

Annexure A

for the six months ended 30 September 2024

TRANSNET



Classification, fair values and analysis of financial instruments

Categories of financial instruments:

	R million
September 2024	
Financial assets	
At amortised cost (including bank and cash, trade and other receivables, contract assets and other short-term investments)	22 066
<i>Fair value through profit or loss</i>	
- Derivatives held for risk management	2 431
- Other financial assets	224
<i>Fair value through other comprehensive income</i>	
- Equity investment (Rumo)	46
Financial liabilities	
At amortised cost (including contract liabilities, trade payables and accruals*)	163 843
<i>Fair value through profit or loss</i>	
- Derivatives held-for-hedging	1 740
March 2024	
Financial assets	
At amortised cost (including bank and cash, trade and other receivables, contract assets and short-term investments)	24 006
<i>Fair value through profit or loss</i>	
- Derivatives held for risk management	6 011
- Other financial assets	176
<i>Fair value through other comprehensive income</i>	
- Equity investment (Rumo)	61
Financial liabilities	
- At amortised cost (including contract liabilities, trade payables and accruals*)	164 690
<i>Fair value through profit or loss</i>	
- Derivatives held-for-hedging	311
September 2023	
Financial assets	
At amortised cost (including bank and cash, trade and other receivables, contract assets and other short-term investments)	19 148**
<i>Fair value through profit or loss</i>	
- Derivatives held for risk management	5 629
- Other financial assets	171
<i>Fair value through other comprehensive income</i>	
- Equity investment (Rumo)	62
Financial liabilities	
At amortised cost (including contract liabilities, trade payables and accruals*)	154 511
<i>Fair value through profit or loss</i>	
- Derivatives held-for-hedging	247

* Excluding post-retirement employee benefits and tax-related accruals.

** Restated as detailed in note 39 of the 31 March 2024 annual financial statements, updated as applicable to 30 September 2023.

Fair value of financial instruments

The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree of market observability of the inputs of the fair value:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category of instrument consists mainly of derivatives concluded for risk management purposes; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 R million	Level 2 R million	Level 3 R million	Total R million
September 2024				
Financial assets at FVTPL*				
Derivative financial assets	—	2 431	—	2 431
Other financial assets	—	—	224	224
Financial assets at FVTOCI **				
Equity investment (Rumo)	46	—	—	46
Financial liabilities at FVTPL*				
Derivative financial liabilities	—	1 740	—	1 740
March 2024				
Financial assets at FVTPL*				
Derivative financial assets	—	6 011	—	6 011
Other financial assets	—	—	176	176
Financial assets at FVTOCI **				
Equity investment (Rumo)	61	—	—	61
Financial liabilities at FVTPL*				
Derivative financial liabilities	—	311	—	311
September 2023				
Financial assets at FVTPL*				
Derivative financial assets	—	5 629	—	5 629
Other financial assets	—	—	171	171
Financial assets at FVTOCI **				
Equity investment (Rumo)	62	—	—	62
Financial liabilities at FVTPL*				
Derivative financial liabilities	—	247	—	247

* FVTPL - Fair value through profit and loss.

** FVTOCI - Fair value through other comprehensive income.

Measurement of fair values

The table below shows the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Cross-currency and interest rate swaps and forward exchange contracts used for hedging ¹	Discounted cash flow method using market yield curves to project and discount cash flows.	Not applicable.	Not applicable.
	The Monte Carlo simulation model is used, incorporating market inputs that were observable, probabilities of default, recovery rates and expected future exposures per counterparty.		
Issued bonds	Bonds were priced at fair values using quoted market prices.	Not applicable.	Not applicable.
Other financial assets ²	Net asset value.	Not applicable.	Not applicable.
Other financial liabilities ³	Loans were valued using risk-free yield curves adjusted for credit risk of counterparties.	Not applicable.	Not applicable.

¹ Fair values include market observable credit valuation adjustments (CVAs) and debit value adjustments (DVAs).

² Guardrisk insurance cell.

³ Other financial liabilities include borrowings and finance lease obligations.

Transfers between level 1 and 2

There were no transfers in either direction between levels 1 and 2 in both the current and prior reporting periods.

Level 3 fair values

There were no transfers into or out of level 3 in both the current and prior reporting periods.

Day-one gain or loss on financial instruments

	September 2024 R million	March 2024 R million	September 2023 R million
Loss at the beginning of the period	1 018	1 258	1 258
Day one loss recognised	0	0	0
Amortised to profit and loss	(120)	(240)	(120)
Loss at the end of the period	898	1 018	1 138

Disaggregation of revenue

	Freight Rail R million	Engineering R million	National Ports Authority R million	Port Terminals R million	Pipelines R million	Total for reportable segments R million	Other segments* R million	Total R million
September 2024								
Revenue from contracts with customers								
Coal	5 812	—	—	—	—	5 812	—	5 812
Iron ore and manganese	9 500	—	—	—	—	9 500	—	9 500
Mineral mining and chrome	3 331	—	—	—	—	3 331	—	3 331
Steel and cement	1 443	—	—	—	—	1 443	—	1 443
Agricultural and bulk liquids	515	—	—	—	—	515	—	515
Marine services	—	—	1 482	—	—	1 482	—	1 482
Containers	632	—	1 728	4 882	—	7 242	—	7 242
Automotive	36	—	184	798	—	1 018	—	1 018
Break-bulk	—	—	87	1 028	—	1 115	—	1 115
Bulk	—	—	1 205	3 381	—	4 586	—	4 586
Pipelines – oil and gas	—	—	—	—	3 318	3 318	—	3 318
Engineering	—	161	—	—	—	161	—	161
Other**	141	—	199	—	(42)	298	—	298
Other revenue	290	10	922	—	27	1 249	445	1 694
Lease income	290	10	922	—	—	1 222	445	1 667
Government grant	—	—	—	—	27	27	—	27
Total external revenue	21 700	171	5 807	10 089	3 303	41 070	445	41 515

* Revenue from segments below the quantitative thresholds are attributable to Transnet Property and the corporate centre function. Transnet Property manages internal and external leases of commercial and residential property and the Transnet corporate centre function performs an administration function for the Group.

** Other revenue from contracts with customers relate mainly to lighthouse related tariff income, the use of ship repair facility related income at the ports and telecommunication services provided on the rail network, partially offset by the unwindng of the lease incentive relating to the SAPREF replacement tanks.

	Freight Rail R million	Engineering R million	National Ports Authority R million	Port Terminals R million	Pipelines R million	Total for reportable segments R million	Other segments* R million	Total R million
March 2024								
Revenue from contracts with customers								
Coal	10 231	—	—	—	—	10 231	—	10 231
Iron ore and manganese	16 738	—	—	—	—	16 738	—	16 738
Mineral mining and chrome	5 791	—	—	—	—	5 791	—	5 791
Steel and cement	2 646	—	—	—	—	2 646	—	2 646
Agricultural and bulk liquids	1 050	—	—	—	—	1 050	—	1 050
Marine services	—	—	2 918	—	—	2 918	—	2 918
Containers	1 069	—	3 347	8 719	—	13 135	—	13 135
Automotive	80	—	352	1 419	—	1 851	—	1 851
Break-bulk	—	—	161	1 858	—	2 019	—	2 019
Bulk	—	—	2 425	6 457	—	8 882	—	8 882
Pipelines – oil and gas	—	—	—	—	6 613	6 613	—	6 613
Engineering	—	527	—	—	—	527	—	527
Other*	365	—	338	3	26	732	64	796
Other revenue	507	26	1 962	—	53	2 548	954	3 502
Lease income	507	26	1 962	—	—	2 495	954	3 449
Government grant	—	—	—	—	53	53	—	53
Total external revenue	38 477	553	11 503	18 456	6 692	75 681	1 018	76 699

* Revenue from segments below the quantitative thresholds are attributable to Transnet Property and the corporate centre function. Transnet Property manages internal and external leases of commercial and residential property and the Transnet corporate centre function performs an administration function for the Group.

** Other revenue from contracts with customers relate mainly to lighthouse related tariff income, the use of ship repair facility related income at the ports and telecommunication services provided on the rail network.

	Freight Rail R million	Engineering R million	National Ports Authority R million	Port Terminals R million	Pipelines R million	Total for reportable segments R million	Other segments* R million	Total R million
September 2023								
Revenue from contracts with customers								
Coal	19 807	234	4 801	9 440	3 205	37 487	16	37 503
Iron ore and manganese	5 743	—	—	—	—	5 743	—	5 743
Mineral mining and chrome	8 420	—	—	—	—	8 420	—	8 420
Steel and cement	2 705	—	—	—	—	2 705	—	2 705
Agricultural and bulk liquids	1 446	—	—	—	—	1 446	—	1 446
Marine services	529	—	—	—	—	529	—	529
Containers	—	—	1 443	—	—	1 443	—	1 443
Automotive	554	—	1 677	4 600	—	6 831	—	6 831
Break-bulk	48	—	192	647	—	887	—	887
Bulk	—	—	86	996	—	1 082	—	1 082
Pipelines - oil and gas	—	—	1 245	3 194	—	4 439	—	4 439
Engineering	—	234	—	—	—	234	—	234
Other**	362	—	158	3	14	537	16	553
Other revenue	208	—	946	—	27	1 181	481	1 662
Lease income	208	—	946	—	—	1 154	481	1 635
Government grant	—	—	—	—	27	27	—	27
Total external revenue	20 015	234	5 747	9 440	3 232	38 668	497	39 165

* Revenue from segments below the quantitative thresholds is attributable to Transnet Property and the corporate centre function. Transnet Property manages internal and external leases of commercial and residential property and the Transnet corporate centre function performs an administration function for the Group.

** Other revenue from contracts with customers relates mainly to lighthouse-related tariff income, the use of ship repair facility-related income at the ports, telecommunication services provided on the rail network and rail-related demurrage income.