOR	Contracts concluded
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.
AUDITED ACTUAL PERFORMANCE 2022/2023	New measure from the 2024/2025 financial year
AUDITED ACTUAL PERFORMANCE 2023/2024	New measure from the 2024/2025 financial year
PLANNED ACTUAL TARGET 2024/2025	Appoint and transition 80% of the graduates into the workforce
ACTUAL ACHIEVEMENT 2024/2025	5 graduates started in February 2025. 100% of the 2023 graduates received contracts to transition to permanent roles in April 2025.
	ACHIEVED
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	
REASON FOR DEVIATION	





INDICATOR 4.4

DEVELOP AND IMPLEMENT A MULTI-DIRECTIONAL COMMUNICATION PLAN

A multi-directional Stakeholder Communication Plan aims to create a dynamic and inclusive communication ecosystem that supports transparency, engagement, trust and accountability while aligning with Interfront's strategic objectives and promoting long-term relationships with Interfront's stakeholders.

Establishing a Multi-Directional Communication Plan is essential for fostering a workplace culture that values transparency, engagement, and trust. Effective communication is not only a critical driver of employee satisfaction and alignment with organisational objectives but also plays a pivotal role in innovation, conflict resolution, and informed decision-making, factors that directly contribute to the long-term sustainability and success of Interfront.

This plan aims to facilitate open, consistent, and inclusive communication flows between leadership, employees, and other internal stakeholders. By enabling upward, downward, and lateral exchanges of information, Interfront strengthens organisational cohesion and creates an environment where employees feel heard, respected, and empowered to contribute ideas and feedback.

A well-structured communication strategy enhances clarity, reduces misunderstandings, and improves response times, particularly in dynamic and fast-paced environments. It also supports change management initiatives and ensures that strategic priorities are clearly understood at all levels of the organisation. Through this approach, Interfront reinforces its commitment to a collaborative and high-performing culture, further positioning itself as an employer of choice.

The Annual Performance Target, introduced in the 2024/2025 financial year, has been successfully achieved.

OUTCOME	Improving communication flow to enhance collaboration and teamwork.
OUTPUT	Multi-Directional Communication Plan and execute against the Plan.
OUTPUT INDICATOR	Multi-Directional Communication Plan.
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.
AUDITED ACTUAL PERFORMANCE 2022/2023	New target from the 2024/2025 financial year
AUDITED ACTUAL PERFORMANCE 2023/2024	New Target from the 2024/2025 financial year
PLANNED ACTUAL TARGET 2024/2025	Prepare and execute Multi-Directional Communication Plan.
ACTUAL ACHIEVEMENT 2024/2025	Plan approved and being executed.
	ACHIEVED
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	
REASON FOR DEVIATION	

PROGRAMME 5

Demonstrate Responsible Resource Stewardship

By continuously striving for excellence in governance and financial management, Interfront seeks to enhance the integrity, transparency, and accountability of its operations. This commitment not only increases the likelihood of consistently obtaining and maintaining a clean audit opinion, but also fosters trust and confidence among key stakeholders, including its shareholder, partners, and the broader public sector.

Responsible resource stewardship encompasses the prudent, ethical, and sustainable use of financial, human, and technological resources. It requires robust internal controls, sound budgeting practices, and the effective monitoring of expenditure and performance. Through disciplined financial planning and adherence to public finance management principles, Interfront aims to ensure that every resource is optimally utilised to deliver maximum value and long-term impact.

Moreover, responsible stewardship supports the organisation's broader strategic goals by reinforcing operational efficiency, reducing waste, and promoting a culture of accountability. In doing so, Interfront positions itself as a trusted partner in the public sector technology landscape – one that is capable of delivering reliable, secure, and innovative solutions while upholding the highest standards of corporate governance.

CLEAN ADMINISTRATION

“

By continuously striving for excellence in governance and financial management, Interfront seeks to enhance the integrity, transparency, and accountability of its operations.





INDICATOR 5.1

CLEAN ADMINISTRATION

Achieving and maintaining clean administration remains a cornerstone of Interfront's operational philosophy, reflecting our commitment to integrity, accountability, and sound governance. This priority underscores a proactive approach to ensuring that all administrative, financial, and operational activities are conducted in full compliance with legislative and regulatory requirements, including the Public Finance Management Act (PFMA) and other applicable frameworks.

Clean administration is not limited to the outcome of external audits; it is embedded in daily practices, internal controls, ethical leadership, and a culture of transparency. Through rigorous governance structures, continuous monitoring, and process improvement, Interfront aims to safeguard public resources, mitigate risks, and reinforce stakeholder confidence. Ultimately, this focus supports the organisation's long-term sustainability and its ability to deliver value-driven services in the public sector technology space.

The 2023/2024 financial year sees the 14th consecutive unqualified audit report on the Annual Financial Statements. Interfront has also received a clean audit opinion for eight years consequently thirteen in total.

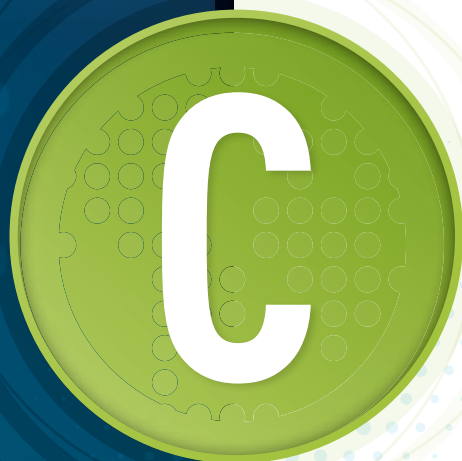
OUTCOME	Clean Audit Report
OUTPUT	Clean Audit Report
OUTPUT INDICATOR	Report from the AGSA
REASONS FOR REVISIONS TO THE OUTPUTS/INDICATORS/ANNUAL TARGETS	No revisions were made to the outputs, indicators, or annual targets.
AUDITED ACTUAL PERFORMANCE 2022/2023	2024/2025 ACHIEVED
AUDITED ACTUAL PERFORMANCE 2023/2024	2024/2025 ACHIEVED
PLANNED ACTUAL TARGET 2024/2025	Clean Audit Report for 2023/2024
ACTUAL ACHIEVEMENT 2024/2025	Clean Audit Report from the AGSA
	ACHIEVED
DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/2025	
REASON FOR DEVIATION	



12 Linking Performance with Budget

OBJECTIVE	BUDGET EXPENDITURE	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET EXPENDITURE	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
Continual innovation and client-centricity	174 550 270	170 817 548	3 732 722	177 914 693	189 164 760	(11 250 067)
Expansion	5 454 696	5 338 048	116 648	5 559 834	5 911 399	(351 565)
Navigating and embracing rapid information technology evolution	5 454 696	5 338 048	116 648	5 559 834	5 911 399	(351 565)
Become employer of choice	16 364 088	16 014 145	349 943	16 679 502	17 734 196	(1 054 694)
Responsible resource stewardship	16 364 088	16 014 145	349 943	16 679 502	17 734 196	(1 054 694)

		SARS	LUXEMBOURG (ADA)	OTHER
2022/2023	BUDGET REVENUE	141 589 361	16 748 633	8 650 000
	ACTUAL AMOUNT RECEIVED	152 237 645	15 897 998	3 654 842
	OVER/(UNDER)	10 648 284	(850 635)	(4 995 158)
2023/2024	BUDGET REVENUE	186 602 830	16 861 575	5 297 709
	ACTUAL AMOUNT RECEIVED	192 549 415	19 360 309	3 918 407
	OVER/(UNDER)	5 946 585	2 498 734	(1 379 303)
2024/2025	BUDGET REVENUE	198 521 683	14 786 475	4 166 000
	ACTUAL AMOUNT RECEIVED	222 191 618	14 630 592	5 219 329
	OVER/(UNDER)	23 669 935	(155 883)	1 053 329



GOVERNANCE

Introduction

Portfolio Committees

Executive Authority

Interfront Board

Board Committees

Audit and Risk Committee

Remuneration, Social and Ethics Committee

Interfront Executive Committee (EXCO)

Remuneration of Board Members

Risk Management

Internal Control Unit

Ethics

Health, Safety and Environmental Issues

Company Secretary

Social Responsibility

Audit and Risk Committee

B-BBEE Compliance Performance Information

01 Introduction

At Interfront, governance transcends mere compliance requirement; it is a fundamental pillar that underpins our strategic objectives and daily operations. Effective governance systems ensure that the company is managed responsibly, ethically, and in alignment with stakeholder expectations. These systems encompass the structures, policies, and practices that guide decision-making and maintain accountability at every level of the organisation.

As a state-owned entity and a subsidiary of the South African Revenue Service (SARS), Interfront adheres to a comprehensive legislative and regulatory framework. This framework includes but are not limited to the Companies Act, the Public Finance Management Act (PFMA), the King IV Report on Corporate Governance, the Basic Conditions of Employment Act, Broad-Based Black Economic Empowerment (B-BBEE) Act, Treasury Regulations, and National Treasury guidelines on Procurement. Compliance with these legal instruments and standards ensures that Interfront not only fulfils its statutory obligations but also upholds the highest standards of corporate governance.

Through robust governance practices, we strive to enhance transparency, accountability, and ethical leadership while continuously monitoring and improving our internal controls. In this way, governance at Interfront supports long-term sustainability and value creation for all stakeholders.





02 Portfolio Committees

The Standing Committee on Public Accounts (SCOPA) within the National Assembly scrutinises financial statements and the audit reports prepared by external auditors.

The Portfolio Committee is responsible for monitoring the service delivery performance of public entities by reviewing the non-financial information presented in their annual reports, with a focus on service delivery outcomes and the promotion of economic growth.

As a wholly owned subsidiary of SARS, Interfront's strategic planning, budgeting, risk management, and reporting are seamlessly integrated into those of SARS, forming part of SARS' broader public accountability processes.



03 Executive Authority

The Executive Authority's oversight role is guided by the provisions of the Public Finance Management Act (PFMA), which grants the authority the power to exercise effective oversight.

In addition, the Executive Authority holds the responsibility to appoint and dismiss the Board, ensuring a balanced composition of executive and non-executive directors with the necessary skills to lead Interfront efficiently.

At the time of Interfront's incorporation, the Minister of Finance appointed the initial Board. Subsequent appointments, renewals, and replacements of Board members have been approved by the Commissioner of SARS, acting in the capacity of Shareholder, in accordance with section 68(1) of the Companies Act and Interfront's Memorandum of Incorporation (MOI).



04 Interfront Board

The Board of Directors, as the accounting authority of Interfront, is committed to providing strategic oversight and sound governance to ensure the company's continued growth and sustainability. The Board's composition reflects a balanced mix of skills, experience, and expertise, enabling it to effectively guide the organisation in achieving its strategic objectives.

During the 2024/2025 financial year, the Board continued to prioritise good governance, transparency, and accountability, in line with both legislative requirements and best practice standards. Through active engagement and collaboration, the Board has worked diligently to support management in addressing challenges and capitalising on opportunities within a dynamic operating environment.

The diversity within the Board fosters a holistic perspective on strategic decision-making, while the collective experience of its members contributes to well-informed and balanced governance practices. This approach not only ensures the effective stewardship of the organisation's resources but also supports the creation of long-term value for stakeholders.

As Interfront continues to evolve, the Board remains dedicated to upholding the highest standards of governance while fostering a culture of accountability and responsible leadership.

Role of the Board

The Board of Interfront plays a fundamental role in the effective governance and strategic direction of the company.

ITS KEY RESPONSIBILITIES INCLUDE:



STRATEGIC LEADERSHIP: setting the strategic direction of the company and overseeing its implementation. Approving the strategic plan, annual performance plan, and budget.



CORPORATE GOVERNANCE: Upholding standards of corporate governance, aligned with the King IV principles. Ensuring compliance with relevant legislation, including the Companies Act, PFMA, and B-BBEE Act.



RISK MANAGEMENT: Overseeing the implementation of effective risk management practices. Reviewing and approving the risk management framework and internal control systems.



FINANCIAL OVERSIGHT: Monitoring financial performance and ensuring the integrity of financial reporting. Approving annual financial statements and ensuring compliance with accounting standards.



PERFORMANCE MONITORING: Evaluating the performance of the company against set objectives. Ensuring that performance information is accurate, complete and reliable.



STAKEHOLDER ENGAGEMENT: Ensuring effective communication with stakeholders, including the SARS and other relevant entities. Maintaining transparency and accountability to stakeholders.



HUMAN RESOURCES AND ETHICS: Appointing and evaluating the performance of the CEO and other executive management. Promoting an ethical culture and ensuring compliance with human resource policies.



INTERNAL CONTROL AND ASSURANCE: Ensuring the establishment of a sound system of internal controls. Overseeing the effectiveness of the internal and external audit functions.



POLICY OVERSIGHT: Reviewing and approving key governance frameworks, policies, and procedures. Ensuring that policies are aligned with legislative requirements and best practices.

Terms of Reference

Interfront has adopted formal Terms of Reference, also known as a Board Charter, in line with the recommendations of the King IV Code on Corporate Governance.

This Charter outlines the roles, responsibilities, and functions of the Board providing clear guidance on matters such as strategic oversight, risk management, and ethical leadership.

It sets out the Board's commitment to good governance practices, including maintaining accountability, fairness, and transparency in decision-making. The Terms of Reference also ensures that the Board operates within a structured framework, promoting consistent governance practices that align with Interfront's strategic objectives and legislative obligations.

Board Work Plan

Each year, the Board adopts a comprehensive Board Work Plan, presented in a structured tabular format. This plan aligns with the responsibilities outlined in the Board's Terms of Reference and serves as a practical tool to guide the Board's oversight throughout the financial year.

The Work Plan specifies the frequency and timing of reports and feedback that the Board expects to receive in key areas of oversight. These include:

- Governance and Strategic Leadership
- Financial and Procurement Management
- Governance of Risk
- Performance Management
- General Reporting Requirements

By mapping out its responsibilities in advance, the Board ensures a proactive and well-coordinated approach to fulfilling its fiduciary duties and supporting Interfront's strategic and operational objectives.

Board Composition

The Interfront Board comprises of nine directors, offering a balanced mix of independent and executive leadership to ensure effective governance and strategic direction. The Board is structured as follows:

- Three independent, non-executive directors, including the Chairperson
- Three non-executive directors
- Three executive directors

Recent Appointments, Leadership Transition, and Succession Planning

Mr. John Robertson retired as Operations Director on 31 March 2025, concluding thirteen years in the role during which his contributions were instrumental to the company's success. The Board expresses its profound gratitude to Mr. Robertson for his unwavering commitment and exceptional service throughout his tenure as Operations Director. His leadership and commitment have been integral to the company's achievements and growth. To ensure operational continuity and preserve his invaluable institutional knowledge, the Board approved retaining him as an executive director in an advisory capacity on reduced hours for a period of one year following his retirement. His ongoing involvement supports stability and knowledge retention in the operational environment.

Following a comprehensive interview process, the Board with the input of the Commissioner and Deputy Commissioner, appointed Mr Danie De Kock as an executive director on the Interfront Board in January 2025 and he formally assumed the role of Operations Director on 1 April 2025. With over 30 years' experience in software development, support services, and executive leadership, he brings deep operational insight and a strong client focus. Having been involved in the SARS eFiling programme since its inception, Mr De Kock has played a central role in its design, development, implementation, and ongoing enhancement. As an EXCO member since 2022, he brings a solid understanding of Interfront's operations and stakeholder environment. His formal qualifications in Business Leadership and Future Studies, combined with his innovative mindset and alignment with Interfront's values, position him to add significant value in his new role.

The appointment of Mr Anton Roelofse as an independent non-executive director, effective 17 January 2025, increased the number of independent non-executive directors on the Board to three. With over three decades of experience in business development, strategic finance, and executive leadership, he brings deep expertise in SMME growth funding and portfolio management. Mr Roelofse served as Regional General Manager at Business Partners Limited for 14 years, leading multi-regional operations and overseeing a R1.1 billion portfolio. He also chaired the Regional Investment Committee, responsible for approving a wide range of complex transactions across sectors. His strengths in strategic thinking, financial due diligence, and stakeholder engagement position him as a valuable contributor to Interfront's governance and oversight.

Tenure and Role Distribution

The independent, non-executive Chairperson and the two longest-serving members of the accounting authority, the Acting Managing Director/Finance Director and Mr. John Robertson, who previously served as Operations Director and now continues to serve on the Board in an executive advisory capacity, have each served on the accounting authority for thirteen years as of the date of this report.

Mr H. Smith and Ms Ntlhabyane' serve as non-executive directors and are employees of the Shareholder, thus qualifying as nominee directors. The third non-executive director, Mr E. Smith, was previously employed by the Shareholder and is therefore not regarded as independent. While these nominee directors represent the interest of the Shareholder, they are required to exercise independent judgment and maintain bona fide independence when making decisions. It is essential that all directors, particularly nominee directors, uphold impartiality and always consider Interfront's affairs objectively.

To uphold good governance practices, the roles of the Chairperson and Managing Director remain distinct.

The Chairperson serves on the Remuneration, Social, and Ethics Committee but does not participate in the SARS/Interfront Audit and Risk Committee.

The Interfront Financial Director currently serves as the Acting Managing Director. Considering this dual function, the Delegation of Authority was amended to ensure the continued separation of duties.

The Board, as the accounting authority, remains committed to transparency, objectivity, and minimising potential conflicts of interest, always prioritising the best interests of all stakeholders.

INTERFRONT BOARD MEMBERS SERVING DURING THE 2024/2025 FINANCIAL YEAR



**MUSTAQ AHMED
ENUS-BREY**

**NON-EXECUTIVE,
INDEPENDENT CHAIRPERSON**

Date appointed: 18 Oct. 2011

Date resigned: Active

Qualifications
Chartered Accountant

Area of expertise
Finance, Governance, Management

Board directorships
See our website

Other committees
Remuneration, Social and Ethics Committee

No. of meetings attended: 4/4



**GUSTAV
VERMAAS**

NON-EXECUTIVE, INDEPENDENT DIRECTOR

Date appointed: 13 Jun. 2023

Date resigned: Active

Qualifications

BCom Accounts II, Computer Science III,
Business Economics III

Area of expertise
Governance, Management, Programme
Management, Business Effectiveness, IT

Board directorships
MTC Maris (Pty) Ltd a 100% subsidiary of MTC
Mobile Telecommunications Limited

Other committees
Chairperson of the Remuneration,
Social & Ethics Committee

No. of meetings attended: 4/4



**FRANS ANTONIE
(ANTON) ROELOFSE**

**NON-EXECUTIVE,
INDEPENDENT DIRECTOR**

Date appointed: 17 Jan. 2025

Date resigned: Active

Qualifications
Bachelor of Commerce
Honours in Business Administration

Area of expertise
Finance, Risk-Based Funding Strategies,
Strategic Thinking and Planning, Professional
Networking, Advanced Negotiation Skills

Board directorships: N/A

Other committees: N/A

No. of meetings attended: 1/4*



**HERMAN
SMITH**

**NON-EXECUTIVE
DIRECTOR**

Date appointed: 10 Oct. 2019

Date resigned: Active

Qualifications
Postgraduate Diploma in Management
Practice (PG Dip) NQF level 8

Area of expertise
Governance, Management, Programme
Management, Business Effectiveness, IT

Board directorships: N/A

Other committees: N/A

No. of meetings attended: 2/4

INTERFRONT BOARD MEMBERS SERVING DURING THE 2024/2025 FINANCIAL YEAR



**VONANI CALPHORNIA
NTLHABYANE**

**NON-EXECUTIVE
DIRECTOR**

Date appointed: 10 Oct. 2019

Date resigned: Active

Qualifications
BCom (Hons)

Area of expertise
Governance, Management, IT,
Supply Chain Management

Board directorships: N/A

Other committees
Remuneration, Social and Ethics Committee

No. of meetings attended: 1/4



**ERICK
SMITH**

**NON-EXECUTIVE
DIRECTOR**

Date appointed: 14 Jun. 2022

Date resigned: Active

Qualifications
BProc LLB

Area of expertise
Legal

Board directorships: N/A

Other committees: N/A

No. of meetings attended: 4/4



**LEILANIE LOUISE
JANSE VAN RENSBURG**

**ACTING MANAGING DIRECTOR
AND FINANCIAL DIRECTOR**

Date appointed: 1 Oct. 2011

Date resigned: Active

Qualifications
Chartered Accountant

Area of expertise
Governance, Finance, Management, Procurement

Board directorships
Child at Heart NGO
Harbour Island Master Homeowners Association

Other committees
Permanent invitee to:
Remuneration, Social and Ethics Committee
SARS/Interfront Audit and Risk Committee
Interfront Executive Committee – Chairperson

No. of meetings attended: 4/4



**JOHN MCLAREN
ROBERTSON**

**OPERATIONS DIRECTOR UNTIL 31 JAN. 2024 /
EXECUTIVE DIRECTOR EFFECTIVE 1 APR. 2025**

Date appointed: 1 Oct. 2011

Date resigned: Active

Qualifications
Advanced Business Process
Management (Adv BPM)

Area of expertise
Governance, Management,
IT, System Integration

Board directorships: N/A

Other committees
Permanent invitee to:
Remuneration, Social and Ethics Committee
SARS/Interfront Audit and Risk Committee
Interfront Executive Committee

No. of meetings attended: 4/4

INTERFRONT BOARD MEMBERS SERVING DURING THE 2024/2025 FINANCIAL YEAR



**DANIEL JACOBUS
(DANIE) DE KOCK**

**OPERATIONS
DIRECTOR**

Date appointed:
1 Apr. 2025

Date resigned:
Active

Qualifications

Post Graduate Diploma in Future Studies,
Master of Business Leadership (MBL),
BSc Honours (Informatics),
BSc (Computer Science)

Area of expertise

Governance, Finance, IT,
Strategic Planning and
Professional Networking

Board directorships: N/A

Other committees

Permanent invitee to:
Remuneration, Social and Ethics Committee
SARS/Interfront Audit and Risk Committee
Interfront Executive Committee

No. of meetings attended:
3/4#



**MADELEIN
PEPPERELL**

**COMPANY
SECRETARY**

Date appointed:
13 Jul. 2017

Date resigned:
Active

Qualifications

LLB,
Associate Member of the
Chartered Governance Institute
of Southern Africa

Area of expertise

Governance, Legal, Compliance, Risk

Board directorships: N/A

Other committees

Remuneration, Social and Ethics Committee

Permanent Invitee:
SARS/Interfront Audit and Risk Committee
Interfront Executive Committee

No. of meetings attended:
4/4

** Appointed as an independent, non-executive director late in the 2024/2025 financial year and therefore only able to attend the final meeting of the period.*

Danie De Kock joined the Interfront Board as a permanent invitee in October 2024 as Operations Director elect and was appointed as Operations Director on 1 April 2025.

Permanent Invitees to the Interfront Board

Mr. Carl Scholtz, the SARS Deputy Commissioner: Enterprise Strategy, Enablement and Modernisation, was appointed as a permanent invitee to the Interfront Board in November 2024. His presence significantly strengthens the strategic relationship between SARS and Interfront. As a senior executive responsible for shaping SARS's enterprise-wide strategy and modernisation agenda, Mr. Scholtz plays a pivotal role in ensuring that Interfront's strategic direction remains fully aligned with SARS's evolving needs and priorities.

Ms. Nombulelo Mohoto, Interfront's Head of Human Resources presents her Human Capital reports and provides related feedback. She also serves as a permanent invitee to the Remuneration, Social and Ethics Committee and is a member of the Interfront Executive Committee.

Amendments to the Companies Act:

Interfront is committed to maintaining ongoing compliance with the recent changes introduced by the Companies Amendment Act 16 of 2024 and the Companies Second Amendment Act 17 of 2024, which took effect on 27 December 2024. Furthermore, proactive measures have been implemented to ensure readiness for compliance with provisions of the legislation that are not yet in force.

05 Board Committees

Terms of Reference for Board Committees

The Interfront Board remains committed to sound corporate governance, aligned with best practices and strategic objectives. To support this, the Terms of Reference for each Board committee are reviewed and approved regularly to ensure that their mandates and structures remain effective and compliant with evolving priorities and legislation. These Terms outline each committee's purpose, authority, responsibilities, composition, meeting protocols, and voting procedures. They promote disciplined participation, objective oversight, and transparent decision making. By operating within these frameworks, committees ensure accountability, efficiency, and enhanced organisational governance.



Audit and Risk Committee

The Audit and Risk Committee plays a critical role in ensuring the integrity of Interfront's financial reporting and the robustness of its risk management and internal control frameworks. The committee is comprised exclusively of independent, non-executive members, none of whom hold executive roles within the organisation. This structure reinforces the committee's objectivity and ability to provide independent oversight free from potential conflicts of interest.

Committee members are appointed based on their financial acumen, relevant qualifications, and extensive experience in governance, risk management, and financial management. Collectively, they bring a wealth of expertise that enables them to discharge their responsibilities diligently, competently, and with sound judgment.

The Internal Audit function, which is an essential line of defence in Interfront's control environment, attends all committee meetings and provides ongoing assurance of the effectiveness of internal controls, governance processes, and risk management systems. The Auditor-General of South Africa (AGSA), Interfront's external auditor, is invited to all committee meetings. AGSA presents its audit findings and reports directly to the committee, ensuring transparency, accountability, and alignment with public sector auditing standards.

A core responsibility of the committee is to review the annual financial statements prior to their submission to the Board for approval. This includes assessing the appropriateness of accounting policies, reviewing key estimates and judgements, and ensuring compliance with applicable financial reporting frameworks. The committee provides a formal recommendation to the Board regarding the approval of these statements.

In addition to financial oversight, the committee closely supervises the Interfront Risk Register. It regularly reviews reports on the status of key strategic and operational risks, as well as the implementation and effectiveness of mitigation actions. This enables proactive risk governance and reinforces organisational resilience.

Each year, the Audit and Risk Committee submits a detailed report to the Board and stakeholders outlining its assessment of the effectiveness of internal controls, risk management practices, audit findings, and other matters within its mandate. Further details of the committee's work and conclusions can be found in the Audit and Risk Committee Report on page 95 of this Annual Report.

Through its activities, the committee upholds Interfront's commitment to good corporate governance, transparency, and financial integrity.



07 Remuneration, Social and Ethics Committee

Role of the Remuneration, Social and Ethics Committee

The Remuneration, Social, and Ethics Committee performs the following dual roles:

Remuneration Committee Responsibilities

The Remuneration Committee is responsible for overseeing and guiding matters related to executive remuneration, employee reward structures, and related human capital policies. The Committee ensures that Interfront's remuneration practices are fair, transparent, and aligned with its strategic objectives, performance, and values.

The key responsibilities of the committee include reviewing and recommending the remuneration framework for executive and senior management, monitoring the implementation of remuneration policies, and ensuring compliance with applicable legislation, governance codes (such as King IV), and shareholder expectations. The Committee also ensures that remuneration structures support the attraction, retention, and motivation of skilled personnel, while maintaining affordability and sustainability. The Remuneration Committee plays a critical role in ensuring that remuneration practices are responsible and promote the long-term success and ethical culture of the company.

Social and Ethics Committee Responsibilities

The Social and Ethics Committee is tasked with monitoring Interfront's activities related to social and economic development, good corporate citizenship, environmental responsibility, ethical conduct, and stakeholder engagement.

The Committee ensures that the company upholds the highest standards of integrity, fairness, and accountability in its operations and aligns with the principles of the Constitution, relevant legislation, and the values enshrined in the King IV Report on Corporate Governance.

It oversees matters relating to transformation, including compliance with Broad-Based Black Economic Empowerment (B-BBEE), employment equity, and skills development. In fulfilling its mandate, the Committee promotes a sustainable and inclusive organisational culture that supports Interfront's long-term strategic objectives and public sector responsibilities.

Terms of Reference

In terms of its approved Terms of Reference, the Committee is required to meet at least twice per financial year. During the year under review, the Committee convened on three occasions, including a special meeting.

The Remuneration Committee held a special meeting on 25 June 2024, during which it reviewed and recommended the annual salary increase and performance-based bonus proposals for Interfront employees for approval by the Board. The Committee also finalised the performance scorecards for the executive directors and, based on the assessed outcomes, recommended the annual salary adjustments and bonus payments for the executive directors for the Board's approval.

Committee Work Plan

The Remuneration, Social and Ethics Committee adopted a comprehensive Committee Work Plan, presented in a structured tabular format. This plan aligns with the Committee's Terms of Reference and serves as a practical tool to guide the Committee's oversight throughout the financial year.

The Work Plan specifies the frequency and timing of reports and feedback that the Committee expects to receive on key areas of oversight. These include:

- Executive Directors Performance Assessment.
- Review and recommend for Board approval, the Performance Agreement of Executive Directors.
- Human Capital Report and Statistics.
- Human resource policies and remuneration strategy policies should be reviewed where applicable.
- Monitor Interfront's compliance with Employment Equity requirements.
- Monitor aspects of Social and Economic Development.
- Review aspects of Health and Safety within Interfront
- Review aspects and adopt policies dealing with Labour and Employment
- Review and recommend for Board approval annual salary increases for Interfront employees and executive directors.
- Review and recommend for Board approval annual bonus payments for Interfront employees and executive directors.

By mapping out its responsibilities in advance, the Committee ensures a proactive and well-coordinated approach to fulfilling its fiduciary duties and supporting Interfront's strategic and operational objectives.

Committee Composition

REMUNERATION, SOCIAL AND ETHICS COMMITTEE COMPOSITION AND MEETING ATTENDANCE

NAME	TITLE	MEETING ATTENDANCE
Gustav Vermaas	Independent, Non-Executive Director / Chairperson	3/3
Mustaq Enus-Brey	Independent, Non- Executive Director	3/3
Vonani Ntlhabyane	Non-Executive Director	2/3
Erick Smith	Non-Executive Director	3/3
Madelein Pepperell	Company Secretary	3/3

The three executive directors, along with Ms. Nombulelo Mohoto, Head of Human Resources, attend Committee meetings as permanent invitees. Their consistent participation ensures that the Committee benefits from executive insights across key operational, financial, and human resource functions, thereby facilitating informed decision-making and effective governance oversight.

Amendments to the Companies Act:

Effective 27 December 2024, a key provision of the Companies Amendment Act 16 of 2024, Section 72(7A), came into effect, introducing enhanced governance requirements for the composition of the Social and Ethics Committee (SEC).

According to this amendment, the SEC must now consist of a minimum of three members, with the majority being non-executive directors who have served in that capacity for the preceding three financial years. This change strengthens the committee's independence and continuity. Thereby reinforcing its role in overseeing the company's ethical culture, social responsibility, and corporate citizenship practices. Interfront is reviewing the composition of its SEC to ensure compliance with these new legislative requirements and to uphold its commitment to robust and ethical governance.

Furthermore, Sections 30A and 30B of the Companies Amendment Act 16 of 2024, which are not yet in force pending the finalisation of supporting regulations which is expected to introduce significant new governance obligations for public and state-owned companies. For Interfront, these provisions will directly affect the mandate and responsibilities of the Social and Ethics Committee (SEC).

In anticipation of the forthcoming implementation of new remuneration disclosure requirements, Interfront has adopted a proactive approach to ensure both compliance and transparency. The company has prepared comprehensive remuneration reports for the Remuneration, Social, and Ethics Committee, which include detailed metrics such as the earnings of the lowest and highest paid employees.

In addition, Interfront's Remuneration and Rewards Policy has been thoroughly reviewed to align with evolving governance expectations. This revised policy has been rigorously examined and endorsed by both the Remuneration, Social and Ethics Committee and the Interfront Board. The updated policy, accompanied by an advisory note, is scheduled to be tabled at the upcoming Annual General Meeting, following the completion of the audit by the Auditor-General of South Africa (AGSA).



Interfront Executive Committee (EXCO)

Due to the continued growth and expansion, Interfront recognised the need to adapt its organisational structure. This adjustment was essential to accommodate recent developments and to position the company for future growth and agility.

Following a series of in-depth workshops and stakeholder engagements, Interfront adopted a matrix management model aligned with best practices in leading software development environments. The proposed changes were guided by key principles, including prioritising customer-centric management, implementing a flexible and collaborative matrix structure to enhance role clarity in order to drive accountability and efficiency, and evolving the organisational design to better respond to emerging challenges and opportunities.

As part of this change, a new Senior Manager layer was introduced. This role is responsible for guiding strategic direction, nurturing customer relationships and managing stakeholder engagement within defined product streams. The objective is to improve service delivery, strengthen alignment with client expectations and reinforce operational resilience.

Additionally, the reporting lines to the Operations Director were also streamlined to promote collaboration, improve knowledge sharing, and reduce dependence on individual contributors.

In the first phase of implementation, three Senior Manager roles were created and filled:

- Senior Manager: Shared Services
- Senior Manager: Custom Solutions
- Senior Manager: Tax Solutions

These Senior Managers formally joined the Executive Committee in January 2025.

Role of the Executive Committee

The Executive Committee plays a central role in the day-to-day management and strategic execution of Interfront's objectives. Comprising of senior management from key functional areas, the Committee provides leadership and oversight to ensure operational efficiency, aligned with corporate strategy, and compliance of applicable legislation and governance frameworks. The Executive Committee supports the Managing Director in implementing Board decisions, managing organisational performance, monitoring risk, and promoting a culture of accountability and continuous improvement. The Executive Committee meets regularly to review progress on strategic initiatives, address operational challenges, and ensure effective coordination across departments in pursuit of the entity's mandate.

Terms of Reference

During the reporting period, the composition of the Executive Committee (EXCO) was expanded to include the newly appointed Senior Managers, a strategic addition that further enhances leadership diversity and operational alignment.

This change necessitated a comprehensive review of the Committee's Terms of Reference (ToR), which was subsequently updated to reflect the revised composition and responsibilities. The updated ToR was duly approved by the Board at its meeting held in March 2025.

Subsequent to the inclusion of the new members, EXCO comprised of ten members. The Committee continues to operate effectively within Interfront's hybrid working model, which combines remote and on-site work arrangements. Weekly check-in meetings are convened ensuring agility in decision-making. In addition, structured formal meetings are held monthly to deliberate on strategic and operational matters.

In accordance with the approved ToR, a quorum for EXCO meetings is constituted by at least 50% of the total membership, including the Chairperson. The Committee is currently chaired by the Acting Managing Director, who also holds the position of Financial Director, thereby ensuring strong financial stewardship and executive leadership.

The updated ToR clearly delineates the roles and responsibilities of EXCO, which include but are not limited to:

- **Strategic Planning and Oversight:** Driving and monitoring the implementation of Interfront's strategic objectives in alignment with shareholder expectations.
- **Operational Management:** Overseeing the effective and efficient functioning of the organisation's core and support operations.
- **Financial Oversight:** Ensuring sound financial management, budget monitoring, and alignment of financial resources with strategic priorities.
- **Risk Management:** Identifying, assessing, and mitigating strategic and operational risks that could impact the organisation.
- **Performance Management:** Monitoring organisational performance against set targets and facilitating corrective actions where necessary.
- **Stakeholder Engagement:** Managing key stakeholder relationships to promote transparency, collaboration, and alignment.



The revised governance structure and clarified mandates have enhanced the Committee's ability to respond proactively to emerging challenges and opportunities, thereby reinforcing its role as a central pillar in Interfront's governance and leadership framework.

Committee Composition

EXCO MEETING ATTENDANCE

NAME	TITLE	MEETING ATTENDANCE
Leilanie Janse van Rensburg	Financial/Acting Managing Director	12/12
John Robertson	Operations Director	12/12
Samuel Mtsweni	Head: Operations & Maintenance	12/12
Nombulelo Mohoto	Head: Human Resources	12/12
Madelein Pepperell	Head: Legal Advisor & Company Secretary	12/12
Warren Barratt	Head: Business Development & Innovation	12/12
Danie de Kock	Operations Director	12/12
Linda Hunkin	Senior Manager: Tax	3/12*
Jason Bain	Senior Manager: Customs	3/12*
Terence Fry	Senior Manager: Shared Services	3/12*

* Joined the Executive Committee in January 2025



09

Remuneration of Board Members

Interfront adheres to the remuneration framework prescribed by the National Treasury for independent, non-executive directors serving on the Board and its committees. In accordance with these guidelines, all remuneration is subject to approval by the Minister of Finance, ensuring alignment with public sector standards and principles of fairness, transparency, and accountability.

During the reporting period, Mr. Mustaq Enus-Brey, Mr. Gustav Vermaas, Mr Erick Smith and Mr. Anton Roelofse, as non-executive directors, received remuneration as provided for in the approved framework. This compensation reflects the significant responsibility, expertise, and time required to fulfil their fiduciary duties and contribute to the governance and strategic oversight of Interfront.

In line with best practice and to prevent any potential conflicts of interest, non-executive directors who are employees of the Shareholder do not receive any fees or remuneration from Interfront for their participation on the Board or its committees. This policy safeguards the independence of the Board and upholds the integrity of its decision-making processes. Erick Smith starting to receive remuneration once he was no longer employed by the Shareholder in-line with the approved rates by National Treasury.

By strictly observing these remuneration regulations, Interfront reaffirms its commitment to ethical governance and the responsible stewardship of public resources.

NAME	MEMBER FEES (IN RAND)	COMMITTEE FEES (IN RAND)	TOTAL (IN RAND)
Mustaq Enus-Brey	14 470	4 008	18 478
Gustav Vermaas	10 271	5 384	15 655
Anton Roelofse	2 004	–	2 004
Erick Smith	7 014	4 008	11 022

The remuneration paid to the Executive Directors is set out in



10 Risk Management

Interfront has implemented a structured and proactive approach to risk management anchored by the establishment of a dedicated Risk Management Forum. This Forum comprises of members of the Executive Committee (EXCO) and senior management who plays a central role in the coordination and oversight of risk-related activities across the organisation.

The Forum convenes regular meetings throughout the year and holds a focused session prior to the commencement of each new financial year to review and update the corporate Risk Register, ensuring its alignment with the Annual Performance Plan (APP).

Each business unit within Interfront conducts an annual, in-depth risk assessment of its operational area. These assessments are then consolidated by the Risk Management Forum into a comprehensive Risk Register that reflects organisation-wide risks.

The strategic risks identified through this process is escalated and presented to Interfront's Board at least twice during the financial year. The Risk Register is also updated and tabled at Board level whenever new or emerging risks arise that may impact the organisation's operational or strategic objectives.

In addition to Board-level oversight, the Risk Register is submitted quarterly to Interfront/SARS Audit and Risk Committee for further scrutiny, review, and input. This layered oversight ensures that risk management remains dynamic, responsive, and integrated with governance structures.

Through this disciplined and collaborative approach, Interfront is able to anticipate and mitigate potential risks effectively, thereby supporting organisational resilience, operational continuity, and the successful delivery of its mandate



11

Internal Control Unit

Interfront does not operate a dedicated internal control unit. Instead, it follows an integrated approach by embedding internal control responsibilities throughout the organisation. This approach is structured around five interrelated components, as defined by internationally recognised best practice, which collectively contribute to sound internal control and effective governance.



CONTROL ENVIRONMENT

The control environment sets the tone at the top and forms the foundation for all other internal control components. It encompasses the integrity, ethical values, and competence of Interfront's people; management's philosophy and operating style; the way management assigns authority and responsibility; and the attention and direction provided by the Board of Directors and its committees.

RISK ASSESSMENT

Interfront identifies and analyses risks relevant to the achievement of its strategic and operational objectives. This includes assessing both internal and external risks that may impact performance, compliance, and reporting. Risk assessments are regularly reviewed to ensure that emerging risks are identified and appropriately managed.

CONTROL ACTIVITIES

These are the policies and procedures that help ensure management directives are carried out. They include approvals, authorisations, verifications, reconciliations, and segregation of duties designed to mitigate risk and ensure accuracy and completeness in operations and reporting.

INFORMATION AND COMMUNICATION

Relevant and timely information is identified, captured, and communicated in a form and timeframe that enables employees to fulfil their responsibilities. Interfront promotes open communication channels across all levels of the organisation and ensures that key information reaches the appropriate parties, including management and the Board.

MONITORING ACTIVITIES

Ongoing monitoring and separate evaluations are conducted to assess the effectiveness of internal controls over time. Monitoring is integrated into day-to-day operations and is supported by management reviews, internal audit processes, and feedback from assurance providers, such as the Auditor-General of South Africa (AGSA).

By embedding these five components into its operations, Interfront ensures a robust internal control framework that supports the achievement of its objectives, enhances accountability, and upholds the principles of good corporate governance.

Internal Audit

Interfront outsources the role of internal auditing to the Internal Audit Unit of SARS, which plays a crucial role in strengthening the organisation's governance, risk management, and internal control environment. Operating independently from management, the Internal Audit unit provides objective assurance and insight through systematic evaluations of evidence and business processes.

This internal audit function is designed to add value and improve Interfront's operations by delivering an impartial assessment of the adequacy and effectiveness of the organisation's internal control systems. In addition to reviewing compliance with applicable legislation, regulations, and internal policies, the Internal Audit Unit evaluates the efficiency and effectiveness with which responsibilities are executed across the organisation.

Through its ongoing reviews and engagements, the Internal Audit Unit issues independent opinions on the design and operating effectiveness of key controls, helping to identify areas for improvement and providing recommendations for enhanced risk mitigation. These insights support Interfront's commitment to maintaining sound corporate governance and fostering a culture of accountability, transparency, and continuous improvement.

Audit and Risk Committee

The Audit and Risk Committee is an integral component of Interfront's corporate governance framework, providing independent and objective oversight to ensure the integrity, transparency, and accountability of the organisation's financial and risk management practices. Operating in accordance with its approved Terms of Reference and relevant legislative and regulatory requirements, the Committee plays a critical role in promoting sound governance across the organisation.

The Committee's responsibilities include the reviewing and monitoring of the integrity of Interfront's annual financial statements, ensuring that financial disclosures are accurate, complete and comply with applicable accounting standards. In performing this role, the committee ensures that stakeholders are provided with reliable and transparent financial information.

A key focus area of the committee is the evaluation of the effectiveness of internal controls, including financial, operational, and compliance controls. The Committee also exercises oversight over the Internal Audit function, which operates independently to provide assurance on the adequacy and effectiveness of Interfront's control environment and risk management processes. This includes monitoring the management's responsiveness to internal audit findings and recommendations.

Furthermore, the Committee is responsible for overseeing the performance, independence, and objectivity of the external auditors. It reviews the external audit plan, assesses audit findings, and ensures that appropriate actions are taken to address any significant issues identified during the audit process.

Through its vigilant oversight, the Audit and Risk Committee helps safeguard Interfront's assets, ensures the effectiveness of risk mitigation strategies, and supports the organisation's commitment to compliance, transparency, and continuous improvement.

The combined SARS/Interfront Audit and Risk Committee report, which provides further details on the Committee's activities and findings for the year under review, is available in Section 16 of

12 Ethics

Compliance with Laws and Regulations

Interfront remains steadfast in its commitment to maintaining the highest standards of legal and regulatory compliance, which form the foundation of its governance philosophy and operational integrity. As a state-owned entity and subsidiary of the South African Revenue Service (SARS), Interfront operates in a highly regulated environment, requiring strict adherence to a wide range of legislative and regulatory frameworks.

The company ensures ongoing compliance with all applicable laws, including the Public Finance Management Act (PFMA), Companies Act, and Basic Conditions of Employment Act. In addition, Interfront aligns its practices with the principles of the King IV Report on Corporate Governance and guidelines issued by the National Treasury.

Interfront has taken note of the proposed Companies Amendment Bills, which seek to strengthen shareholder rights, promote greater transparency in executive remuneration, and enhance access to the company records. Among the proposed changes are the requirement for public and state-owned companies to disclose the remuneration of prescribed officers and directors, and to provide greater justification for such remuneration in relation to company performance. Interfront is in the process of reviewing its current internal policies and reporting structures to ensure full compliance and accountability and has proactively started generating remuneration reports for review by the Remuneration, Social and Ethics Committee.

Regular internal reviews, audits, and legal assessments are conducted to evaluate the organisation's compliance posture and identify areas for continuous improvement. These efforts are supported by comprehensive policies and a culture of compliance embedded throughout the organisation.

By proactively engaging with the evolving regulatory landscape, Interfront ensures compliance and reinforces its commitment to ethical leadership, transparency, and stakeholder trust. This vigilance strengthens organisational resilience and supports the achievement of Interfront's strategic objectives in a responsible and sustainable manner.

Fraud and Corruption

Interfront is unwavering in its commitment to uphold the highest standards of integrity, transparency, and ethical conduct. This commitment is reflected in the implementation of a robust Fraud Prevention Policy and comprehensive Fraud Prevention Strategy, which together form a key component of Interfront's broader governance and risk management framework.

These instruments are designed to proactively detect, prevent, and investigate incidents of fraud, corruption, or maladministration. They are embedded in Interfront's internal control environment and support a zero-tolerance approach to unethical behaviour at all levels.

To further strengthen these efforts, Interfront has appointed an independent service provider to administer and manage a confidential whistle-blowing hotline and a dedicated email address. This external facility enables employees, suppliers, and other stakeholders to anonymously report suspected irregularities or unethical conduct without fear of retaliation. The use of an independent party ensures the integrity of the reporting process and supports a culture of openness, accountability and transparency.

The service provider continuously monitors these channels on an ongoing basis and compiles monthly activity reports that are submitted to management for review. To maintain independent oversight, these reports are also shared with Interfront's independent non-executive director, Mr. Gustav Vermaas, who plays a critical role in safeguarding the objectivity and credibility of the whistle-blowing process.

As of the end of the reporting period, no incidents of fraud or corruption have been reported through these channels. While this result affirms the effectiveness of Interfront's preventative controls and ethical culture, the company remains vigilant and continuously seeks opportunities to enhance its fraud risk management measures.

Through its proactive and principled approach to fraud prevention and ethical governance, Interfront continues to protect its assets, preserve stakeholder trust, and uphold its responsibility as a public entity committed to serving the public interest with integrity.

Conflicts of Interest

Interfront is firmly committed to the principles of integrity, impartiality, and accountability in all aspects of its operations. Interfront recognises that effectively identifying and managing actual, potential, or perceived conflicts of interest is critical to maintaining the trust of its stakeholders and upholding sound governance practices.

To this end, Interfront has implemented a comprehensive Conflict of Interest Policy, which serves as a key element of our ethical governance framework. The policy outlines clear guidelines and procedures for the disclosure, evaluation, and management of any personal, financial, or professional interests that may compromise, or appear to compromise, the objectivity or independence of employees, directors, or stakeholders involved in Interfront's affairs.

In accordance with the policy, all employees and directors are required to make annual declarations of interest, and to update these declarations promptly should their circumstances change. This obligation ensures ongoing transparency and enables the proactive identification of potential conflicts. These declarations are rigorously reviewed and are subject to continuous monitoring by the Governance Office with oversight by senior management and the Board of Directors.

Where conflicts are identified, appropriate management actions are taken to mitigate risks, including recusal from decision-making processes, reallocation of responsibilities, or other control measures. The Board and its committees remain particularly vigilant in this regard, ensuring that any disclosed interests are addressed in a manner that protects the integrity of decision-making processes and prioritises the interests of the company.

This structured and proactive approach not only prevent the occurrence of unethical conduct but also reinforces a culture of ethical awareness and personal accountability throughout the organisation. By embedding conflict-of-interest management into our governance processes, Interfront safeguards its operations from undue influence, protects its reputation, and ensures that all corporate actions are aligned with the principles of fairness, transparency, and good faith.

In doing so, Interfront continues to demonstrate its unwavering commitment to ethical business conduct and responsible stewardship of public resources.

Codes of Conduct

At Interfront, ethical conduct is a foundational value which is non-negotiable standard that governs every facet of our operations. The Interfront Code of Ethics and Conduct reflects our unwavering commitment to integrity, professionalism, and accountability, providing a clear and consistent framework for the expected behaviour of all employees, regardless of their role or seniority.

The Code encapsulates Interfront's core values and serves as a daily guide for decision-making and interpersonal conduct. This reinforces the expectation that employees will act in the best interest of Interfront, comply with applicable laws and regulations, avoid conflicts of interest, and report unethical behaviour without fear of retaliation.

To embed these principles into Interfront's corporate culture, ongoing awareness and training initiatives are conducted to ensure that all personnel understand and internalise the Code's provisions. Breaches of the Code are treated with the utmost seriousness, and appropriate disciplinary action is taken when necessary to uphold Interfront's integrity.

Recognising that ethical responsibility extends beyond our internal operations, Interfront has implemented a robust Supplier Code of Conduct. This document sets out the ethical and compliance expectations for all third-party service providers and business partners who engage with Interfront. The Supplier Code aligns with international best practices and covers key areas such as:

- Compliance with laws and regulations, including those related to anti-bribery, anti-corruption, and fair competition.
- Respect for human rights and labour standards, including the prohibition of child labour, forced labour, and discrimination.
- Health and safety standards that ensure a safe working environment; and
- Environmental responsibility, encouraging suppliers to adopt sustainable practices.

All suppliers are required to formally acknowledge and commit to the Supplier Code of Conduct as a condition for doing business with Interfront. In the event of non-compliance, Interfront reserves the right to demand corrective action within a reasonable timeframe. Where suppliers fail to remedy breaches or where serious misconduct is identified, Interfront may terminate the contractual relationship or take other appropriate measures to protect its values and interests.

By upholding high ethical standards, both internally and externally, Interfront fosters a culture of integrity and ensures that its operations reflect its mandate for transparency, accountability, and responsible stewardship. This commitment strengthens our relationship with stakeholders and their trust in our ability to conduct business ethically and responsibly.

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Health, Safety and Environmental Issues

Interfront is fully committed to promoting a safe, healthy, and environmentally responsible workplace. Interfront recognises that safeguarding the well-being of its employees, contractors, and visitors is not only a legal obligation but also a fundamental part of responsible corporate citizenship and operational excellence.

To this end, the Health and Safety Committee was established as a governance structure to ensure that Interfront complies with its duties under the Occupational Health and Safety Act, No. 85 of 1993, as amended. The committee plays a pivotal role in cultivating a culture of health, safety, and care across Interfront. They are responsible for overseeing health and safety compliance, addressing potential hazards, and driving continuous improvement in workplace safety standards.

Quarterly health and safety inspections are conducted to identify, assess, and mitigate occupational risks. These inspections are formally documented and submitted to the Head: Legal Advisor and Company Secretary, who serves as the section 16(2) appointee under the Act. These reports support ongoing risk management and ensure that safety-related issues are addressed proactively.

In June 2024, an independent health and safety audit risk assessment was conducted by NOSHC. The audit found no major incidents, highlighting the overall effectiveness of Interfront's health and safety protocols. However, a few minor housekeeping issues have been identified. These were promptly addressed, and corrective measures were implemented. A follow-up inspection confirmed that all recommended improvements had been completed to the required standard, and Interfront received a favourable audit outcome.

Beyond physical safety, Interfront is also committed to minimising its environmental impact. We continue to implement environmentally sustainable practices as part of our operational strategy:

- Redundant IT hardware is disposed of responsibly through a certified third-party recycling service, with documented proof of environmentally sound disposal methods.
- Interfront's reliance on paper-based processes has been significantly reduced because of the automation of key systems and workflows, thereby limiting our environmental footprint.

For the secure disposal of physical documents, Interfront has appointed a specialised service provider to manage the collection, shredding, and environmentally responsible destruction of confidential materials. This initiative not only supports sustainability but also enhances information security and compliance with the data protection standards.

Through these initiatives, Interfront affirms its commitment to upholding the highest standards of health, safety, and environmental stewardship. Our focus remains on continuous improvement, compliance with regulatory obligations, and fostering a workplace in which people feel protected, valued, and empowered.

14 Company Secretary

The Company Secretary plays a fundamental role in supporting and enhancing Interfront's governance, compliance, and ethical leadership. As a key governance officer and advisor to the Board of Directors, the Company Secretary ensures that Interfront adheres to its statutory and regulatory obligations while promoting sound corporate governance practices in line with the Companies Act, the King IV Report on Corporate Governance, and other applicable frameworks.

The responsibilities of the Company Secretary include, but are not limited to, the following:

ADVISING THE BOARD ON LEGAL AND REGULATORY COMPLIANCE:

The Company Secretary ensures that the Board and its committees are aware of and operate in accordance with the legislative and regulatory environment applicable to Interfront. This includes ongoing updates on developments in the Companies Act, Public Finance Management Act (PFMA), King IV, and other sector-specific regulations and governance codes.

BOARD AND COMMITTEE SUPPORT: The Company Secretary is responsible for coordinating and scheduling Board and committee meetings, preparing comprehensive agendas, circulating documentation timeously, and ensuring accurate recording of proceedings through the preparation and safe custody of minutes and Board resolutions.

GOVERNANCE AND DELEGATION FRAMEWORK OVERSIGHT: The Company Secretary plays a central role in ensuring that the Board, its committees, and executive management operate within the Delegation of Authority Framework approved by the Board of Directors. This framework ensures that all decisions and actions are appropriately authorised and aligned with Interfront's strategic and operational mandates.

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Acting with the utmost good faith and integrity, the Company Secretary avoids any actual or perceived conflicts of interest and provides impartial guidance to the Board on these matters.”

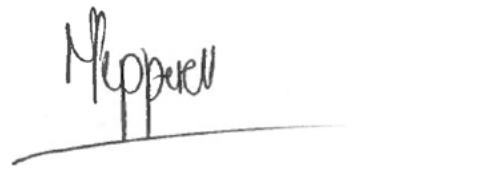
ANNUAL REPORTING AND STATUTORY COMPLIANCE: A key responsibility of the Company Secretary is to oversee the preparation and submission of statutory filings, including the Annual Return to the Companies and Intellectual Property Commission (CIPC), and to contribute significantly to the drafting and compilation of key sections of the Annual Report. The Secretary ensures that the deliverables comply with statutory deadlines and reporting requirements.

ETHICAL CONDUCT AND CONFLICT OF INTEREST OVERSIGHT: Acting with the utmost good faith and integrity, the Company Secretary avoids any actual or perceived conflicts of interest and provides impartial guidance to the Board on these matters. The role includes supporting the effective implementation of the Conflict of Interest Policy and maintaining related registers and disclosures.

In fulfilling these responsibilities, the Company Secretary serves as a critical enabler of effective governance and a trusted advisor to both the Board and executive management. The role also involves liaising with shareholders, regulators, and other stakeholders, contributing to the integrity, transparency, and sustainability of Interfront’s operations.

Declaration by the Company Secretary

I, the undersigned, Madelein Pepperell, in my capacity as Company Secretary, certify that the company has lodged with the Companies and Intellectual Property Commission all returns required of the company in terms of the Companies Act and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



M. PEPPERELL

Head: Legal Advisor and Company Secretary

31 July 2025



15 Social Responsibility

Interfront remains steadfast in its commitment to making meaningful contributions to South Africa's social and economic development. As a responsible corporate citizen, we recognise the importance of investing in youth, education, and transformation – particularly within the Information and Communications Technology (ICT) sector. Our Bursary and Graduate Internship Programme is a cornerstone of this commitment, driving inclusive growth, empowerment, and long-term impact.

Bursary Programme

Since its launch in the 2013/2014 financial year, the Interfront Bursary Programme has played a pivotal role in supporting access to higher education for students from the designated groups. The programme offers financial assistance to both undergraduate and postgraduate students in fields critical to our operations, such as software development, computer science, and information systems.

The bursary covers tuition fees and related academic costs and is designed to relieve the financial burden on students and their families and contribute to a more inclusive and representative ICT talent pipeline.

As of the 2024/25 financial year, three bursars are currently enrolled and actively pursuing their studies. Interfront maintains regular engagement with these students, offering mentorship and guidance to help ensure academic success and alignment with future employment prospects in the industry.



Graduate Internship Programme

The Interfront Graduate Internship Programme complements the bursary initiative by providing structured real-world work experience to recent IT graduates. This programme is an important mechanism through which Interfront promotes youth development, skills transfer, and employment readiness. Interns receive hands-on training, mentorship, and exposure to professional environments, enabling them to develop technical expertise and essential workplace skills.

In February 2025, five new interns joined the 2024/25 cohort. The programme was tailored to accelerate their integration into the company's operations and foster personal and professional growth. Interfront is proud to report that all five interns from the 2024 cohort were appointed to permanent junior positions within Interfront after successfully completing their internships. This not only reflects the effectiveness of the programme but also demonstrates Interfront's commitment to developing talent from within and creating sustainable employment opportunities for young professionals.

Driving Broader Societal Impact

Through its bursary and internship programmes, Interfront actively contributes to national priorities. These initiatives are more than just corporate programmes; they are strategic enablers of transformation, equity, and long-term socio-economic upliftment.

By investing in the education and professional development of young South Africans, Interfront is helping to build a more inclusive, skilled, and empowered workforce while simultaneously ensuring a strong internal talent pipeline for the future. Since its inception, Interfront's graduate programme has trained and developed 45 junior professionals who have joined the South African workforce. With the expansion of the company, the programme has expanded, and Interfront currently employs 29 graduates through its internship programme.

These efforts reflect Interfront's broader vision of using its capabilities not only to innovate in the ICT space but also to make a positive, lasting difference in society.

16 Audit and Risk Committee

Audit and Risk Committee Report

The Interfront Audit and Risk Committee is pleased to present its report for the financial year ending 31 March 2025.

Audit and Risk Committee Responsibility

The Audit and Risk Committee (the Committee) is established as an independent statutory committee in terms of section 51(1)(a) of the Public Finance Management Act (PFMA), Treasury Regulation 27.1 and section 94 of the Companies Act, No. 71 of 2008 (Companies Act) and is satisfied that it has complied with its responsibilities in this regard. The Committee also reports that it has adopted and reviewed formal Terms of Reference as its Audit and Risk Committee Charter and has discharged all its responsibilities as contained therein.

Audit and Risk Committee Membership

Until 30 September 2024, the Committee had four Independent Members chaired by Ms Doris Dondur. As of 01 October 2024, it has three Independent Members chaired by Mr Barend Petersen. The Committee held five ordinary meetings for the financial year ending 31 March 2025, as per its Terms of Reference.

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The Committee reviews the effectiveness of internal controls and oversees risk management.”

AUDIT AND RISK COMMITTEE MEMBERS



**MR. BAREND
PETERSEN**

CHARTERED ACCOUNTANT (SA)

Qualifications

B Compt Honours (UNISA)
B Compt (UNISA)

Internal or External

External

Date Appointed

20 September 2021
Appointed as Chairperson from
01 October 2024

Date Resigned

–

No. of Meetings attended

4 Official Meetings
2 In-Committee meetings with the Commissioner
1 In-Committee meeting with the AGSA



**MS. CARMEN CARY-
ANNE MPELWANE**

**CHARTERED ACCOUNTANT (SA)
CFA CHARTER-HOLDER**

Qualifications

Postgraduate Diploma in Accounting (UCT)
Bachelor of Business Science
(Finance Honours – UCT)

Internal or External

External

Date Appointed

24 February 2022

Date Resigned

–

No. of Meetings attended

4 Official Meetings
3 In-Committee meetings with the Commissioner
1 In-Committee meeting with the DC: CES



**MS. ALICE
LE ROUX**

**REGISTERED AUDITOR
CHARTERED ACCOUNTANT (SA)
TAX PRACTITIONER**

Qualifications

Bachelor of Accounting (Stellenbosch)
Honours B Compt (Unisa)

Internal or External

External

Date Appointed

01 October 2024

Date Resigned

–

No. of Meetings attended

1 Official Meeting
1 In-Committee meeting with the Commissioner



**MR. THABISO
RAMASIKE**

CAIB (SA) – (INSTITUTE OF BANKERS OF SA)

Qualifications

BComm (UJ)
Senior Executive Development Programme (GIBS)
Global International Executive Development
Programme – (University of Toronto and
York University, Canada)

Internal or External

External

Date Appointed

14 July 2016

Date Resigned

Term ended on 30 September 2024

No. of Meetings attended

4 Official Meetings
3 In-Committee meetings with the Commissioner



**MS. DORIS
DONDUR**

**CHARTERED ACCOUNTANT (SA)
CHARTERED DIRECTOR (SA)®**

Qualifications

Bachelor of Accounting (Stellenbosch), Honours B Compt (Unisa), Global International Executive Development Programme (Wits & London Business School), International Executive Development Programme (University of Reno), Honours in Business Administration (Stellenbosch Business School), Master's in Business Administration (Stellenbosch Business School), Post Graduate Certificate in Labour Relations (Unisa) (Cum Laude)

Internal or External

External

Date Appointed

02 August 2018

Date Resigned

Term ended on 30 September 2024

No. of Meetings attended

3 Official Meetings
1 In-Committee meeting with the Commissioner
3 In-Committee meetings with the AGSA
1 In-Committee meeting with IA
1 In-Committee meetings with the CFO
1 In-Committee meeting with Interfront

The Effectiveness of Internal Controls

The PFMA requires the Accounting Authority to ensure that the organisation has and maintains effective, efficient, and transparent systems of financial, risk management and internal controls. The Committee reviews the effectiveness of internal controls and oversees risk management. The reviews on the effectiveness of the internal controls were conducted and covered financial, operational, compliance and risk assessment.

In line with the applicable legislation, Internal Audit provides the Committee and management with reasonable assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency and by developing recommendations for enhancement or improvement. The Committee has reviewed the Internal Audit findings which did not reveal any shortcomings in internal controls during the year under review.

Through the Committee's analysis of the audit reports and engagement with the management team, the Committee reports that the system of internal controls for the period under review was adequate and effective and the risks were found to be at an acceptable level.

In-Year Management and Monthly/Quarterly Reports

The public entity has reported monthly and quarterly, through its shareholder, SARS, to the National Treasury, as required by the PFMA. The Committee has reviewed the quarterly management reports of the organisation, as part of the reports provided by the shareholder, and is satisfied with the adequacy of information provided by the organisation and to its shareholder.

Evaluation of Financial Statements

The Committee reviewed the Annual Financial Statements prepared by the public entity and is satisfied that they comply with the applicable Accounting Standards and that the accounting policies used are appropriate. The Annual Financial Statements were reviewed with the following focus:

- Significant financial reporting judgements and estimates.
- Clarity and completeness of disclosure and whether disclosures made have been properly set in context.
- Changes in Accounting Policies and Practices.
- Significant adjustments resulting from the Audit.
- Compliance with accounting standards and legal requirements.
- Explanation for the accounting treatment adopted.
- Material, unique transactions
- Reasons for year-on-year fluctuations.
- Asset valuations and revaluations.
- Re-assessment of the useful life of the assets.

Internal Audit

Internal Audit is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all the significant areas of the organisation and its operations.

The Committee is responsible for ensuring that the organisation's internal audit function is independent and has the necessary resources, skills, standing and authority within Interfront to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the Committee. The Committee has also had in-committee meetings with the Head of Internal Audit.

The Head of Internal Audit has a direct functional reporting line to the Chairperson of the Committee. The Committee reviews and approves the Internal Audit Plan annually. Internal audit activities are measured against the approved internal audit plan and the Head of Internal Audit tables progress reports in this regard to the Committee.

For the financial year ended 31 March 2025, the Internal Audit function derived at their overall opinion as per the table below which summarises the internal audit overall opinion based on the audit results of the various audit projects undertaken for the financial year under review:

PROCESS	OPINION
Control Environment	Adequate

The Committee is satisfied that Internal Audit has appropriately discharged its functions and responsibilities in the year under review. Accordingly, the Committee has reviewed the Internal audit charter, approved the audit plan, and deliberated on the quarterly reports as submitted by Internal audit.

External Audit Report: Auditor-General of South Africa (AGSA)

The Committee noted the terms of the AGSA's engagement letter, audit strategy, and audit fees in respect of the 2024/2025 financial year. It is legislated that the Auditor General of South Africa is the appointed auditors of the entity, and the Committee has noted that there were no nonaudit services rendered by them during the year.

The Committee has also had in-committee meetings with the AGSA.

Risk Management

Management is responsible for the establishment and maintenance of an effective system of governance relating to, inter alia, risk management and the prevention and detection of fraud and internal controls. Internal Audit was guided by the prevailing section of governance systems which determines the risk profile provided by management in identifying critical audit areas and management's inputs in the formulation of its 3-year strategic and annual plans.

The entity has a Risk Management Committee that is composed of Executive Committee members and senior management to fulfil the risk management responsibilities. The risk registers are updated quarterly to ensure that all the major risks, including emerging risks facing the organisation, are effectively managed. The Committee monitors the risk register and management's progress with regards to the implementation of the risk mitigating actions at its quarterly meetings.

Conclusion

The Committee has reviewed the AGSA's management and audit reports for the financial year ended 31 March 2025 and concurs with their conclusions.

The Committee, therefore, accepts the audit opinion and conclusion expressed by the AGSA on the Annual Financial Statements, Annual Performance Report, and Annual Report.

The review of Annual Financial Statements and the Annual Report for the 2024/2025 Financial Year was completed at the Committee's meeting held on 29 July 2025.

Signed on behalf of the Audit and Risk Committee by:



MR BAREND PETERSEN

Chairperson of the Audit and Risk Committee

International Frontier Technologies SOC Ltd (Interfront)

29 July 2025



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B-BBEE Compliance Performance Information

Interfront, a wholly owned subsidiary of SARS, operates under SARS's B-BBEE certification for procurement and compliance. Interfront acknowledges the vital importance of achieving meaningful transformation, viewing it as a regulatory necessity and a catalyst for sustainable development, economic inclusivity, and social equity. To this end, a focused collaboration with a B-BBEE verification service provider was initiated to identify areas for improvement, enhance internal processes, and align current activities with the scoring requirements of the B-BBEE Codes of Good Practice.

Interfront remains committed to B-BBEE principles and contributes meaningfully to South Africa's broader transformation agenda.

CRITERIA	RESPONSE YES/NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?		Not relevant
Developing and implementing a Preferential Procurement Policy?	Yes	
Determining qualification criteria for the sale of State-owned Enterprises?		Not relevant
Developing criteria for entering a partnership with the Private sector?		Not relevant
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?		Not relevant





HUMAN CAPITAL MANAGEMENT

Introduction

Highlights

Challenges

Priorities

Outlook

Performance Management Framework

Policy Development

The Employee Value Proposition (EVP)

Employment and Vacancies

Staff Turnover

Transformation and Employment Equity Growth

01

Introduction

Interfront's strategic commitment to becoming an employer of choice is founded on a deliberate and sustained investment in its human capital, which remains one of the organisation's most valuable assets. This investment is central to realising its vision of delivering robust, future-ready software solutions that effectively address the diverse and evolving needs of clients across tax, customs, and related domains.

Throughout the 2024/25 financial year, Interfront implemented a comprehensive suite of people-centred initiatives designed to strengthen leadership capabilities, enhance employee engagement, and attract and retain critical talent. These initiatives were closely aligned with the organisation's overarching vision and the strategic priorities set forth in the Human Capital Strategy. Key focal points included promoting workforce stability, cultivating a positive organisational culture deeply rooted in Interfront's TECHI values, and bolstering organisational competitiveness through the ongoing development of a compelling Employee Value Proposition (EVP). Collectively, these efforts reflect a coherent and strategic approach to nurturing human capital as the foundation for sustainable organisational success.

The reporting period concluded with a turnover rate of 4.07%, significantly below the initial target of 14%, which has since been revised to 10% for the 2025/26 financial year (see page 58). The successful onboarding of 18 new employees, along with the acknowledgement of long-service milestones, underscores both workforce stability and the cultivation of a culture that prioritises recognition and appreciation. Strategic realignment has further strengthened HR governance and the implementation of a new performance management solution has enhanced the development of an agile, accountable, and performance-driven workforce.

Interfront's human capital practices continue to be anchored in robust legislative compliance, informed by established best practices, and are responsive to insights drawn from ongoing employee engagement. Looking forward, the organisation remains committed to fostering a high-performing, inclusive, and engaged workforce aligned with its digital transformation agenda and overarching long-term strategic objectives.

PERSONNEL COST BY OBJECTIVE FOR 2024/2025 FINANCIAL YEAR

PROGRAMME, ACTIVITY AND OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY	PERSONNEL EXPENDITURE	PERSONNEL EXPENDITURE AS % OF TOTAL EXPENDITURE	AVERAGE NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
Continual Innovation and Client-Centricity	192 021 247	141 981 816	73.9%	163.80	866 800
Expansion	5 559 834	4 436 932	79.8%	5.12	866 800
Navigating and Embracing Rapid Information Technology Evolution	5 559 834	4 436 932	79.8%	5.12	866 800
Become Employer of Choice	16 679 502	13 310 795	79.8%	15.36	866 800
Responsible Resource Stewardship	16 679 502	13 310 795	79.8%	15.36	866 800

02

Highlights



Employment Equity representation increased from 76% to 82%.



Recognised the loyalty and dedication of 23 employees through Long Service Awards.



An online self-learning programme on the Code of Ethics and Conduct was introduced, featuring an assessment to verify understanding.



The staff complement increased from 168 to 176 by the year-end.



Eighteen new employees were successfully recruited, including five graduates and three bursars.



Enhanced recruitment processes through a new vetting system significantly reduced the time-to-hire.



Engaged works order contractors to support SARS and meet operational demands.



Implemented structural changes, including key senior management appointments, to support the company's growth.



Sustained transparency and staff engagement through regular updates on structural changes and change management efforts.

03

Challenges



GEOGRAPHICAL DISPERSION: With employees spread across three provinces, ongoing efforts are essential to maintain consistent engagement and promote a strong sense of organisational cohesion.



CHANGE MANAGEMENT: Ongoing attention to change management is critical to support employee buy-in and alignment with Interfront's culture and strategic direction.



SCARCITY OF SKILLED PROFESSIONALS: The limited availability of skilled technology professionals, coupled with the need to maintain a low turnover rate, continues to present challenges that require proactive talent management and retention strategies.

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Priorities

In 2024/25, Interfront's human capital priorities embodied a strategic realignment aimed at positioning the organisation for scalable growth in response to its expanded service mandate and the evolving demands of the workforce. This phase was characterised by purposeful interventions designed to enhance leadership capacity, refine organisational design, and secure the sustainability of talent pipelines.



STRATEGIC WORKFORCE REALIGNMENT AND LEADERSHIP EXPANSION: Driven by ongoing expansion and growth, Interfront conducted a significant structural review. This resulted in the creation and successful appointment of three new senior management roles, marking the largest leadership expansion in recent years. These changes laid the foundation for greater organisational agility and a refreshed leadership bench, positioning Interfront to be future-ready and well-equipped to meet the evolving demands of its service landscape.



TARGETED CHANGE ENABLEMENT: To ensure alignment and continuity amid structural changes, a dedicated change management plan was developed and implemented. Unlike in previous years, the focus extended beyond communication to include active change enablement, equipping leaders and teams with the tools to navigate transitions, minimise disruption and embed a shared sense of purpose. This process is still ongoing.



TALENT ACQUISITION FOR STRATEGIC CAPABILITY: In 2024/25, Interfront's recruitment efforts will focus on addressing critical skills gaps in line with its expanding product portfolio. Eighteen targeted appointments, including the use of strategically placed contract employees, facilitated prompt project delivery.

05

Outlook



POSITIONING AS EMPLOYER OF CHOICE: Continue to build a workplace culture that attracts and retains top talent, fosters professional growth and enhances the overall employee experience.



RETENTION AND RECRUITMENT: Enhance retention strategies and optimise recruitment processes to support a skilled, resilient and future-ready workforce.



ORGANISATIONAL AGILITY AND LEADERSHIP: Advance organisational effectiveness through targeted leadership development and ongoing change management efforts that support strategic adaptability.



EMPLOYEE ENGAGEMENT: Leverage insights from Employee Engagement Surveys to implement meaningful actions to improve satisfaction, trust, and employee engagement.



POLICY REVIEW: Ensure that human capital policies, practices, and processes remain current, effective, and strategically aligned with Interfront's evolving goals.



Performance Management Framework

During the 2024/25 financial year, Interfront acquired and implemented a new performance management solution aimed at streamlining and modernising the performance management process. Although minor challenges arose during implementation, these are being actively addressed, with planned refinements scheduled for the 2025/26 cycle.

In parallel, the accompanying performance management framework was enhanced to establish a clear distinction between competencies and key performance indicators (KPIs) within performance contracts.

Moreover, the framework now incorporates a direct linkage to Personal Development Plans (PDPs), thereby supporting targeted employee growth and organisational effectiveness. raised in exit interviews regarding career development pathways and performance feedback.



Policy Development

As Interfront's operating environment continues to evolve alongside and the company expansion, regular policy reviews are essential to maintain their relevance and effectiveness. During the year under review, the HR team completed a thorough evaluation of nine policies, which were subsequently approved.

These updated policies were effectively communicated and reintroduced across the organisation to ensure widespread awareness and compliance.

To promote consistency and alignment, Interfront strategically integrates its policies and practices with those of its shareholder, SARS, wherever feasible. This approach fosters uniformity and coherence, thereby facilitating seamless collaboration and supporting harmonious operational relationships.



The framework now incorporates a direct linkage to Personal Development Plans (PDPs), thereby supporting targeted employee growth and organisational effectiveness.”

Interfront's Employee Value Proposition (EVP) reflects its commitment to attracting, developing, and retaining top-tier talent in the public sector technology space. In 2024/25, the EVP was further strengthened through competitive rewards, well-being initiatives, and investment in professional growth, positioning Interfront as an employer of choice and a future-ready organisation.

Compensation

Interfront's competitive compensation structure is a core pillar of its EVP, designed to reward excellence, attract scarce skills, and support employee retention. The remuneration framework fairly recognises and rewards individual contributions aligned with the company's operational and financial goals while supporting strategic objectives by linking compensation to overall business performance. The company also benchmarks national, regional, and industry remuneration trends to competitively position its pay philosophy.

In July 2024, the Board approved performance-based salary adjustments and bonuses, which were paid and backdated to April. These increases were allocated individually according to Interfront's Performance Management Framework, with a positive impact on retention and turnover rates. Additionally, a 1% cost-to-company (CTC) market positioning pool was approved in November 2024 to adjust the remuneration of employees whose pay was below industry benchmarks, ensuring continued market competitiveness.

PERSONNEL COST BY SALARY BAND 2024/2025

OCCUPATIONAL LEVEL	PERSONNEL EXPENDITURE (R)	% OF TOTAL PERSONNEL COST (R)	NO OF EMPLOYEES (AVERAGE PER YEAR)	AVERAGE PERSONNEL COST PER EMPLOYEE
Top Management	7 409 208	4.18%	2.25	3 292 981
Senior Management	23 323 893	13.15%	14.00	1 665 992
Professional Qualified	93 189 280	52.51%	80.50	1 157 631
Skilled Technical	44 725 452	25.20%	78.08	572 791
Semi-skilled	8 335 396	4.70%	26.92	309 674
Unskilled	494 042	0.28%	3.00	164 681
Total	177 477 270	100%	204.75	866 800

PERFORMANCE REWARDS 2024/2025 FINANCIAL YEAR

OCCUPATIONAL LEVEL	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE	% PERFORMANCE REWARDS TO TOTAL PERSONAL COST
Top Management	912 509	177 477 270	0.51%
Senior Management	3 223 442		1.82%
Professional Qualified	7 554 911		4.26%
Skilled Technical	2 687 475		1.51%
Semi-skilled	172 798		0.10%
Unskilled	41 155		0.02%
Total	14 592 289		8.22%

Benefits

Interfront's benefits offering is designed to enhance the overall employee experience, reinforce the employee value proposition, and promote well-being, security, and work-life balance. These benefits go beyond legislative requirements, reflecting our commitment to supporting employees at every stage of their personal and professional lives. By offering flexible, competitive, and inclusive benefits, Interfront ensures that employees feel valued, empowered, and supported to thrive in a high-performance environment.

- Employees with less than ten years of continuous service receive 24 working days of annual leave. Employees with more than ten years of service receive 29 working days.
- Sick leave entitlement is 36 working days per three-year cycle.
- Permanent staff benefit from a flexible CTC structure, allowing pre-tax retirement savings contributions between 5% and 27.5%.
- Employees may select from multiple medical aid options provided by preferred service providers, with a second medical aid provider recently added to expand their choices.
- Additional protections include group life cover, trauma and severe illness benefits, and funeral cover.

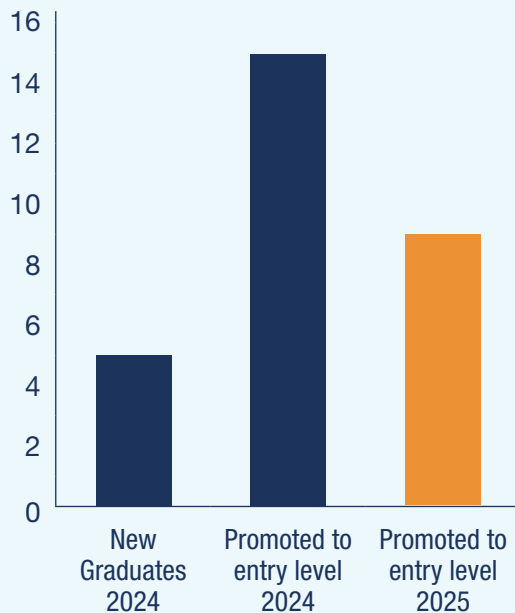
Work Environment and Culture

Interfront's workplace culture is shaped by collaboration, support, and continuous development. In 2024/25, the hybrid work model continued to offer employees flexibility, helping them maintain work-life balance while remaining productive and engaged.

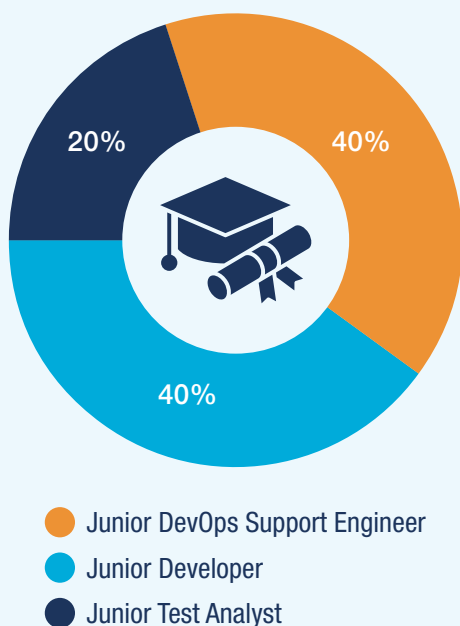
Employees, known as "Techies", embody TECHI values – **Trust, Excellence, Camaraderie, Humility, and Integrity** – introduced at induction and reinforced throughout the employee journey. A renewed focus on open, two-way communication strengthened collaboration and trust across the organisation. Employee feedback through engagement surveys confirmed a strong sense of well-being and connection among employees.

Interfront's ongoing investment in Personal Development Plans, training, and study support contributed to growth, while diversity and inclusion remained central to building a workplace where everyone feels valued. As a state-owned company infused with private-sector dynamism, Interfront is committed to cultivating a vibrant and supportive culture that drives innovation, excellence, and sustained organisational success.

GRADUATE APPOINTMENTS AND ADVANCEMENTS



FIVE ENTRY-LEVEL GRADUATES ADVANCING TO JUNIOR POSITIONS



Employee Wellness Programme

As part of its commitment to employee well-being, Interfront provides access to an independent Employee Assistance Programme (EAP) for employees and their dependants. The EAP includes support for trauma, stress, burnout and financial and legal concerns.

Regular, anonymised reports from the service provider are reviewed by the Board and Executive Committee, enabling the organisation to respond proactively to emerging wellness trends and support a healthy, resilient workforce

Career Development

Interfront supports ongoing career development through study assistance for qualifications aligned with the company's goals and targeted external and internal training based on individual PDPs.

Graduate internship and bursary programmes are key to nurturing future talent

- Three bursars are currently pursuing their studies.
- In February 2025, five new interns joined the 2024/25 graduate internship programme.

All five interns from the 2024 cohort were successfully appointed to junior positions, demonstrating Interfront's commitment to developing talent from within.

Training and Development

Interfront views continuous learning and skills development as essential to maintaining a future-ready workforce capable of delivering its strategic mandate. Our training and development approach supports capability building at all levels, from early career graduates to senior professionals, ensuring that employees are equipped to grow with the organisation and respond to the evolving demands of their professional landscape. Learning opportunities are provided through a combination of targeted external training, formal study assistance, and internal

programmes facilitated by the Organisational Development department. These internal initiatives are tailored to Interfront's strategic needs and support the development of critical soft skills, technical capabilities and leadership competencies.

Through structured development pathways, personal development plans, on-the-job learning, and professional support, Interfront is building a culture of continuous learning, career mobility, and internal talent retention within the company.

Promotions are a key part of Interfront's broader retention and career development strategy. Our previous employee engagement survey highlighted career progression as a key concern, making transparent and fair promotion practices critical. Promotions recognise employees' growth, sustained contributions, and readiness to take on greater responsibilities. The company follows a fair and transparent process to ensure that promotion decisions are aligned with performance, skill development, and business needs. The promotion framework includes both formal advancement to new roles and in-line progression within the current career paths. During the 2024/2025 financial year, 34 employees were promoted in recognition of their contributions and growth, underscoring the importance of training and development in supporting career progression and retention of employees.

Types of Promotions at Interfront

FORMAL PROMOTIONS: Movement to higher positions within the company hierarchy based on performance, skills, and potential (e.g. team lead to a line manager). These are advertised internally to ensure transparency in the process.

IN-LINE PROMOTIONS: Progression to higher levels within a current role based on demonstrated competence and experience (e.g. junior to intermediate developer), aligned with the company's skills development framework.

TRAINING COST

PROGRAMME	PERSONNEL EXPENDITURE (R000)	TRAINING EXPENDITURE (R000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NUMBER OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
Staff training		315 922	0.18%	93	3 397
Bursars		285 562	0.16%	3	95 187
Graduate interns		20 900	0.01%	5	4 180
Professional membership		22 138	0.01%	4	5 535
Staff formal study assistance		217 675	0.12%	4	54 419
Total	177 477 270	862 197	0.49%	109	7 910



“

Interfront concluded the second consecutive year with a low staff turnover rate, marking a positive shift from the high turnover rate experienced previously and reflecting the effectiveness of the interventions implemented.

09

Employment and Vacancies

Interfront’s staffing complement reflects the organisation’s capacity to deliver on its mandate. The tables below provide an overview of filled positions and vacancies across different programmes and salary bands as of 31 March 2025. This information supports workforce planning and identifies areas that require targeted recruitment.

EMPLOYMENT AND VACANCIES

EMPLOYEE LEVEL	NO. OF EMPLOYEES	APPROVED POSTS	NO. OF EMPLOYEES	VACANCIES	% OF VACANCIES
	2023/2024	2024/2025	2024/2025	2024/2025	
Top Management	2	4	3	1	25.00%
Senior Management	14	17	14	3	17.65%
Professional Qualified	74	79	78	1	1.27%
Skilled	74	82	73	9	10.98%
Semi-skilled	2	6	6	0	0.00%
Unskilled	3	2	2	0	0.00%
Total	169	190	176	14	7.37%

10 Staff Turnover

Interfront concluded the second consecutive year with a low staff turnover rate, marking a positive shift from the high turnover rate experienced previously and reflecting the effectiveness of the interventions implemented. The company places great importance on feedback from exit interviews; however, the reduced number of voluntary resignations during the year resulted in fewer exit interviews being conducted, which is a positive indicator of improved retention.

A challenge for a relatively small organisation like Interfront is the limited availability of career advancement and promotion opportunities within. Consequently, some employees seeking to advance their careers may pursue opportunities elsewhere. Encouragingly, four former employees have since returned to Interfront, which speaks to its positive work environment.

While significant progress has been made in cultivating a supportive and engaging workplace, ongoing efforts to broaden career growth prospects, maintain competitive benefits, and strengthen communication are vital. These initiatives are crucial for sustaining a low turnover rate and reinforcing Interfront's position as an employer of choice.

EMPLOYMENT CHANGES

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	RESIGNATIONS	MOVEMENT TO LEVEL (ADDITION)	MOVEMENT FROM LEVEL (DEDUCTION)	EMPLOYMENT AT THE END OF THE PERIOD
Top Management	2	0	0	1	0	3
Senior Management	14	0	0	1	(1)	14
Professional Qualified	74	8	6	5	(1)	80
Skilled	74	10	6	1	(5)	74
Semi-skilled	2	1	0	0	(1)	2
Unskilled	3	0	0	0	0	3
Total	169	19	12	8	(8)	176

REASON FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	0	0%
Resignation	7	58.33%
Dismissal	2	16.67%
Retirement	2	16.67%
Ill health	0	0%
Expiry of long-term contracts	1	8.33%
Total	12	100%

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	2

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Transformation and Employment Equity Growth



During the reporting period, Interfront made significant strides in advancing its commitment to employment equity, achieving a representation rate of 82% across all designated groups. This milestone highlights the organisation’s ongoing dedication to fostering a diverse and inclusive workplace that reflects the demographics of the broader society in which it operates.



In response to the recent promulgation of new sectoral employment equity targets by the Minister of Employment and Labour, Interfront is undertaking a comprehensive review of its existing employment equity framework. This review necessitates the development of a new five-year Employment Equity Plan designed to meet revised legislative requirements and sector-specific objectives.

The formulation of this strategic plan is being driven through a collaborative process involving the Employment Equity Consultative Forum and Human Capital team.



The new Employment Equity Plan will serve as a critical roadmap, guiding targeted interventions and initiatives that promote equitable recruitment, development and retention practices. By aligning with the updated sectoral targets, Interfront is committed to sustaining meaningful transformation and fostering an organisational culture in which diversity is celebrated and valued.



EQUITY TARGET AND EMPLOYMENT EQUITY STATUS



MALE

	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	1	2	0	0	3	1
Senior Management	1	2	2	3	0	0	5	5
Professional Qualified	18	15	9	7	4	3	23	17
Skilled	23	20	16	14	3	1	5	9
Semi-skilled	12	4	2	3	3	0	1	0
Unskilled	0	0	0	0	0	0	0	0
Total	54	41	31	29	10	4	38	32



FEMALE

	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	1	0	0	0	0	1	1
Senior Management	1	2	0	1	1	0	3	2
Professional Qualified	9	7	8	5	1	1	10	10
Skilled	26	11	7	10	1	2	2	2
Semi-skilled	4	3	3	2	1	0	0	0
Unskilled	2	3	0	0	0	0	0	0
Total	42	27	18	18	4	3	16	15



DISABLED STAFF

LEVELS	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional Qualified	0	0	0	0
Skilled	0	0	1	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	0	0	1	1



PFMA COMPLIANCE REPORT

Irregular Expenditure

Fruitless and Wasteful Expenditure

Material Losses Through Criminal Conduct

Late or Non-Payment of Suppliers

Supply Chain Management

Contract Variations and Expansions

01 Irregular Expenditure

Irregular expenditure occurs when funds are spent in a manner that does not comply with the prescribed laws or regulations governing financial management and procurement. This could include instances where procurement processes were not properly followed or where spending did not align with relevant legal provisions.

Interfront did not incur any irregular expenditure.

02 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is spending that does not yield any value or benefit and could have been avoided if proper diligence and caution had been applied. Examples include penalties for late payments, interest on overdue accounts, or payments for services not rendered

Interfront did not incur any fruitless and wasteful expenditure.





03 Material Losses Through Criminal Conduct

Material losses through criminal conduct refer to financial losses incurred directly due to illegal activities. These losses are deemed material if they are significant enough to affect the financial statements or financial position of Interfront.

Interfront did not incur any material losses through criminal conduct.

04 Late or Non-Payment of Suppliers

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE
Valid Invoices received	910	60 161 353
Invoices paid within 30 days or agreed period	909	60 144 519
Invoices paid after 30 days or agreed period	—	—
invoices older than 30 days or agreed period (unpaid without dispute)	—	—
Invoices older than 30 days or agreed period (unpaid and in dispute)	1	16 834*

*(The supplier exceeded the contracted budget and agreed to a reduction).

Procurement by other means

Procurement by other means refers to acquiring goods or services through methods that differ from standard competitive bidding processes. This can include:

- **SOLE SOURCE PROCUREMENT:** When only one supplier can deliver the required goods or services.
- **EMERGENCY PROCUREMENT:** Urgent circumstances, such as natural disasters, necessitate immediate procurement without following the usual procedures.
- **DEVIATIONS FROM STANDARD PROCEDURES:** When normal competitive processes are impractical or impossible.

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Interfront did not incur any irregular or fruitless and wasteful expenditure."

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Renewal Status Hero license subscription	Status Hero	Sole supplier	PRF-2024/25-0022	R 83 955
Development Conference Cape Town 2024	Fizz Marketing (Pty) Ltd	Sole supplier	PRF-2023/24-0320	R 59 285
Development Conference Pretoria 2024	Fizz Marketing (Pty) Ltd	Sole supplier	PRF-2023/24-0322	R 59 285
DidX Un Conference Africa	DIDx (Pty) Ltd	Sole supplier	PRF-2024/25-0139	R 24 725
Renewal of HelloPeter Subscription	TKJ Design (Pty) Ltd T/A hellopeter.com	Sole supplier	PRF-2024/25-0140	R 31 037
13th Annual HR Conference & Expo – 16th of October 2024	HRWorks (Pty) Ltd	Sole supplier	PRF-2024/25-0148	R 12 240
Electrical Services to faulty UPS	Virtual Sense Power CC	Urgent case	PRF-2024/25-0153	R 3 433
Renewal of CQS CaseWare	Adapt IT (Pty) Ltd	Sole supplier	PRF-2024/25-0185	R112 452
SAICA Membership Fees 2025	South African Institute of Chartered Accountants (SAICA)	Sole supplier	PRF-2024/25-0229	R 17 889
Organisational Development Conference	Skill Indawo (Pty) Ltd	Sole supplier	PRF-2024/25-0228	R 7 125
Call Out for assistance with Alarm System	Vetus Schola (Pty) Ltd	Sole supplier	PRF-2024/25-0237	R 2 626
Development Conference 2025	Quicket (Pty) Ltd	Sole supplier	PRF-2024/25-0301	R 141 297
Server room outage	Virtual Sense Power CC	Urgent	PRF-2024_25-1014	R 2 875
Renewal of Scrum Master Certification	Scrum Alliance, Inc.	Sole supplier	PRF-2024/25-0272	R 3 673



06 Contract Variations and Expansions

Contract variations or expansions occur when the original terms and conditions of a contract are altered after it has been awarded. This can include changes to the following:

- The scope of work.
- Contract duration.
- The contract value is usually determined through additional costs.
- The quantity or quality of goods or services to be delivered is determined.

Regulatory Guidance

National Treasury Instruction Notes require the following:

- Any variation or expansion of a contract must be justified and approved by the relevant authority.
- The extent of the variation or expansion should be within a prescribed limit (often 15–20% of the original contract value, though this may vary based on specific regulations).
- Proper documentation and motivation for changes must be maintained to ensure transparency and accountability.
- Approval from National Treasury may be required if the expansion exceeds certain thresholds.

Purpose and Risks

The purpose of regulating contract variations and expansions is to prevent irregular expenditure and ensure that changes to a contract do not undermine the integrity of the initial procurement process.

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE EXPANSION OR VARIATION	CONTRACT NUMBER	ORIGINAL VALUE OF CONTRACT R000	VALUE OF PREVIOUS EXPANSION/S OR VARIATION/S (IF APPLICABLE) R000	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION R000
There were no reportable variations exceeding the permissible 15% threshold.						



FINANCIAL INFORMATION

Board's Responsibility and Approval of the Annual
Financial Statements

Report by the Board of Directors

Financial Report

Report of the Auditor-General to Parliament on the
International Frontier Technologies SOC Ltd

Annual Financial Statements





Board's Responsibility and Approval of the Annual Financial Statements

The Public Finance Management Act (PFMA) requires the Board to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the Board's responsibility to ensure that the Annual Financial Statements fairly present the entity's state of affairs at the end of the financial year and the results of its operations and cash flow for the period then ended.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements and were given unrestricted access to all financial records and related data.

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board. The Annual Financial Statements are based on appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledges that it is ultimately responsible for the internal financial control system established by the entity and places considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board 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 that 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 Interfront. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviours are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the Annual Financial Statements. However, any internal financial control system can provide reasonable but not absolute assurance against material misstatements or deficits.

The Board has reviewed the entity's budgeted forecast for the year ending 31 March 2026 and, in light of this review and the current financial position, is satisfied that the entity has, or has access to, adequate resources to continue in operational existence for the foreseeable future. The Annual Financial Statements are prepared on the basis that the entity is a going concern.

Although the Board is primarily responsible for the financial affairs of the entity, it is supported by the entity's external auditors. The external auditors are responsible for independently reviewing and reporting on an entity's Annual Financial Statements. The Annual Financial Statements have been examined by the entity's external auditors and their report is presented on page 128.

The Annual Financial Statements set out on page 134 to 160, were approved by the Board on 31 July 2025 and were signed on its behalf by



LEILANIE JANSE VAN RENSBURG
Acting Managing Director
31 July 2025



MUSTAQ ENUS-BREY
Chairperson of the Board
31 July 2025



Report by the Board of Directors

The Board submits its report for the year ending 31 March 2025.

Incorporation

The entity was incorporated on 20 April 2009 and obtained its certificate to commence business on the same day.

Review of Activities

The company's core activities revolve around acquiring, investing in, and advancing customs, border management, and tax software solutions. These solutions are tailored for use by the South African Revenue Service and similar revenue and border management agencies worldwide.

The operating results and state of affairs of the entity are fully set out in the attached Annual Financial Statements. In our opinion, no additional comment is necessary. The entity achieved a net surplus of R6,906,300 for the year (2024: R4,078,142), consistent with the adopted financial model.

Going Concern

The Annual Financial Statements have been prepared based on 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 normal course of business.

As of 31 March 2025, the entity had an accumulated surplus of R61 919 166, while the total assets exceeded its liabilities by the same amount.

Financial Statements

The preparation and fair presentation of Interfront's Annual Financial Statements is the responsibility of the directors.

In the opinion of the Directors, the Annual Financial Statements fairly present the financial position of Interfront as of 31 March 2025 and the results of its operations and cash flow information for the year then ended.

Subsequent Events

The Board is not aware of any matter or circumstance arising since the end of the financial year that has materially impacted the state of affairs at year-end.

Accounting Policies

The Annual Financial Statements are prepared in accordance with the effective standards of GRAP, as issued by the Accounting Standards Board and prescribed by the framework developed by the National Treasury. More details on the accounting policies can be found on page 138 of the Annual Financial Statements.

Share Capital

There were no changes in the authorised or issued share capital of the entity during the year under review. Interfront was capitalised by way of an interest-free shareholder's loan. The loan is fully repaid.

Distributions to Owners

No dividends were declared or paid during the year under review.

Board

Details of the Board members can be found under

Secretary

Ms. Madelein Pepperell served as the Company Secretary for the term.

Corporate Governance

General

The Board is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Board supports the highest standards of corporate governance and the ongoing development of best practice.

Interfront adheres to the statutory duties and responsibilities set out in the Companies Act and PFMA. The entity confirms and acknowledges its responsibility for compliance with the Code of Corporate Practices and Conduct ("Code") laid out in the King Report on Corporate Governance for South Africa, 2016. The Board members discuss the responsibilities of management in this respect and monitor the entity's compliance with the code at Board meetings. The salient features of the entity's adoption of the Code can be found in

Board of Directors

The Board:

- Retains full control over the entity, its plans, and its strategy
- Acknowledges its responsibilities regarding strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency, and effective communication, both internally and externally by the entity.

- Is a unitary structure and is comprised during the year:
 - Three non-executive independent directors of which one serves as the Chairperson
 - Non-executive Directors, employed by the Shareholder
 - Executive directors.

Chairperson and Managing Director

The Chairperson is a non-executive and independent Director (as defined by the Code). The roles of the Chairperson and Managing Director are separate, with responsibilities divided between them in such a manner that no individual has unfettered powers of discretion.

Remuneration

The Board determines executive directors' remuneration in line with the entity's remuneration policy, ensuring fairness and alignment with performance objectives. The non-executive directors' fees are set in accordance with the National Treasury Guidelines. Non-executive directors employed by the shareholder are not remunerated for Board duties. The entity adheres to the Companies Act and the principles of King IV, maintaining transparency and accountability in all remuneration-related matters.

Executive meetings

Non-executive Directors have access to all members of the entity's management. Details of the Board members and their meeting attendance are disclosed in this report.

Internal Audit

As permitted by the Public Finance Management Act, 2003, the entity outsourced its internal audit function to the Internal Audit Function of SARS.

Controlling Entity

Interfront's controlling entity is the South African Revenue Service, established by the South African Revenue Service Act of 1997.

Auditors

In line with the requirements of the Public Audit Act, No. 25 of 2004 ("PAA") and paragraph 84(3)(b) of the Companies Act, the AGSA will continue in office for the next financial period.

Compliance

The Board confirms that, to the best of its knowledge, the entity has complied with all applicable laws, regulations, and governance codes relevant to its operations during the financial year. This includes adherence to the Public Finance Management Act, Companies Act, King IV Report, and National Treasury guidelines.

Annual financial statements

The financial statements set out on page 134 to 160, which have been prepared on the going concern basis, were approved by the Board on 31 July 2025.

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Financial Report

FIVE YEAR FINANCIAL OVERVIEW

STATEMENT OF FINANCIAL PERFORMANCE					
Description	2021	2022	2023	2024	2025
Rendering of Services	105 363 506	108 405 948	171 790 485	215 828 131	242 041 539
Interest and other	1 450 850	1 427 710	3 041 629	3 499 004	4 005 564
Expenditure	(118 166 081)	(117 869 059)	(187 421 011)	(213 521 935)	(236 499 920)
EBT	(11 351 725)	(8 035 401)	(12 588 897)	5 805 200	9 547 183
EAT	(8 769 728)	(6 383 966)	(9 793 627)	4 078 142	6 906 300

STATEMENT OF FINANCIAL POSITION					
Description	2021	2022	2023	2024	2025
Total Assets	86 202 838	80 298 775	81 061 430	87 367 198	97 591 485
Total Liabilities	(19 090 519)	(19 570 421)	(30 126 704)	(32 354 330)	35 672 318
Total Net Assets	67 112 319	60 728 854	50 934 726	55 012 868	61 919 167
Equity/Shareholders loan	1	1	1	1	1
Accumulated surplus	(67 112 319)	(60 728 353)	(50 934 725)	(55 012 867)	(61 919 166)

Statement of Financial Performance

Interfront delivered a strong financial performance for the year under review, reporting a net accounting surplus of R6.91 million (2024: R4.08 million). This result reflects continued growth in service delivery after the expansion of the company's mandate in 2022. The increase in revenue from the rendering of services, up 12.15%, was driven by growing client needs and the execution of ongoing projects. To support this growth, the company's average staff complement increased by 8.96%, aligning with our strategic focus on capacity building and delivery excellence.

To ensure long-term sustainability and operational resilience, Interfront undertook a strategic enhancement of its organisational structure. A new senior management layer was introduced to strengthen operational leadership and governance, particularly to support the Director of Operations. This intervention mitigates key-person dependency risk, enhances internal oversight, and positions the company to meet future demands more effectively. Employee

costs increased by 13.3%, driven primarily by the growth in staff numbers (2025:204.8; 2024:187.9) and annual inflation-related salary adjustments, with a modest contribution from the initial costs associated with the newly introduced senior-management layer. The average salary cost per employee rose by 5.66% (2025: R72 203; 2024: R68 332). While this upward pressure on costs is expected to continue into the new financial year, once the full-year effect of the management changes is realised, it is anticipated that the average cost per head will stabilise over time as growth at junior levels offsets this impact.

To support business continuity and retention of institutional knowledge, the company maintained a limited complement of external software developers, albeit at a significantly reduced cost, 34.9% lower than the previous year.

Interest income increased by 26.6%, primarily driven by a stronger cash position resulting from higher operating revenues, despite a slight reduction in the average interest rates.

Administrative expenses increased by only 2.8%, representing a real-term reduction. The nominal increase is primarily attributable to delays in securing office premises in the Gauteng region, owing to public procurement constraints. This is expected to be resolved in the forthcoming year, with plans underway to establish a dedicated office in Gauteng, where 47.2% of the staff are now based.

Auditor's remuneration rose by 34.8%, largely due to the timing and scope of internal audit engagements during the reporting period.

A marginal foreign exchange loss was recorded, reflecting volatility in the Rand and the conclusion of the Luxembourg contract in December 2024, which was the primary contributor to foreign exchange fluctuations. Given the limited exposure to foreign revenue, no hedging arrangements were deemed necessary.

Statement of Financial Position

Interfront's current assets increased by 14.7%, driven by robust cash generation and strong financial controls. Notably, trade and other receivables decreased by 45.2% as the previous year's closing balance reflected an anomalous spike in billing towards the year-end. The normalisation of billing cycles contributed to the reduction in receivables.

Cash and cash equivalents increased substantially by 98.5%, reflecting revenue growth and a reduction in trade receivables. This supports the company's objective of establishing and maintaining a three-month working capital buffer, reinforcing its financial resilience in the absence of grant funding.

Non-current assets remained relatively stable, decreasing by 1.6%. This was due to the routine amortisation of intangible assets, partially offset by additions to Property, Plant, and Equipment, aligned with the increase in employee numbers and corresponding infrastructure requirements.

Current liabilities increased by 10.9%, primarily due to higher staff-related provisions associated with a growing workforce. VAT payable declined by 5.4%, primarily due to timing differences in the monthly billing. In contrast, payables from exchange transactions rose by 9.6%, driven by an increase in staff-related liabilities linked to a growing workforce and timing variance in trade payables.

The company saw a 67.4% decrease in non-current liabilities, mainly due to the reversal of the non-current portion of its operating lease liabilities.

In line with its financial model, Interfront achieved a net accounting surplus of R6.91 million, resulting in a 12.6% increase in net assets, which now total R61.9 million (up from R55 million in 2024). This outcome strengthens the entity's financial sustainability and its ability to meet future obligations without reliance on external funding.

Conclusion

Interfront continues to show sound financial management and a strong commitment to public accountability, transparency, and fiscal discipline. The company remains focused on strengthening its capacity and operational resilience to deliver on its expanded mandate, while creating sustainable value for its stakeholders and making a meaningful contribution to the broader public sector objectives.



Report of the Auditor-General to Parliament on the International Frontier Technologies SOC Ltd

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the International Frontier Technologies SOC Ltd set out on pages 134 to 160, which comprise statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement 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 International Frontier Technologies SOC Ltd as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act).

Basis for opinion

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

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and the Companies Act; 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 entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

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 132, forms part of my auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected 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 continual innovation and client centricity objective presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Develop, enhance, and expand the iCBS channels to support the South African Revenue Service (SARS) customs modernisation programme (CMP)
 - Develop, enhance, and expand the eFiling and MobiApp platforms to meet SARS business and legislative requirements
 - Develop, enhance and expand the e@syFile platform and systems to meet SARS business and legislative requirements
 - Providing training and support services to employers and payroll administrators
 - Provide effective support services to SARS on: Customs; eFiling, MobiApp and e@syFile
 - Provide effective software support services to other customers based on contractual agreements with them.
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 this criteria it provides useful and reliable information and insights to users on the 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 entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included

- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over or underachievement of targets
14. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
 15. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Other matters

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 PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.
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 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 which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped in objective 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 indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I have nothing to report in this regard.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
27. I did not identify any significant deficiencies in internal control.

Auditor-General

PRETORIA

31 July 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4) Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b) Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b) Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b) Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5 Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6 Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii) Regulation 16A.9.1(d); 16A9.1(e); 16A9.1(f) Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a) Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1 Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Act: Regulations	Regulation 17 Regulation 25(7A)
Second amendment of National Treasury Instruction Note 05 of 2020/21	Paragraph 1
Erratum National Treasury Instruction Note 5 of 2020/21	Paragraph 2
National Treasury instruction Note 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction Note 1 of 2021/22	Paragraph 4.1
National Treasury Instruction Note 4 of 2015/16	Paragraph 3.4
National Treasury Instruction Note 4A of 2016/17	Paragraph 6
National Treasury Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2 Paragraph 7.6
National Treasury Instruction No 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury Instruction No 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations of 2022 (PPR)	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations of 2017 (PPR)	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3 Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention & Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii) Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c) Section 112(2)(a); 129(7)

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Annual Financial Statements

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LEILANIE JANSE VAN RENSBURG
Acting Managing Director and
Financial Director



MUSTAQ ENUS-BREY
Chairperson of the Board

Statement of Financial Position as at 31 March 2025

Assets

Figures in Rand	Note(s)	2025	2024
Assets			
Current Assets			
Current tax receivable	4	101 816	191 631
Receivables from exchange transactions	5	22 658 914	41 384 220
Cash and cash equivalents	6	59 036 719	29 740 368
		81 797 449	71 316 219
Non-Current Assets			
Property, plant and equipment	7	11 405 163	10 903 376
Intangible assets	8	217 069	1 572 280
Deferred tax	9	4 171 804	3 575 323
		15 794 036	16 050 979
Total Assets		97 591 485	87 367 198

Liabilities

Figures in Rand	Note(s)	2025	2024
Liabilities			
Current Liabilities			
Operating lease liability	10	186 295	252 026
Payables from exchange transactions	11	13 585 346	12 397 510
VAT payable	12	4 364 862	4 615 578
Provisions	13	17 445 532	14 812 639
		35 582 035	32 077 753
Non-Current Liabilities			
Operating lease liability	10	90 283	276 578
Total Liabilities		35 672 318	32 354 331
Net Assets		61 919 167	55 012 867
Share capital/contributed capital	14	1	1
Accumulated surplus		61 919 166	55 012 866
Total Net Assets		61 919 167	55 012 867

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions			
Rendering of services	15	242 041 539	215 828 131
Profit/(loss) from foreign exchange transactions and other sundry income		(275 518)	118 732
Interest received – investment		4 281 082	3 380 272
Total revenue from exchange transactions		246 047 103	219 327 135
Expenditure			
Employee related costs		(207 356 284)	(183 041 303)
External development services		(3 178 578)	(4 879 621)
Depreciation and amortisation		(4 133 419)	(4 549 003)
Loss on disposal of assets		(150 547)	(319 231)
Administrative expenses		(20 129 838)	(19 582 188)
Auditor's remuneration	16	(1 551 254)	(1 150 589)
Total expenditure		(236 499 920)	(213 521 935)
Surplus/(deficit) before taxation		9 547 183	5 805 200
Taxation	17	2 640 883	1 727 058
Surplus/(deficit) for the year		6 906 300	4 078 142

Statement of Changes in Net Assets

Figures in Rand	Share capital/ contributed capital	Accumulated surplus/(deficit)	Total net assets
Balance at 01 April 2023	1	50 934 724	50 934 725
Changes in net assets			
Surplus for the year	–	4 078 142	4 078 142
Total changes	–	4 078 142	4 078 142
Balance at 01 April 2024	1	55 012 866	55 012 867
Changes in net assets			
Surplus for the year	–	6 906 300	6 906 300
Total changes		6 906 300	6 906 300
Balance at 31 March 2025	1	61 919 166	61 919 167

Note(s) 14

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Receipts			
Rendering of services		260 766 845	185 738 546
Interest income		4 281 082	3 380 272
Prepaid amounts		–	(4 293 201)
Gain/(loss) on exchange rate differences		(275 518)	118 732
		264 772 409	184 944 349
Payments			
Employee costs		(210 534 862)	(187 920 924)
Suppliers		(20 745 283)	(21 008 642)
Taxes on surpluses	4	(3 147 549)	(1 197 613)
Movement in provisions		2 632 893	3 714 344
Movement in VAT		(250 716)	3 082 343
		(232 045 517)	(203 330 492)
Net cash flows from operating activities	20	32 726 892	(18 386 143)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(3 518 292)	(4 010 642)
Purchase of other intangible assets	8	–	(50 907)
Proceeds from sale of property, plant and equipment		87 751	29 131
Net cash flows from investing activities		(3 430 541)	(4 032 418)
Net increase/(decrease) in cash and cash equivalents		29 296 351	(22 418 561)
Cash and cash equivalents at the beginning of the year		29 740 368	52 158 925
Cash and cash equivalents at the end of the year	6	59 036 719	29 740 364

Significant Accounting Policies

1 Significant accounting policies

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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

These accounting policies are consistent with the previous period.

1.2 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 are 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 include the following:

Trade receivables

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

Impairment testing

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

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of intangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including projected future revenue forecasts and economic factors such as inflation, exchange rates and interest rates.

1.2 Significant judgements and sources of estimation uncertainty *(continued)*

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 13-Provisions.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The entity recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the entity to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Useful lives and residual value of assets

As described in the accounting policy below, the company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

Allowance for doubtful debts

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

Intangible assets

The entity assesses at each reporting period whether there is any indication that the cash-generating intangible assets may be impaired. This assessment requires management to make assumptions and it is reasonably possible that these assumptions may change, which may then impact our estimations and may then require material adjustment to the carrying value of the intangible asset.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

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	5–16 years
IT equipment	Straight-line	3–13 years
Leasehold improvements	Straight-line	Over the life of the asset or lease period, whichever is shorter
Security equipment	Straight-line	13 years
Office equipment – leased	Straight-line	Over the term of the lease

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

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

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 7).

1.4 Intangible assets

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.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is initially recognised at cost and subsequently carried at cost less any accumulated amortisation and any impairment losses.

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 with finite useful lives, on a straight-line basis, over their estimated useful lives to their residual values as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Intellectual property rights	Straight-line	11 years
IT software	Straight-line	3–5 years

Intangible assets are derecognised:

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

1.5 Financial instruments

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

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

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

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

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

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.

1.5 Financial instruments *(continued)*

A financial asset is:

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

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

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

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

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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

Classification

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

CLASS	CATEGORY
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at fair value

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

CLASS	CATEGORY
Payables from exchange transactions	Financial liability measured at amortised cost

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a Statutory receivable.

Current tax liabilities for the current and prior periods are measured at the amount expected to be paid to the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period.

1.7 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.

Operating leases—lessee

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

1.8 Impairment of cash-generating assets

Identification

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.

1.9 Share capital/contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares as well as the loan received from the shareholder are classified as equity.

1.10 Employee benefits

Identification

Employee benefits

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

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

Classification of plans

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.

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

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

- 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.

Short-term paid absences

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

- in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and
- in the case of non-accumulating paid absences, when the absences occur.

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

1.10 Employee benefits *(continued)*

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only 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, and only when, the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

Recognition and measurement

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

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are discounted using the discount rate as specified.

1.11 Provisions and contingencies

Provisions are recognised when:

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

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

All provisions of the entity are short-term in nature and the effect of discounting is immaterial.

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.

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

Provisions are not recognised for future operating surplus (deficit)

1.12 Revenue from exchange transactions

Revenue from exchange transactions comprises of the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

Measurement

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

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.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

1.13 Interest received

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

1.14 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 from initial recognition are recognised in surplus or deficit in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.15 Related parties

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.

Notes to the Financial Statements

2 Changes in accounting policy

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year. The entity has not adopted any new policies in the current financial year.

3 New standards and interpretations

Standards and interpretations issued, but not yet effective

The entity has not early adopted the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact.
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

Notes to the Financial Statements

Figures in Rand

	2025	2024
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4 Income tax paid

Balance at the beginning of the year	191 631	739 279
Current tax for the year recognised in surplus or deficit	(3 237 364)	(1 745 261)
Balance at the end of the year	(101 816)	(191 631)
	(3 147 549)	(1 197 613)

5 Receivables from exchange transactions

Trade debtors	13 613 327	32 436 660
Prepayments and other sundry receivables	9 030 228	8 932 201
Deposits	15 359	15 359
	22 658 914	41 384 220

Fair value of trade and other receivables

Trade and other receivables	22 614 612	41 384 220
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Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. There were no amounts past due at 31 March 2025 (2024: R3 355 704).

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

1 month past due	—	3 355 704
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6 Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3 918	3 346
Bank balances	13 245 186	5 548 587
Short-term deposits	45 787 615	24 188 435
	59 036 719	29 740 368

Notes to the Financial Statements

7 Property, plant and equipment

	2025			2024		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold improvements	1 817 625	(813 867)	1 003 758	6 061 584	(5 128 372)	933 212
Furniture and fixtures	1 195 190	(652 153)	543 037	1 820 690	(1 168 463)	652 227
IT equipment	21 312 623	(11 457 266)	9 855 357	21 223 804	(11 910 173)	9 313 631
Security equipment	20 108	(17 097)	3 011	20 108	(15 802)	4 306
Total	24 345 546	(12 940 383)	11 405 163	29 126 186	(18 222 810)	10 903 376

Reconciliation of property, plant and equipment – March 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	933 212	260 878	–	(190 332)	1 003 758
Furniture and fixtures	652 227	42 704	(46 029)	(105 865)	543 037
IT equipment	9 313 631	3 214 710	(192 262)	(2 480 722)	9 855 357
Security Equipment	4 306	–	–	(1 295)	3 011
	10 903 376	3 518 292	(238 291)	(2 778 214)	11 405 163

Reconciliation of property, plant and equipment – March 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	1 158 395	18 553	–	(243 736)	933 212
Furniture and fixtures	746 669	–	(1 929)	(92 513)	652 227
IT equipment	7 693 214	3 992 089	(341 485)	(2 030 187)	9 313 631
Security Equipment	1 895	–	–	2 411	4 306
	9 600 173	4 010 642	(343 414)	(2 364 025)	10 903 376

Fully depreciated assets still in use amounts to R107 462. These will be systematically disposed of and replaced over the next 12 months.

Other information

Expenditure incurred to repair and maintain property, plant and equipment

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

Repairs and maintenance	400 873	652 296
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Impairment

As per GRAP 26, management assessed whether there was any indication that the tangible assets were impaired. None were identified.

Notes to the Financial Statements

8 Intangible assets

	2025			2024		
	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Intellectual property and other rights	73 582 623	(73 582 623)	–	73 582 623	(72 387 329)	1 195 294
IT software	3 816 352	(3 599 283)	217 069	5 242 716	(4 865 730)	376 986
Total	77 398 975	(77 181 906)	217 069	78 825 339	(77 253 059)	1 572 280

Reconciliation of intangible assets – March 2025

	Opening balance	Additions	Disposals	Amortisation	Total
Intellectual property and other rights	1 195 294	–	–	(1 195 294)	–
IT software	376 986	–	(6)	(159 911)	217 069
	1 572 280	–	(6)	(1 355 205)	217 069

Reconciliation of intangible assets – March 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Intellectual property and other rights	2 789 018	–	–	(1 593 724)	1 195 294
IT software	922 280	50 907	(4 948)	(591 253)	376 986
	3 711 298	50 907	(4 948)	(2 184 977)	1 572 280

Impairment

As per GRAP26, management assessed whether there was any indication that the intangible assets were impaired. None was identified.

9 Deferred tax

Deferred tax Liability

Deferred tax	4 171 804	3 575 323
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Reconciliation of deferred tax asset/(liability)

At the beginning of the year	3 575 323	3 557 120
Temporary difference on prepayments	(127 786)	(115 621)
Temporary difference on tangible fixed assets	(295 795)	(27 891)
Movement in provision and accruals	862 334	(57 562)
Reversing temporary difference on finance lease	–	–
Originating temporary difference on operating lease	(68 047)	(81 757)
Reversing temporary difference on Intellectual property	225 775	301 034
	4 171 804	3 575 323

Notes to the Financial Statements

Figures in Rand

2025

2024

10 Operating lease liability

Non-current liabilities	90 283	276 578
Current liabilities	186 295	252 026
	276 578	528 604

Operating leases represent rentals payable by the entity for its office premises.

The office leases were for an initial period of 5 years with an annual rental escalation of 7%, and an expiry date of 31 August 2024.

Subsequently an addendum was signed to extend the initial period of the lease over the St Andrews offices by a further 2 years with a more favourable 5% rental escalation. The office lease contains an option to extend the leases after the initial period by a further 5 years.

11 Payables from exchange transactions

Trade payables	1 771 952	1 286 811
Accrued leave pay	6 935 883	6 374 947
PAYE payable	4 315 814	3 595 069
Other accruals	561 697	1 140 683
	13 585 346	12 397 510

Payables are carried at invoice amounts, which approximates fair value due to their short-term nature.

12 VAT payable

VAT payable	4 364 862	4 615 578
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13 Provisions

Reconciliation of provisions – March 2025

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Performance bonus	14 812 639	17 445 532	(14 592 290)	(220 349)	17 445 532

Reconciliation of provisions – March 2024

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Performance bonus	11 098 295	14 812 639	(11 142 147)	43 852	14 812 639

Performance bonuses represent the estimated obligation for the current year.

Notes to the Financial Statements

Figures in Rand

2025

2024

14 Share capital

Authorised

1000 Ordinary shares of R1 each

1 000

1 000

Reconciliation of number of shares issued:

Reported as at 01 April

1

1

999 unissued ordinary shares are under the control of the Board in terms of the Memorandum of Incorporation.

Issued

Ordinary

1

1

Share capital is fully paid and has no restrictions.

15 Revenue from exchange transactions

Rendering of services: SARS

222 191 618

192 549 415

Rendering of services: Luxembourg

14 630 592

19 360 309

Rendering of services: Other

5 219 329

3 918 407

Profit/(Loss) from exchange transactions

(275 518)

118 732

Interest received

4 281 082

3 380 272

246 047 103

219 327 135

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

Rendering of services

242 041 539

215 828 131

Profit/(Loss) from exchange transactions

(275 518)

118 732

Interest received

4 281 082

3 380 272

246 047 103

219 327 135

16 Auditors' remuneration

External Audit: Fees

885 439

805 391

Internal Audit: Fees

486 470

247 010

Subsistence and Travel: External Audit

179 345

98 189

1 551 254

1 150 590

Notes to the Financial Statements

Figures in Rand

2025

2024

17 Taxation

Major components of the tax (income)/expense

Current

Local income tax – current period	3 271 174	1 738 460
Local income tax – recognised in current tax for prior periods	(33 810)	6 801
	3 237 364	1 745 261

Deferred

Deferred tax movement current year	(596 481)	(18 203)
	2 640 883	1 727 058

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

Accounting surplus	9 547 183	5 805 200
Tax at the applicable tax rate of 27% (2024: 27%)	2 577 739	1 567 404

Tax effect of adjustments on taxable income

Originating temporary differences	596 481	18 203
Non-deductible expenses	96 954	152 853
Prior year adjustment	(33 810)	6 801
	3 237 364	1 745 261

18 Employee benefit obligations

Defined contribution plans

It is the policy of the entity to provide retirement benefits to all its employees. Entitlement to retirement benefits is governed by the rules of the Allan Gray Retirement Annuity Fund, which is a defined contribution retirement annuity fund. The entity has no legal or constructive obligation to pay for future benefits. The responsibility vests with the Allan Gray Retirement Annuity Fund.

The entity is under no obligation to cover any unfunded benefits.

The total economic entity contribution to such schemes	11 742 233	10 405 314
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19 Operating deficit

Operating surplus/(deficit) for the year is stated after accounting for the following:

Gain or (Loss) on disposal of assets	(150 547)	(319 231)
Amortisation on intangible assets	1 355 205	2 184 978
Depreciation on property, plant and equipment	2 778 214	2 364 025

Notes to the Financial Statements

Figures in Rand	2025	2024
20 Cash generated from (used in) operations		
Surplus	6 906 300	4 078 142
Adjustments for:		
Depreciation and amortisation	4 133 419	4 549 003
(Gain)/loss on sale of assets and liabilities	150 547	319 231
Movements in operating lease assets and accruals	(252 026)	(302 805)
Movements in provisions	2 632 893	3 714 344
Movement in tax receivable and payable	89 815	547 648
Annual charge for deferred tax	(596 481)	(18 203)
Changes in working capital:		
Receivables from exchange transactions	18 725 306	(30 089 585)
Payables from exchange transactions	1 187 835	(4 266 266)
VAT	(250 716)	3 082 348
	32 726 892	(18 386 143)

21 Commitments

Authorised operational expenditure		
Already contracted for but not provided for		
• IT goods and services	607 574	99 585
• Other services	87 151	42 609
• HR Services	78 671	201 735
	773 396	343 929
Total operational commitments		
Already contracted for but not provided for	773 396	343 929
This committed expenditure relates to IT and office services and will be financed by: retained surpluses, existing cash resources, funds internally generated, and so forth.		
Operating leases – as lessee (expense)		
Minimum lease payments due		
• within one year	1 725 818	2 930 969
• in second to fifth year inclusive	733 647	2 459 465
	2 459 465	5 390 434

Operating lease payments represent rentals payable by the entity for certain of its office properties. Refer to Note 10 for more detail.

Notes to the Financial Statements

22 Related parties

RELATIONSHIPS	
Controlling entity	South African Revenue Service
Companies in which members of management have significant influence	Tshole Technology Holdings (24.5% effective interest) XI Marketing Services (50% interest) iDev IT Business Solutions (50% interest)
There has been no transactions between Interfront and these companies in the current year.	
Member of the Board of Directors	M. A. Enus-Brey: Chairman of the Board Independent Non-Executive Director L.L. Janse van Rensburg: Financial Director (and Acting Managing Director) J.M. Robertson: Operations Director D. De Kock: Operations Director Elect (appointed 1 January 2025) *H. Smith: Non-Executive Director *V.C. Nthabyane: Non-Executive Director *E. Smith: Non-Executive Director G. Vermaas: Independent Non-Executive Director A. Roelofse: Independent Non-Executive Director (appointed 17 January 2025)
Members of key management	M. Pepperell: Company Secretary/Manager: Corporate Services N. Mohoto: Executive Talent S. Mtsweni: Executive: Relationship Manager W. Barratt: Executive: Business Development & Innovation J. Bain: Senior Manager: Customs Solutions (appointed 1 January 2025) T. Fry: Senior Manager: Shared Services (appointed 1 January 2025) L. Hunkin: Senior Manager: Tax Solutions (appointed 1 January 2025)

*These Non-Executive Directors are employed by the shareholder.

Notes to the Financial Statements

22 Related parties *(continued)*

Figures in Rand

2025

2024

Related party balances

Receivables from exchange transactions with related parties

Trade receivables: SARS	13 893 656	30 127 051
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The trade receivables with the shareholder represent amounts receivable for services rendered at arm's length transactions.

Payables from exchange transactions with related parties

Trade payables: SARS	684 878	436 692
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The trade payable represents amounts owing to SARS for amounts paid on our behalf for insurance and also internal audit services performed at arm's length.

Rendering of services to related parties

South African Revenue Services	222 191 618	192 549 415
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Remuneration of management

Management class: Executive management

2025	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Other benefits received	Total
Name					
M. Pepperell	1 484 791	207 996	–	24 458	1 717 245
N. Mohoto	1 316 448	160 551	–	21 701	1 498 700
S. Mtsweni	1 376 186	173 837	12 876	22 679	1 585 578
W. Barratt	1 988 141	251 137	5 143	32 701	2 277 122
D. De Kock (9 months)	1 721 678	322 946	9 116	28 302	2 082 042
J. Bain (3 months)	555 000	–	2 190	9 125	566 315
T. Fry (3 months)	473 661	–	3 030	7 793	484 484
L. Hunkin (3 months)	360 000	–	–	5 931	365 931
	9 275 905	1 116 467	32 355	152 690	10 577 417

2024	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Other benefits received	Total
Name					
M. Pepperell	1 403 120	158 876	–	23 657	1 585 653
N. Mohoto	1 205 246	115 201	1 407	20 341	1 342 195
S. Mtsweni	1 304 976	124 734	15 705	22 013	1 467 428
W. Barratt	1 882 381	179 040	10 960	31 689	2 104 070
D. De Kock	2 178 556	246 680	12 673	36 653	2 474 562
	7 974 279	824 531	40 745	134 353	8 973 908

Notes to the Financial Statements

23 Directors' emoluments

Executive

2025	Basic salary	Annual Bonus	Subsistence and travel	Company contributions	Total
J.M. Robertson	3 677 676	538 697	15 934	20 282	4 252 589
L.L. Janse van Rensburg	3 011 532	373 812	10 334	49 461	3 445 139
D. De Kock (3 months)	720 000	–	3 915	11 827	735 742
	7 409 208	912 509	30 183	81 570	8 433 470

2024	Basic salary	Annual bonus	Subsistence and travel	Company contributions	Total
J.M. Robertson	3 475 384	501 113	14 400	58 386	4 049 283
L.L. Janse van Rensburg	2 411 634	347 732	10 766	40 559	2 810 691
	5 887 018	848 845	25 166	98 945	6 859 974

Non-executive

2025	Members' fees	Committees fees	Subsistence and travel	Total
M.A. Enus-Brey	14 470	4 008	–	18 478
G. Vermaas	10 271	5 384	–	15 655
A. Roelofse	2 004	–	–	2 004
E. Smith	7 014	4 008	–	11 022
	33 759	13 400	–	47 159

2024	Members' fees	Committees fees	Subsistence and travel	Total
M.A. Enus-Brey	11 778	2 004	1 346	15 128
G. Vermaas	8 768	2 692	1 002	12 462
	20 546	4 696	2 348	27 590

No fees or remuneration are payable to the non-executive directors who are also employees of the shareholder.

24 Risk management

Financial risk management

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

Risk management is carried out by the Board. The Board provides written policies for overall risk management, as well as a review covering specific areas.

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.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is immaterial.

Notes to the Financial Statements

24 Risk management *(continued)*

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	13 541 376	—	—	—
Operating lease contractual amounts	1 725 818	733 647	—	—

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	12 397 509	—	—	—
Operating lease contractual amounts	2 930 969	1 725 818	733 647	—

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and receivables from exchange transactions. The entity only deposits cash with major banks with high-quality credit standing.

Financial assets exposed to credit risk at year-end were as follows:

Financial instrument	2025	2024
Cash and cash equivalents	59 036 719	29 740 368
Receivables from exchange transactions	22 658 914	41 384 220

Market risk

Interest rate risk

The entity's interest rate risk arises from amounts held in short-term cash balances. The entity's income and operating cash flows are substantially independent of changes in market interest rates in relation to these balances.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Receivables from exchange transactions	11.00%	22 658 914	—	—	—	—
Cash in current banking institutions	11.00%	59 036 719	—	—	—	—
Payables from exchange transactions	11.00%	13 541 376	—	—	—	—
Operating lease obligation	11.00%	1 725 818	733 647	—	—	—

Notes to the Financial Statements

24 Risk management *(continued)*

Foreign exchange risk

The entity provides services to one international customer and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The entity does not currently hedge foreign exchange fluctuations.

Foreign currency exposure at the statement of financial position date

Current assets

Receivables from exchange transactions (amount in EURO)	–	330 000
Receivables from exchange transactions (amount in USD)	1 494	–

Liabilities

Payables from exchange transactions (amount in USD)	–	522
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Exchange rates used for the conversion of foreign items were:

EURO	–	20.34
USD	18.34	18.85

25 Going concern

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. A major portion of revenue is currently attributable to a single customer, the shareholder. This is expected to continue in the near future.

26 Reconciliation between budget and statement of financial performance

SARS as the principal of its wholly owned subsidiary, incorporates Interfront in its parliamentary and ultimate statutory accountability processes. Interfront is included inter alia in the SARS strategic plan, budget, monthly and annual reporting, as well as the consolidated annual financial statements. Interfront is governed by its Board under scrutiny of SARS. Interfront is thus excluded from the detailed reporting requirements based on paragraph 3 GRAP 24.

List of Abbreviations and Acronyms

Interfront	International Frontier Technologies SOC Ltd
IT	Information Technology
ADA	Customs Authority of Luxembourg
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
Basic Conditions of Employment Act	Basic Conditions of Employment Act 75 of 1997
B-BBEE	Broad-Based Black Economic Empowerment
Broad-Based Black Economic Empowerment Act	Broad-Based Black Economic Empowerment Act No. 53 of 2003
CEO	Chief Executive Officer
CIS	Centre for Internet Security
CIT	Corporate Income Tax
CMP	Customs Modernisation Programme
CoC	Clients-of-Clients
CoE	Centre of Excellence
Companies Act	Companies Act, No. 71 of 2008
CTC	Cost-to-Company
DHA	Department of Home Affairs
DR	Disaster Recovery
EAP	Employee Assistance Programme
Employment Equity Act	Employment Equity Act No. 55 of 1998.
EQ	Emotional Intelligence
EVP	Employee Value Proposition
EXCO	Executive Committee
GRAP	Standards of Generally Recognised Accounting Practice
HR	Human Resources
iCBS	Customs Border Solution
ICT	Information and Communications Technology
ISMC	Information Systems Management Committee
King IV	King IV Report on Corporate Governance for South Africa 2016
LM	Line Manager/s
OGA	Other Government Agencies
OGA	Other Government Agencies
PAA	Public Audit Act, No. 25 of 2004
PAYE	Pay As You Earn
PFMA	Public Finance Management Act, No. 1 of 1999
PIT	Individual Tax Returns
Public Procurement Bill	Public Procurement Bill Act No. 28 of 2024
R&D	Research & Development
RLA	Registration, Licensing and Accreditation
RTO	Recovery Time Objective
SARS	South African Revenue Service
SCOPA	Standing Committee on Public Accounts
SEC	Social and Ethics Committee
SIEM	Security Information and Event Management
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SOQS	SARS Online Query System
SWP	Single Window Platform
ToR	Terms of Reference
VAT	Value Added Tax
WO	Work Order





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