2024 - 2025

ANNUAL REPORT

MINES AND WORKS COMPENSATION FUND

health

Department:
Health
REPUBLIC OF SOUTH AFRICA

2030 NDP

MINES AND WORKS COMPENSATION FUND

Annual Report

2024 / 2025

RP320/2025

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Contents

The reports and statements set out below comprise the annual report presented to the parliament:

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Part A - General Information

This report is intended to address the requirements of the Public Finance Management Act, 1999, (PFMA) Section 55 and National Treasury's Annual Report guidelines. This Annual Report includes the Annual Financial Statements, financial, performance information and governance of the Mines and Works Compensation Fund (Fund) and information on the Compensation Commissioner for Occupational Diseases' (CCOD's) human resource function.

1.1 Entity's legal form and domicile

The Occupational Diseases in Mines and Works Act, No. 78 of 1973 (ODMWA) prescribes that the Minister of Health shall appoint an officer to be called the Compensation Commissioner for Occupational Diseases (CCOD). The CCOD operates under the provisions of ODMWA.

The ODMWA provides for the establishment of a fund to be called the Mines and Works Compensation Fund (Fund). In terms of the ODMWA, the CCOD is responsible for controlling and administering the Fund.

The Fund was listed as a Schedule 3A National Public Entity (3A Entity) effective 28 March 2023 through inclusion in Schedule 3, Part A to the Public Finance Management Act (PFMA).

The ODWMA provides for the establishment of the Medical Bureau for Occupational Diseases (MBOD). The MBOD oversees the provision of Benefit Medical Examinations (BME's) and certification of claims.

1.2 Address

The CCOD and MBOD have one national office based in Johannesburg that covers South Africa and the region. The physical address is:

144 De Korte Street
Braamfontein
Johannesburg
2001

1.3 Postal address

PO Box 4566
Johannesburg
2000

1.4 Contact information

Contact number:	011 356 5600
Website:	https://www.health.gov.za/ccod home
Email:	info@health.gov.za

1.5 External Auditors

Auditor-General of South Africa (AGSA)

Part A - General Information

1.6 List of Abbreviations

Terms	Definitions
AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
AMCU	The Association of Mineworkers and Construction Union
ASSA AIDS Model	Actuarial Society of South Africa HIV/AIDS model
B-BBEE	Broad-Based Black Economic Empowerment
BEASSA	Bond Exchange and Actuarial Society of South Africa
BME's	Benefit Medical Examinations
BP	Basis points
CIA	Certified Internal Auditor
CISA	Certified Information Systems Auditor
CCMS	Compensation Claims Management System
CCOD	The Compensation Commissioner for Occupational Diseases in Mines and Works
COVID-19	Coronavirus Disease
CPD	Corporation for Public Deposits
DMPR	Department of Mineral and Petroleum Resources
DPSA	Department of Public Service and Administration
Fund	The Mines and Works Compensation Fund
GRAP	Generally Recognised Accounting Practice
IAA	Internal Audit Activity
IBNR	Incurred but not yet reported
IT	Information Technology
MBA	Master of Business Administration
MBOD	Medical Bureau for Occupational Diseases
MCOM	Master of Commerce
MIEDSA	Mining Industry Employee Database of South Africa
Minister	Minister of the National Department of Health
NDOH	National Department of Health
NUM	National Union of Mineworkers
NUMSA	National Union of Metal Workers of South Africa
OAD	Obstructive Airways Disease
ODMWA	Occupational Diseases in Mines and Works Act, No. 78 of 1973
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act, No. 1 of 1999
PhD	Doctor of Philosophy
SCOPA	Standing Committee on Public Accounts
SEIFSA	Steel and Engineering Industries Federation of Southern Africa
TB	Tuberculosis

1.7 Minister's statement

The Fund is a 3A Public Entity operating within the National Department of Health (NDOH). The CCOD is a directorate of the NDOH, responsible for administering the Fund. The CCOD collects revenue from controlled mines and works on behalf of the Fund based on levies per risk shift per commodity. The NDOH provides oversight over the activities of the CCOD and provides funds from the fiscus for the administration of the Fund.

The Fund has again made significant progress with regards to compliance with the requirements of the PFMA and National Treasury guidelines applicable to public entities, after the listing of the Fund as a 3A entity. The Fund is congratulated on its achievements of meeting all the performance objectives for the 2024/2025 financial year and obtaining an unqualified audit on the 2023/2024 Annual Financial Statements which were submitted to Parliament.

The Risk Committee of the MBOD functioned effectively in the 2024/2025 financial year, with 16 mines and works declared as controlled. The continued collaborative efforts between the MBOD/CCOD and the Department of Mineral and Petroleum Resources (DMPR) and the initiatives undertaken to improve the functioning of the Risk Committee have begun to bear fruit.

The Minerals Council South Africa continued its support for the activities of the MBOD/CCOD through secondment of personnel and technical support for financial and information management and legal reforms. The MBOD/CCOD is working closely with the Tshiamiso Trust in the provision of medical assessment services and submission of claims given the overlap with claimants in the gold mining sector. This collaboration facilitated increased permanent disease certifications eligible for payment, which drove the increase in the Rand value of claims finalised to R407 279 177 for the 2024/2025 financial year (2023/2024: R215 216 366). In addition, benefits payable to claimants were increased by 20 percent from 1 April 2024 for first degree and second degree claimants. This increase was due to the improved financial position of the Fund.

The focus area of the MBOD/CCOD in the 2025/2026 financial year will be ensuring the effective and efficient management of the Fund through collection of levies, certifications and payment of claims.

I wish to extend appreciation to the social partners and the MBOD/CCOD and its staff for their ongoing commitment to service delivery during the financial year.

Dr PA Motsoaledi, MP
Minister of Health

1.8 Compensation Commissioner for Occupational Diseases' report

Introduction and structure of the MBOD/CCOD, Fund and Accounting Authority

The Fund compensates workers and ex-workers in controlled mines and works, for occupational diseases of the cardio-respiratory system and reimbursement for loss of earnings incurred during Tuberculosis (TB) treatment. In the case where the worker or ex-worker is deceased, the Fund compensates their beneficiaries.

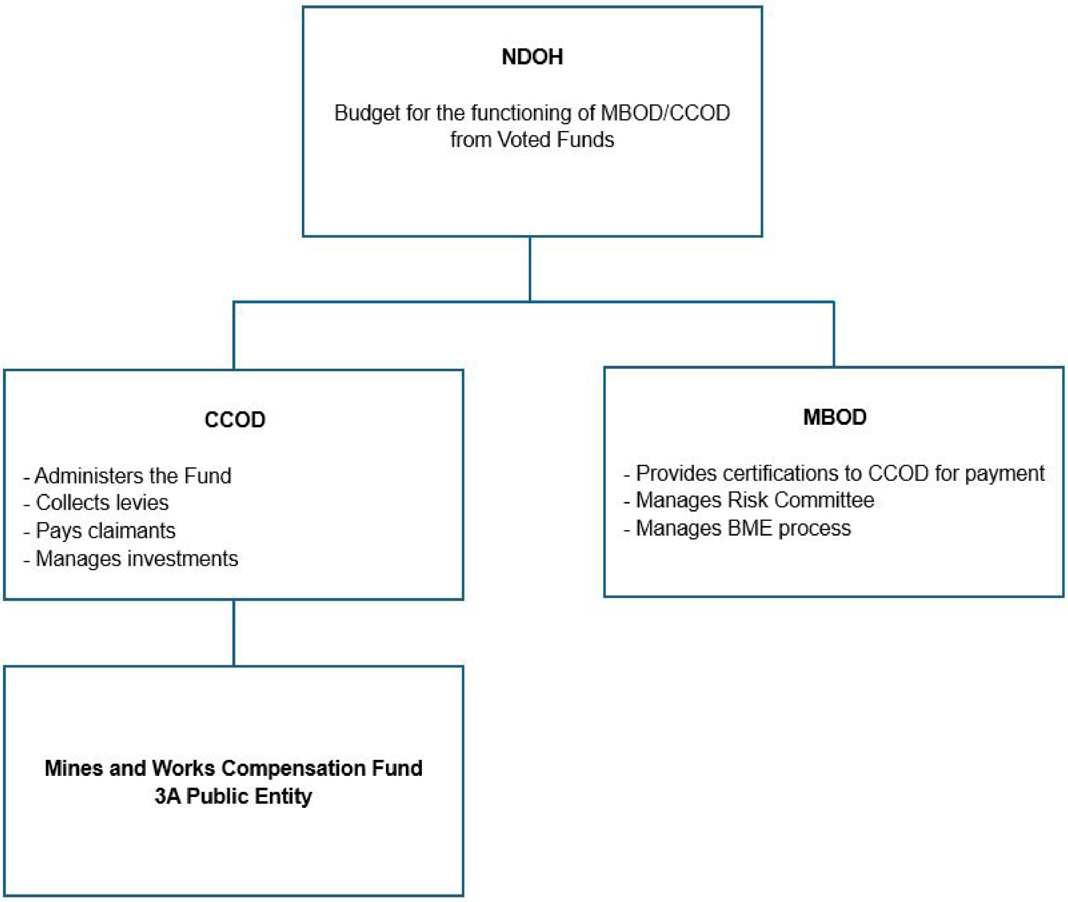
The CCOD works within the framework of ODMWA and administers and controls the Fund. The CCOD operates as a directorate within the NDOH. The CCOD also administers the transfer payment for pensioners as per the Pneumoconiosis Compensation Act, 1962 (Act 64 of 1962).

The Fund is listed as a 3A Entity through inclusion in Schedule 3, Part A to the Public Finance Management Act (PFMA).

The ODWMA provides for the establishment of the MBOD. The MBOD oversees the provision of BME's and certification of claims.

The Compensation Commissioner administers and controls the Fund in terms of the ODMWA and as such is the Accounting Authority in terms of section S49(2)(b) of the PFMA.

The structure of the MBOD/CCOD, the NDOH and the Fund is illustrated in the diagram below:



Structure of the MBOD/CCOD, the NDOH and the Fund

Transversal Support

The MBOD/CCOD relies on transversal support from the NDOH for various services including supply chain management, legal, human resources, IT, risk management and Internal Audit as the MBOD/CCOD does not have these functions in-house.

Overview and performance for the 2024/2025 financial year

As part the regulations applicable to 3A entities a new Strategic Plan for the period 2024/2025 to 2028/2029 and Annual Performance Plan for the year ended 31 March 2025 were prepared for the Fund and tabled to Parliament on 28 March 2024. The current financial year was the first year that the Strategic Plan and Annual Performance Plan for the Fund were in effect. Previously, the Strategic Plan and Annual Performance Plan were prepared for the CCOD, which covered the activities of the Fund. (Note that in line with the strategic planning process of the NDOH, a new Strategic Plan for the period 2025/2026 to 2029/2030 was prepared for the Fund and submitted to Parliament on 4 April 2025; the Annual Performance Plan for 2025/2026 was also submitted to Parliament on 4 April 2025).

The Fund submitted the Annual Report for the 2023/2024 financial year to Parliament in accordance with the National Treasury reporting deadlines. The Fund obtained an unqualified audit with material findings from the AGSA on the 2023/2024 Annual Financial Statements.

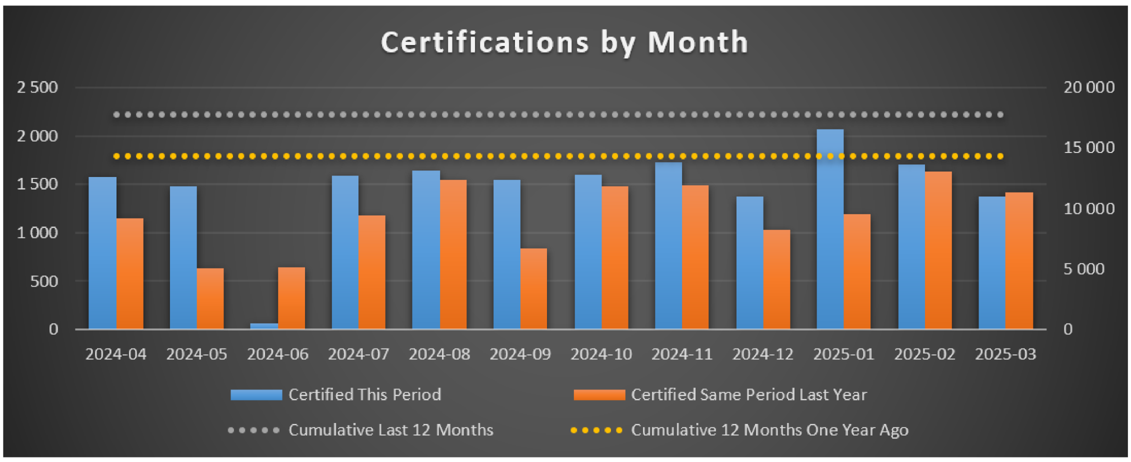
The accumulated surplus of the Fund remained stable at R2,8 billion at 31 March 2025 and 31 March 2024. Management believes there is sufficient liquidity in the Fund to meet current financial obligations as they become due, as current assets (R6,0 billion) exceed current liabilities (R1,0 billion) by R5,0 billion at 31 March 2025.

A full external actuarial valuation of the Fund was performed by external actuaries for the year ended 31 March 2025. Levies on controlled mines and works and benefits payable to claimants were adjusted from 1 April 2024 based on the 31 March 2023 actuarial valuation of the Fund. The benefits payable to claimants were increased for first degree and second degree claimants by 20 percent from 1 April 2024 due to the stable financial position of the Fund. Overall, there are 72 749 unpaid compensation claims amounting to R1,866 billion (before discounting based on the estimated settlement pattern) in the Fund. There have been extensive tracking and tracing efforts by the CCOD for unpaid claims noting that the bulk of the unpaid claims have a claim date before 2010.

100 percent of targets in the Annual Performance Plan of the Fund were achieved in the 2024/2025 financial year with all five performance indicator targets being met. Refer to section 2.3 for the detailed performance information of the Fund.

The Certification Committees of the MBOD conducted 17 765 certifications (average 1 480 per month) in the 2024/2025 financial year compared to 14 276 (average 1 190 per month) in the prior year. The increase in certifications is due to claims received from the collaboration with the Tshiamiso Trust, and the positive impact of the digitisation of claimant files which facilitated the work of the Certification Committees of the MBOD.

Refer to the certifications per month chart with comparatives for the 12 months ending 31 March 2025:



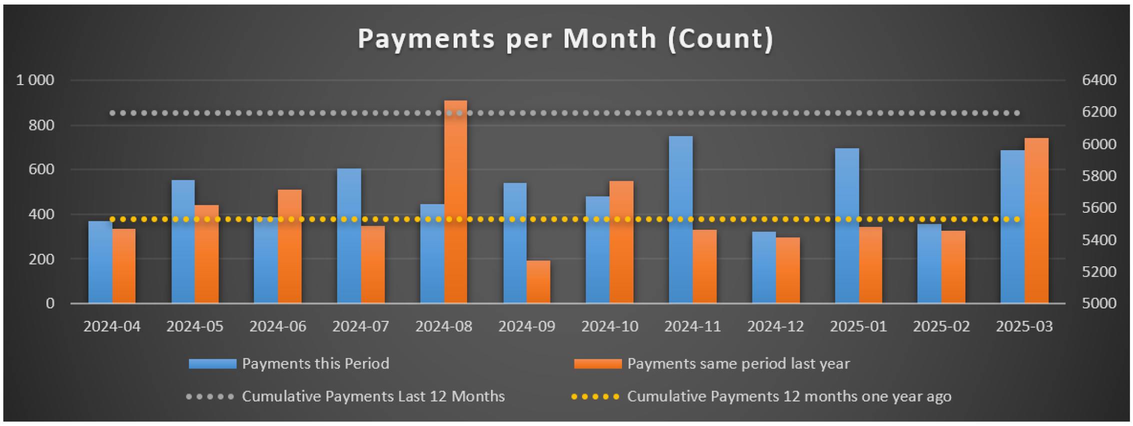
Certifications per month to 31 March 2025 (with comparatives)

There were 17 765 (2023/2024: 14 276) certifications during the 2024/2025 financial year made up as follows:

- 8 869 compensable claims (2023/2024: 4 054)
- 8 896 non-compensable claims (2023/2024: 10 222)

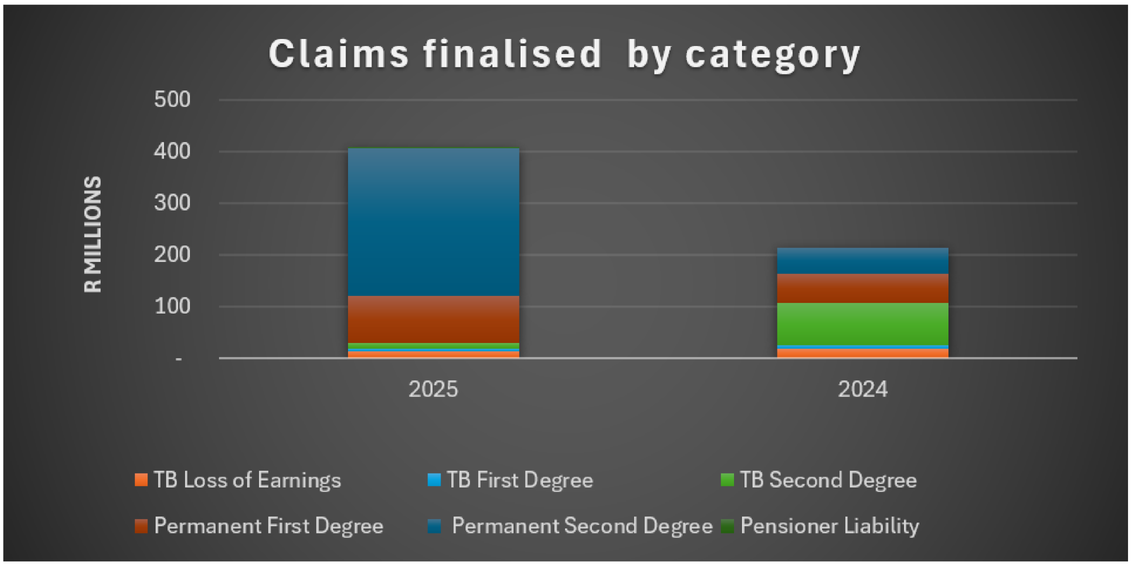
The increase in the ratio of compensable to non-compensable certifications in the 2024/2025 financial year is due to the prioritisation of Tshiamiso Trust permanent disease claims for certification and payment.

Refer to the payments per month chart with comparatives for the 12 months ending 31 March 2025:



Payments per month to 31 March 2025 (with comparatives)

Over the 12-month period ending 31 March 2025, 6 197 claims were finalised amounting to R407 279 177 compared to 5 527 claimants amounting to R215 216 366 in the prior financial year. The increases in the number of claims finalised in the current financial year and a higher number of permanent claims finalised relative to the prior year led to the significant increase in the Rand value of claims finalised. Refer to claims finalised by category chart below:



Claims finalised by category to 31 March 2025 (with comparatives)

The CCOD continued to pay monthly pensions to 16 (2023/2024: 18) pensioners in terms of the Pneumoconiosis Compensation Act, No. 64 of 1962 which preceded the ODMWA. The monthly pensions are paid from voted funds.

Part A - General Information

Levies collected are based on assessments submitted by controlled mines and works and are calculated by the number of risk shifts worked multiplied by the relevant rate per commodity. A research levy of R0.02 per risk shift is also levied on controlled mines and works. Penalties of R662 108 were levied in terms of section 65 of the ODMWA, at the discretion of the Commissioner, in the 2024/2025 financial year to facilitate compliance in the payment of assessments.

The Fund maintained a high collection ratio of 97% (98% in 2023/2024) of levy revenue raised in the 2024/2025 financial year. Inspections are carried out, by the inspectors at the CCOD, to ensure that risk shifts are not understated and that assessments are submitted and paid. During the current financial year 131 inspections (2023/2024: 108 inspections) of mines and works were undertaken. On-site inspections were supported by telephonic enquiries and desktop reviews to assist with revenue assessments. The inspections have contributed to more accurate submission of risk shift information and payments of levies by controlled mines and works.

As part of continued revenue enhancements at the Fund, the Mining Industry Employee Database of South Africa (MIEDSA) online submission portal was launched externally to controlled mines and works, to facilitate the completeness and accuracy of revenue submissions and assist mines and works with paying the correct assessment amount. MIEDSA was rolled-out to controlled mines and works in a phased approach throughout the course of the financial year, with 91 percent of levy revenue for March 2025 being submitted by external users.

There was a continued focus on the recovery of long outstanding debtor balances. Engagement has taken place with the NDOH legal team to facilitate formal recovery efforts of outstanding debt. A settlement agreement for R9,3 million was signed on 21 July 2025 in settlement of a legal claim for long outstanding debt. The amount relates to the settlement of the outstanding assessment balances in terms of section 62 and section 63 of the ODMWA for the 2017/2018 financial year. Outstanding interest to the value of R6,7 million in relation to the assessments that were settled has been written-off in the 2024/2025 financial year and the long outstanding debt which had been included in the provision for debt impairment was reversed due to the subsequent event. The debtor management process and efforts of the inspection team resulted in R14,3 million in long outstanding debtor balances recovered during the year (including the R9,3 million settlement amount).

There are 876 controlled mines and works in the register of controlled mines and works as at 31 March 2025, with 232 active controlled mines and works liable for levies. The Risk Committee carried out its functions effectively during the 2024/2025 financial year, with 16 operations declared as controlled operations. 15 mining operations and 1 works were controlled as per the following gazette notices and effective dates in the 2024/2025 financial year:

Classification	GAZETTE NUMBER	NOTICE NUMBER	COMMENCEMENT DATE
Kalahari Goldridge Mine (Kalgold)	50722	4893	1 June 2024
Booysendal Platinum - North and South Mine	50722	4893	1 June 2024
Tawana Hotazel Mine	50722	4893	1 June 2024
Mafube Coal Mining (Pty) Ltd - Mafube Colliery	51137	5166	1 October 2024
Ergo Mining (Pty) Ltd	51137	5166	1 October 2024
Thungela Resources - Anglo Inyosi Coal - Zibulo Colliery	52026	5821	1 February 2025
Umsimbithi Mining - Wonderfontein Colliery	52026	5821	1 February 2025
Driehoekspan Mine	52026	5821	1 February 2025
Jenkins Mine	52026	5821	1 February 2025
Modikwa Platinum Mine Joint Venture	52026	5821	1 February 2025
Two Rivers Platinum	52026	5821	1 February 2025
Ivanplats Platreef mine	52026	5821	1 February 2025
Khanye Colliery	52026	5821	1 February 2025
Uitkomst Colliery	52026	5821	1 February 2025
Onverdacht Colliery	52026	5821	1 February 2025
Tharisa Mine	52026	5821	1 February 2025

A new risk determination methodology was gazetted in notice no. 5218 of Government Gazette no. 51271, dated 20 September 2024 with the proposed effective date of 1 April 2025. The new methodology will ensure that different levels of risk rating will be applied to risk work as measured by occupational exposure levels.

The proposed revised ODMWA bill was noted by the Director-General and the Minister of Health in the 2021/2022 financial year. In order to draft responses to the queries raised on the draft bill submitted to the State Law Advisor's Office, further drafting workshops were held with other government departments, social partners and stakeholders. The proposed new Bill includes the following changes:

- levies to cover the costs of administration and medical assessments
- a register of all controlled mines and works
- limited liability for owners of controlled mines and works with respect to occupational lung diseases

Neither the CCOD nor the Mines and Works Compensation Fund has a dedicated loss control function and relies on the NDOH for transversal support in performing formal assessments and consequence management for the CCOD's employees. All potential items of irregular and fruitless and wasteful expenditure were reported to the NDOH loss control function. The outcome of this assessment is in still in progress at the year-end.

The call centre (080 100 0240), supported by the Minerals Council South Africa, provides feedback to claimants and facilitates tracking and tracing activities for unpaid claimants. The call centre fielded 21 403 (2023/2024: 22 120) calls for the year ending 31 March 2025 with 21 853 (2023/2024: 28 270) outgoing calls being made.

Constraints

The budget for the administration of the MBOD/CCOD, is provided from voted funds in "Vote 18 Health" of the National Budget. There have been no substantial increases in the MBOD/CCOD budget over time and the business reform processes at the CCOD have been supported by human, technical and financial resources from the Minerals Council South Africa.

The Minerals Council South Africa continued its support for the activities of the MBOD/CCOD through secondment of personnel and technical support for financial and information management and outreach services. The Tshiamiso Trust covers the class action settlement in the gold mining sector for Silicosis and TB. The MBOD/CCOD is working closely with the Tshiamiso Trust in the provision of outreach services and submission of claims given the overlap with claimants in the gold mining sector. As noted above the positive impacts of this collaboration is seen in the higher Rand value of claimants paid, increased certifications and a higher ratio of compensable claims.

The MBOD/CCOD continued with the digitisation of physical claimant files, stored with Metrofile, to facilitate faster processing of claims. Approximately 315 000 files were digitised by the end of the current financial year. Metadata is captured as part of the process to enhance the quality of data available for reference in claims processing. The digitisation project of paper-based files will continue over the medium term.

Events after the reporting date

A settlement agreement for R9,3 million was signed on 21 July 2025 in settlement of a legal claim for long outstanding debt. The amount relates to the settlement of the outstanding assessment balances in terms of section 62 and section 63 of the ODMWA for the 2017/2018 financial year. Refer to note 27 in the Annual Financial Statements for additional information. No other material events have taken place between the statement of financial position date and the authorisation of the Annual Financial Statements.

Audit report matters in the previous year and how they would be addressed

The Fund has developed a comprehensive audit plan to address the following audit findings identified by the AGSA in the prior year:

- Material misstatements of disclosures in the Annual Financial Statements
- Strategic plan and Annual performance plan covering the activities of the CCOD and not the Fund
- Revenue management of long outstanding debtors
- Consequence management

The Fund reported to the Audit and Risk Committee on the plans undertaken to address the findings and the progress in resolving the findings on a regular basis.

Focus over the medium term

The Fund's focus over the medium term will be on stabilising the number of claims paid.

To maintain the number of claims paid, the Compensation Commissioner will interact with:

- Provincial Departments of Health and neighbouring country governments;
- Trade unions in the mines and works sector;
- The Minerals Council South Africa;
- The Tshiamiso Trust; and
- Ex-mineworker associations

Acknowledgement/s or Appreciation

I wish to extend my appreciation to the staff at the MBOD/CCOD and the NDOH for their ongoing commitment to service delivery during the financial year. In addition, I would also like to extend thanks to the various social partners who have assisted the MBOD/CCOD with particular acknowledgement of the partnerships with the Minerals Council South Africa and the Tshiamiso Trust.

Financial performance of the Fund

Financial overview

Revenue

The Fund derives its revenue from levies from controlled mines and works, interest on investments, movement in provisions (net of unwinding costs), non-exchange revenue for goods and services in-kind costs and pension payments transfer utilised.

Breakdown of the sources of revenue:

Statement of financial performance item	Audited amounts			Budget	Actual	% deviation	
	2021/2022 R'000	2022/2023 R'000	2023/2024 R'000	2024/2025 R'000	2024/2025 R'000	from budget	from prior year
Levy income	131 036	120 955	127 414	105 903	107 033	1	(16)
Interest received	208 952	323 583	466 546	476 518	486 091	2	4
Other income - movement in provisions	85 175	592 794	127 270	-	-	-	(100)
Other income - debt impairment	-	40 360	-	-	30 953	>100	>100
Other income	-	-	-	-	3 316	>100	>100
Exchange revenue	**425 163**	**1 077 692**	**721 230**	**582 421**	**627 393**	**8**	**(13)**
Goods and services in-kind	57 844	51 687	53 959	-	56 225	>100	4
Pension payments transfer utilised	466	359	209	167	1 904	>100	>100
Non-exchange revenue	**58 310**	**52 046**	**54 168**	**167**	**58 129**	**>100**	**7**
Total revenue	**483 473**	**1 129 738**	**775 398**	**582 588**	**685 522**	**18**	**(12)**

Refer to section 2.6 for commentary and discussion on movements in exchange revenue for levy income and interest received.

Goods and services in-kind represent the value of the administration costs for employee related cost and goods in-kind that the NDOH incurred for the functioning of the CCOD and MBOD (refer to note 9 in the Annual Financial Statements for further information).

Other income - debt impairment of R30,9 million relates to the reduction in the provision for debt impairment in the 2024/2025 financial year. The lower provision for debt impairment in 2024/2025 was driven by the collection of historic long outstanding debts which reduced the provision coupled with the write-off of long outstanding debts which the Fund is unable to recover (R15,0 million reduction in the provision). Refer to note 4 in the Annual Financial Statements for further information.

Other income of R3,3 million comprises the recovery from the NDOH in terms of section 74(A) of the ODMWA (R2,6m) for outstanding levy and research assessments which the Fund in unable to recover and a release in payables from exchange (R0,7 million).

Expenditure

Expenditure for the Fund includes finance costs, movement in provisions, movements in the debt impairment provision, bad debts written-off, goods and services in-kind expenditure incurred by the NDOH and general expenses.

Breakdown of the types of expenditure:

Statement of financial performance item	Audited amounts			Budget	Actual	% deviation	
	2021/2022 R'000	2022/2023 R'000	2023/2024 R'000	2024/2025 R'000	2024/2025 R'000	from budget	from prior year
Finance costs	262 317	282 701	289 376	248 763	301 731	21	4
Movements in provisions	-	-	-	105 903	316 830	>100	>100
Goods and services in-kind	57 844	51 687	53 959	-	56 225	>100	4
Debt impairment	5 418	-	8 452	4 035	-	(100)	(100)
Bad debts written-off	131	-	4 146	-	17 101	>100	>100
Pension payments transfer utilised	466	359	209	167	-	(100)	(100)
General expenses	2 851	904	2 597	2 633	2 461	(7)	(5)
Total expenses	**329 027**	**335 651**	**358 739**	**361 501**	**694 348**	**92**	**94**

Finance costs represent the unwinding charge on the provision (R291,8 million), interest charges on payables from exchange transactions (R5,2 million) and interest accrued to National Treasury which was earned on the State Account (R4,8 million).

Movements in provisions expense (R316,8 million) relates to the incremental charge to the provisions (net of unwinding costs) for the actuarial valuation being performed at 31 March 2025. Refer to note 6 in the Annual Financial Statements for the movement in the provisions for Incurred but not yet reported (IBNR) and Benefits Due and further information on the valuation methodology.

Goods and services in-kind represent the cost to the NDOH for administration of the CCOD and MBOD. The R2,3 million increase (4 percent) in 2024/2025 in comparison to the prior financial year was driven by an increase in goods and services in-kind (R1,3 million higher) and an increase in employee related expenses (R0,9 million higher).

Bad debts R17,1 million in the 2024/2025 financial year, of which R15,9 million had previously been impaired, were written-off in accordance with the debt-write off policy adopted by the Fund and relate to long outstanding balances which are not considered to be recoverable.

General expenses comprises actuarial valuation costs of R1,9 million (2023/2024 R1,9 million) and bank charges of R0,6 million (2023/2024 R0,7 million). Full actuarial valuations were performed in both the 2023/2024 and the 2024/2025 financial years.

Assets

Investment balances comprise the bulk of the assets within the Fund. The investments are invested with the Corporation for Public Deposits (CPD), First National Bank and ABSA Bank. The balance of assets comprises receivables from exchange and cash and cash equivalents.

The Fund maintains four current accounts:

- Mines account: funded through levies collected from controlled mines, in terms of Section 62 of the ODMWA.
- Works account: funded through levies collected from controlled works, in terms of Section 62 of the ODMWA.
- State account: funded by monies appropriated by Parliament annually and governed by the provisions of Sections 69 of the ODMWA.
- Research account: funded through levies collected from controlled mines and works in terms of Section 63 of the ODMWA.

Breakdown of assets:

Statement of financial position item	Audited amounts			Budget	Actual	% deviation	
	2021/2022 R'000	2022/2023 R'000	2023/2024 R'000	2024/2025 R'000	2024/2025 R'000	from budget	from prior year
Investments	5 048 182	5 363 047	5 727 063	5 919 546	5 919 154	0	3
Receivables from exchange transactions	17 520	28 809	15 242	12 759	33 585	>100	>100
Cash and cash equivalents	89 600	51 868	69 401	65 223	63 484	(3)	(9)
Total assets	**5 155 302**	**5 443 724**	**5 811 706**	**5 997 528**	**6 016 223**	**0.3**	**4**

The increase in investment balances to 31 March 2025 drove the R188,4 million increase in total assets to R6,0 billion. The increase resulted from interest capitalised on funds invested (R505,3 million) less the drawdown of investments (R288 million) to fund excess claim payments over levies received. Refer to note 3 in the annual financial statements for the split of investment balances and the related interest rates earned.

In addition, receivables from exchange transactions increased to R33,6 million as at 31 March 2025, as a result of the collection and settlement of long outstanding debtors and the consequential reduction in the provision for debt impairment (R15,9 million).

Please refer to note 28 in the Annual Financial Statements for commentary on actual results compared to budget.

Liabilities and accumulated surplus

Liabilities of the Fund comprise non-current provisions (IBNR provision), current provisions (benefits due provision), payables from exchange transactions and non-exchange transactions.

Breakdown of liabilities:

Statement of financial position item	Audited amounts			Budget	Actual	% deviation	
	2021/2022 R'000	2022/2023 R'000	2023/2024 R'000	2024/2025 R'000	2024/2025 R'000	from budget	from prior year
Accumulated surplus	1 608 252	2 402 340	2 818 998	3 040 086	2 810 173	(8)	(0)
Provisions - non-current	2 449 109	2 159 419	2 227 296	2 204 535	2 205 685	0	(1)
Provisions - current	981 920	788 760	661 916	641 489	884 907	38	34
Payables from exchange	94 207	70 206	78 971	85 248	84 828	0	7
Payables from non-exchange	21 814	22 999	24 525	26 170	30 630	17	36
Total equity and liabilities	**5 155 302**	**5 443 724**	**5 811 706**	**5 997 528**	**6 016 223**	**0.3**	**4**

The increase in total equity and liabilities was driven by the increase in current provision (R661,9 million at 31 March 2024 to R884,9 million at 31 March 2025). The provision for benefits due (R884,5 million) comprises the bulk of the current provisions balance and is calculated with reference to the external actuarial valuation performed. Provisions for benefits due increased as a result of a higher number of permanent disease certifications for claims submitted by the Tshiamiso Trust. Please refer to note 6 in the Annual Financial Statements for a detailed breakdown of the movement in the provision liability during the year.

Payables from non-exchange represents the payable to National Treasury on surplus funds received on the State Account which is repayable once all obligations on the account have been extinguished.

Please refer to note 28 in the Annual Financial Statements for commentary on actual results compared to budget.

Budget of the MBOD/CCOD

Budget to administer the MBOD/CCOD (from voted funds):

Classification	Budget 2024/2025 R'000	Expenditure 2024/2025 R'000	Available 2024/2025 R'000	% Spend	Over / under expenditure
Compensation of employees	37 561	35 570	1 991	95	Under
Goods and services	21 980	20 049	1 931	91	Under
Machinery and equipment	6 499	383	6 116	6	Under
Households	-	450	(450)	>100	Over
Financial assets	-	133	(133)	>100	Over
Departmental agencies & accounts	-	54	(54)	>100	Over
Transfer payments	4 466	4 466	-	100	-
Total	**70 506**	**61 105**	**9 401**	**87**	**Under**

The CCOD's principal activities include the receiving of levies from controlled mines and works, conducting inspections of controlled mines and works, paying benefits that relate to compensable diseases and administering the Fund in terms of the requirements of the ODMWA. Refer to section 2.4 for further information on the budget.

1.9 Statement of Responsibility and Confirmation of the accuracy of the Annual Report

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

All information and amounts disclosed in the annual report is consistent with the Annual Financial Statements audited by the Auditor-General of South Africa.

The annual report is complete, accurate and is free from any material omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

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

The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

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

In my opinion, the annual report fairly reflects the operations and human resources information of the CCOD, and the performance information and financial affairs of the Fund for the financial year ended 31 March 2025.

Dr MB Kistnasamy
Comion pensatCommissioner for Occupational Diseases

1.10 Strategic Overview

Vision

The Fund will strive to deliver an accessible, effective and efficient compensation service for current and ex-workers in controlled mines and works who are certified with compensable cardio-respiratory diseases.

Mission

To improve access to the health and compensation services for current and ex-workers in controlled mines and works.

Values

The success of the MBOD/CCOD, which administer the Fund, rests with the service ethos of the personnel undertaking specific activities. The following values of our personnel underpin the activities of the MBOD/CCOD:

- fairness
- equity
- accessibility
- transparency
- accountability
- professionalism
- integrity
- diligence

1.11 Legislative and other mandates

Occupational Diseases in Mines and Works Act, 1973 (Act 78 of 1973)

The ODMWA provides for the establishment of a fund to be called the Mines and Works Compensation Fund (Fund). In terms of the ODMWA the CCOD is responsible for controlling and administering the Fund.

The Fund operates as a public entity within the NDOH.

The ODMWA prescribes that the Minister of Health shall appoint, an officer to be called the Compensation Commissioner for Occupational Diseases (CCOD). The CCOD operates under the provisions of the framework of the ODMWA.

The CCOD derives its mandate from the ODMWA and pays compensation to current and ex-workers in controlled mines and works who are certified to have compensable cardio respiratory diseases.

The ODWMA provides for the establishment of the MBOD, which oversees the provision of BME's and certification of claims.

The MBOD/CCOD relies on transversal support from the NDOH for various services including legal, human resources, information technology (IT), supply chain management, risk management and internal audit as the MBOD/CCOD does not have these functions in-house.

Schedules to the Public Finance Management Act, 1999 (Act 1 of 1999)

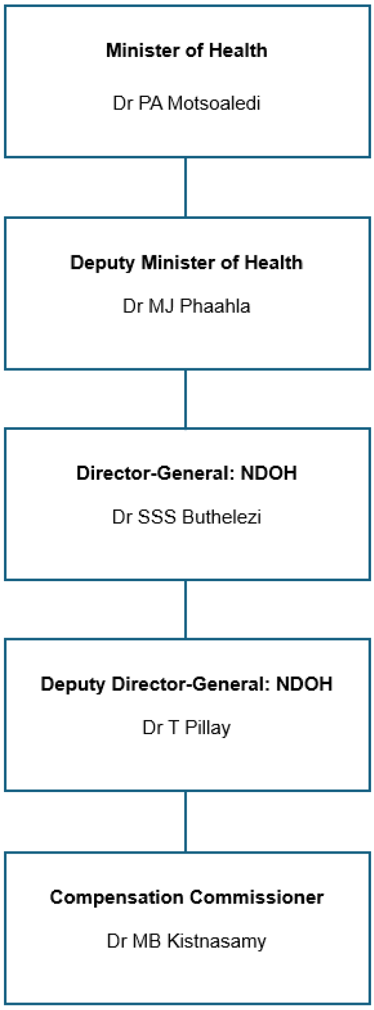
The Fund was listed as a 3A Entity effective 28 March 2023 through inclusion in Schedule 3, Part A to the PFMA.

CCOD as a directorate of the NDOH

The CCOD works within the framework of the ODMWA and administers the Fund. The CCOD operates as a directorate within the NDOH.

Part A - General Information

1.12 Organisational structure



Organisational structure of the CCOD

2.1 Performance information of the Fund

Performance Information for the Fund has been included below based on the Annual Performance Plan of the Fund tabled to Parliament. The Strategic Plan of the Fund was tabled for the period 2024/2025 to 2028/2029. The 2024/2025 financial year was the first year that the Strategic Plan and Annual Performance Plan covered the activities of the Fund after its listing as a 3A Entity effective 28 March 2023.

The Annual Performance Plan for 2024/2025 for the Fund was approved by the Minister of Health and tabled to Parliament on 28 March 2024.

The key focus area for the CCOD for the 2024/2025 financial year was the effective and efficient management of the Fund through collection of levies, certifications and payment of claims.

2.2 Overview of the Fund’s performance

2.2.1 Service delivery environment

The CCOD has one national office that covers South Africa and neighbouring countries. The administration costs, mainly personnel and operational costs of the CCOD, are funded from the budget of the NDOH with additional support from social partners.

The Fund compensates current and ex-workers in controlled mines and works for:

- impairment or diseases of the cardio-respiratory organs due to exposures at work
- reimbursement for loss of earnings during TB treatment.

In the case where the worker or ex-worker is deceased the Fund compensates the beneficiaries of the worker or ex-worker.

The CCOD also administers the transfer payment for pensioners as per the Pneumoconiosis Compensation Act, 1962 (Act 64 of 1962). No new pension payments are provided for in terms of the provisions of the ODMWA.

The MBOD oversees the provision of benefit medical examinations and certification of claims.

The CCOD functions cover:

- determining and recovering levies from controlled mines and works
- payment of social protection benefits to workers and ex-workers in controlled mines and works suffering from lung and heart-related diseases due to risk work
- investment of levies collected and interest earned from investments on behalf of the Fund
- administration and implementation of generally acceptable accounting practices and maintaining statistical data

The Minerals Council South Africa continued its support for the activities of the MBOD/CCOD through secondment of personnel and technical support for financial management, IT and legal reforms.

The support of the Minerals Council South Africa through provision of technical and human resources has stabilised the MBOD/CCOD and assisted its turnaround and delivery of services for current and ex-workers in mines and works. Training activities supported by the Minerals Council South Africa has enhanced the skills and knowledge of health professionals at the mines.

The CCOD maintains a comprehensive database of claimants which links to banks, other social protection funds and the NDOH Patient Registration System, which has assisted with tracking and tracing of claimants. One-third of ex-workers are from countries neighbouring South Africa. The lack of population registers (for example identity documents, death certificates, marriage certificates etc) in those countries remain a challenge.

Payments to claimants

The main categories of payments include:

<u>One Sum Benefits</u>

In order to qualify for compensation, current or ex-workers must be certified to be compensable by the MBOD and must have worked at a controlled mine or works. The different categories of compensation are as follows:

- First degree compensation is the impairment of the cardio-respiratory system ranging between 10% and 40%. The claim amount payable for first degree is up to R91 868.
- Second degree compensation is the impairment of the cardio-respiratory system of greater than 40% and/or multiple diseases. The claim amount payable for second degree is up to R204 564.
- TB benefits are in the form of reimbursements of loss of earnings incurred during TB treatment for a maximum period of 6 months. Only 75% of lost earnings are payable.

The benefit amount may be increased on an annual basis based on the Consumer Price Index and actuarial valuation performed, after consultation with the Advisory Committee. The latest increases in benefits were effective from 1 April 2024.

<u>Pensioners</u>

Former workers or spouses, who are now pensioners, receive monthly pension pay-outs from the CCOD in accordance with the Pneumoconiosis Compensation Act, 1962 (Act 64 of 1962). The pension amounts are increased annually in line with general increases as determined by the Minister of Finance. Pensioners are paid from the State Account and funds are made available through voted funds in "Vote 18 - Health" of the National Budget.

2.2.2 Organisational environment

The current senior management of the MBOD/CCOD is as follows:

- Dr Barry Kistnasamy as the Compensation Commissioner for Occupational Diseases
- Ms Thembisa Mama as the Deputy Compensation Commissioner
- Mr Mishack Maswanganye as the Director: Finance
- Dr Nhlanhla Mtshali as the Director: MBOD (Seconded)

The PFMA requires that a Chief Financial Officer (CFO) be appointed in public institutions, and the CFO must be technically trained and proficient in areas like financial management, budgeting and accounting. The CFO's responsibilities include assisting the Accounting Authority, ensuring proper control systems for assets, and complying with the PFMA and Treasury Regulations. The CCOD is currently in the process of applying for additional funds in order to create a Chief Financial Officer post for the Fund. Application has been made to the National Treasury.

The CCOD was capacitated at 70 percent with the MBOD at 61 percent of approved positions as at 31 March 2025. Refer to Part D for further information on the employee distribution and vacancies/frozen posts at the MBOD/CCOD as well as the constraints facing the MBOD/CCOD.

2.2.3 Key policy development and legislative changes

No major changes to relevant policies or legislation have affected the CCOD's operations during the period. The CCOD is currently working on the repeal of the ODMWA, which has not been enacted yet.

The Fund was listed as a 3A Entity effective 28 March 2023 through inclusion in Schedule 3, Part A to the PFMA. The CCOD has continued with initiatives in the 2024/2025 financial year to ensure compliance with the additional reporting and governance requirements of the PFMA and National Treasury Regulations applicable to Public Entities.

Part B - Performance information

2.3 Performance indicators and achievements

To achieve our strategic goal, the following strategic outcome-oriented goal was set in the Strategic Plan of the Fund for the five-year period 2024/2025 to 2028/2029:

Outcome Oriented Goal 1	**Ensure the effective and efficient management of the Fund**
Goal Statement 1	Management will work towards maintaining effective turnaround times of certifications and payment of new claims, ensure the collection of levies from controlled mines and works and conduct inspections of controlled mines and works.

Refer below for the progress achieved towards achievement of the outcome-oriented goals objectives over the first year of the strategic plan period from 2024/2025 to 2028/2029:

Outcome Oriented Goal	**Goal Statement**	**Progress**
Ensure the effective and efficient management of the Fund	Management will work towards maintaining effective turnaround times of certifications and payment of new claims, ensure the collection of levies from controlled mines and works and conduct inspections of controlled mines and works.	The measure of this objective is based on the following indicators as per the Strategic Plan and Annual Performance Plan of the Fund: - Certifications finalised on the Compensation Claims Management System (CCMS) per year - Claims finalised by the Fund (other than pensioners) - Benefit payments made by the Fund (other than pensioners) - Number of controlled mines and works inspected - Percentage of levies (funds) received from controlled mines and works liable for payment of levies per the financial system Overall, this goal is on track to be achieved over the period of the strategic plan with 5 out of 5 objectives met for the 2024/2025 financial year. Refer to the table below for a detailed assessment of performance.

Part B - Performance information

The following table provides commentary on the progress achieved towards achieving the goal of "ensuring the effective and efficient management of the Fund" reflected in goal statement 1 above:

Strategic objective		Performance Indicator	Actual Performance* 2023 / 2024	Planned Target 2024 / 2025	Actual Performance 2024 / 2025	Deviation from planned target to actual achievement 2024 / 2025	Comments on deviation
1	Ensure the effective and efficient management of the Fund	1.1 Number of certifications finalised on the Compensation Claims Management System (CCMS) per year	14 276	10 000	17 765	Achieved (7 765 overachieved)	A number of additional claims received through the collaboration with the Tshiamiso Trust accounted for the 75% overachievement against target. Additional sessions for the certification committees were held to attend to the larger number of claim files submitted. The benefits of the digitisation process implemented in previous years was seen in the current financial year, facilitating an efficient certification process.

Part B - Performance information

Strategic objective		Performance Indicator	Actual Performance* 2023 / 2024	Planned Target 2024 / 2025	Actual Performance 2024 / 2025	Deviation from planned target to actual achievement 2024 / 2025	Comments on deviation
1	Ensure the effective and efficient management of the Fund	1.2 Number of claims finalised by the Fund (other than pensioners)	5 527	6 000	6 197	Achieved (197 overachieved)	**The overachievement of claims finalised and paid in the year was due to: - More compensable certifications received because of the collaboration with the Tshiamiso Trust. - Outreach activities in labour sending areas resulted in additional claims received. - Continuous system enhancements and improvements resulted in an effective and streamlined payment process. - Collaboration with banks and mining companies assisted with in-service claim submissions and electronic bank verifications contributed to the streamlining of the payments process.
		1.3 Number of benefit payments made by the Fund (other than pensioners)	4 590	5 000	5 637	Achieved (637 overachieved)	

Part B - Performance information

Strategic objective		Performance Indicator	Actual Performance* 2023 / 2024	Planned Target 2024 / 2025	Actual Performance 2024 / 2025	Deviation from planned target to actual achievement 2024 / 2025	Comments on deviation
1	Ensure the effective and efficient management of the Fund	1.4 Number of controlled mines and works inspected	108	80	131	Achieved (51 overachieved)	The overachievement of the number of mines and works inspected target is due to a concerted effort by the inspectors to perform inspections in line with the debtors and revenue verification policy. Inspections are also supported by desktop reviews and analytical processes performed.
1	Ensure the effective and efficient management of the Fund	1.5 Percentage of levies (funds) received from controlled mines and works liable for payment of levies per the financial system	New indicator	80%	97%	Achieved (17% overachieved)	Overachievement of the target resulted from: - the efforts of the debtors control function that actively manages trade debtors. The debtors control function worked closely with the CCOD inspectors to assist with revenue collection efforts.

* Actual performance in 2023/2024 relates to performance targets measured under the CCOD's performance reporting
** Performance indicators 1.2 and 1.3 have been merged for commentary purposes

2.4 Linking performance with Budgets

The budget for the administration of the CCOD and MBOD, the provision of BME's and the activities of the Certification Committees are provided for within voted funds in the NDOH. The table below represents the allocation from the NDOH for the functioning of the MBOD/CCOD:

Budget to administer the MBOD/CCOD – from voted funds:

Classification	2024/2025			2023/2024		
	Budget R'000	Audited outcome R'000	Variance R'000	Budget R'000	Audited outcome R'000	Variance R'000
Compensation of employees	37 561	35 570	1 991	34 844	34 381	463
Goods and services	21 980	20 049	1 931	24 707	18 730	5 977
Machinery and equipment	6 499	383	6 116	3 128	15	3 113
Households	-	450	(450)	-	492	(492)
Financial assets	-	133	(133)	-	16	(16)
Departmental agencies & accounts	-	54	(54)	-	-	-
Building & other fixed structures	-	-	-	-	41	(41)
Transfer payments	4 466	4 466	-	1 735	1 735	-
Total	**70 506**	**61 105**	**9 401**	**64 414**	**55 410**	**9 004**

The budget for the administration of the CCOD and MBOD amounted to R70,5 million for the 2024/2025 financial year. The NDOH carries the administration costs of the CCOD which includes the personnel, operational and infrastructure costs. The budget for the administration of the CCOD, the provision of BME's and the activities of the Certification Committees are provided for within voted funds in the NDOH.

Substantial additional resources estimated at R80 million per annum are needed to expand and scale up the services of the CCOD, recruit specialised staff in the legal, IT, occupational hygiene, medical and financial management disciplines and provide for the medical assessments, certifications, payment and infrastructural backlogs in buildings, medical facilities and IT.

There have been no substantial increases in the CCOD budget and the business reform processes at the CCOD have been supported by human, technical and financial resources from the Minerals Council South Africa.

2.5 Strategy to overcome areas of underperformance

Refer to section 2.3 for further information on the strategic objectives and performance against predetermined objectives. No areas of underperformance where targets have not been met were identified.

Part B - Performance information

2.6 Revenue collection

Revenue from exchange transactions:

Revenue	2024/2025			2023/2024		
	Budget R'000	Audited outcome R'000	Variance R'000	Budget R'000	Audited outcome R'000	Variance R'000
Levy revenue	105 902	107 033	1 130	122 476	127 414	4 938
Other income – Movement in provisions	-	-	-	-	127 270	127 270
Other income - Debt impairment	-	30 953	30 953	-	-	-
Other income	-	3 316	3 316	-	-	-
Interest received	476 518	486 090	9 573	459 744	466 546	6 802
Revenue from exchange transactions	**582 420**	**627 392**	**22 113**	**582 220**	**721 230**	**139 010**

Interest received increased from R466,5 million to R486,1 million in the 2024/2025 financial year driven by the growth in investment balances, which offset the average lower rates earned on investments. Refer to note 3 in the Annual Financial Statements for additional information on rates earned.

97% (98% in 2023/2024) of levy revenue raised in the 2024/2025 financial year was collected. Levy income for the financial year ended 31 March 2025 decreased by 16 percent compared to the prior financial year ending 31 March 2024. The R20,4 million decrease in levy revenue in the 2024/2025 financial year is mainly attributable to the 16,4 percent decrease in the levy rate applicable to gold mines which decreased from R5.48 per risk shift to R4.58 per risk shift, which drove the R16,2 million decrease in gold levy revenue.

A decrease in levy revenue from platinum mines (R6,3 million lower) also contributed to lower revenue in the 2024/2025 financial year. Platinum levies were lower as a result of lower levy rates per risk shift (R0.70 per shift to R0.46 per shift) and reduced risk shifts declared (23 980 195 shifts to 22 809 562 shifts).

Partially offsetting the decreases in gold and platinum levy income was an increase in levies from coal operations attributable to a higher levy rate per risk shift (R0.35 per shift to R0.61 per shift). Refer to an analysis of the revenue components in the table below. Refer to the report of the Compensation Commissioner above for additional information on revenue collection initiatives.

Revenue components for major commodities:

Major commodity	Revenue component	2024/2025	2023/2024
Gold	Levy Rate – per shift	R4.58	R5.48
	Risk Shifts	18 155 317	18 160 236
Platinum	Levy Rate – per shift	R0.46	R0.70
	Risk Shifts	22 809 562	23 980 195
Coal	Levy Rate – per shift	R0.61	R0.35
	Risk Shifts	13 392 114	15 966 782

The table below represents the levies per commodity effective 1 April 2024 (gazetted in Government Notice No 4823 of Government Gazette 50656 of 15 May 2024), 1 April 2023 (gazetted in Government Notice No 3341 of Government Gazette 48472 of 26 April 2023) and 1 April 2022 (gazetted in Government Notice No 1972 of Government Gazette 46164 of 1 April 2022).

Part B - Performance information

Levy rates per commodity:

Commodity	Levy rates – applicable from 1 April 2024 R	Levy rates – applicable from 1 April 2023 R	Levy rates – applicable from 1 April 2022 R
Andalusite	0.01	0.01	0.01
Chrome	0.32	0.46	0.35
Coal	0.61	0.35	0.40
Copper	0.25	0.32	0.25
Diamond	0.18	0.28	0.24
Fluorspar	0.01	0.01	0.01
Gold	4.58	5.48	5.46
Iron	0.11	0.16	0.21
Lead	0.13	0.40	0.48
Magnesite	0.01	0.01	0.01
Manganese	0.10	0.15	0.17
Mica & Feldspar	0.01	0.01	0.01
Phosphate	0.01	0.01	0.01
Platinum	0.46	0.70	0.66
Quarries	0.29	0.55	0.45
Vanadium	0.01	0.01	0.01
Works	0.16	0.22	0.23
Research	0.02	0.02	0.02

Part C - Governance

3.1 Introduction

The following committees provide oversight and governance of the activities of the MBOD/CCOD and the Fund:

- The Portfolio Committee on Health
- The Advisory Committee
- The Audit and Risk Committee
- The Risk Committee

The CCOD is a directorate of the NDOH. The Compensation Commissioner reports to the Deputy Director-General: Health Regulation and Compliance in the NDOH.

3.2 Portfolio Committee on Health

During the course of the financial year ended 31 March 2025, the CCOD met with the National Assembly Portfolio Committee on Health on:

- 15 October 2024 - The Portfolio Committee was briefed on the "2023/2024 Annual Report of the Fund".

3.3 Standing Committee on Public Accounts (SCOPA) Resolutions

There were no SCOPA hearings or resolutions for the year under review.

3.4 Executive Authority

The Minister of Health is the Executive Authority for the MBOD/CCOD.

The CCOD is a directorate of the NDOH. Quarterly performance reports on the performance of the CCOD for each of the four quarters of the 2024/2025 financial year were submitted to the NDOH. Members of the Advisory, Audit & Risk Committee and the Risk Committee, other than those prescribed in the ODMWA, are appointed by the NDOH.

3.5 Accounting Authority

The Compensation Commissioner is the Accounting Authority of the Fund, as he is responsible for the administration and control of the Fund in terms of ODMWA and as such is the Accounting Authority in terms of the PFMA section 49(2)(b).

3.6 Committees

3.6.1 Advisory Committee

The Advisory Committee was established in terms of Section 59 of the ODMWA. The main function of the Advisory Committee is to advise the CCOD on the execution of duties in relation to the Fund and to perform any functions assigned to the committee by the Minister of Health.

The Advisory Committee shall consist of the Compensation Commissioner and not more than 12 other members, of whom half shall be persons whose names have been submitted to the Minister of Health by owners of controlled mines and works and the other half shall be persons whose names have been submitted to the Minister of Health by organisations acting on behalf of persons performing risk work at controlled mines and works.

Part C - Governance

As at 31 March 2025 the membership of the Advisory Committee was as follows:

Name of member	Representing	Date of appointment	Attendance
Dr B Kistnasamy	CCOD	CCOD	3
Adv JP Van Vuuren	SOLIDARITY	23 December 2022 to 31 March 2025	3
Mr DM Luvuno	NUM	23 December 2022 to 31 March 2025	1
Mr PM Makgatho	Minerals Council South Africa	23 December 2022 to 31 March 2025	-
Mr DG Nkosi	AMCU	23 December 2022 to 31 March 2025	-
Mr VM Radebe	NUMSA	23 December 2022 to 31 March 2025	1
Ms ND Tsipane	NUM	23 December 2022 to 31 March 2025	3
Mr PE Mminele	NUMSA	23 December 2022 to 31 March 2025	1
Dr T Balfour	Minerals Council South Africa	23 December 2022 to 31 March 2025	3
Dr J Matjila	Minerals Council South Africa	14 November 2023 to 31 March 2026	-
Mr JJ van Staden	Minerals Council South Africa	14 November 2023 to 31 March 2026	1
Ms LF Woodburn	SEIFSA	14 November 2023 to 31 March 2026	1
Dr BE Legobye	Minerals Council South Africa	14 November 2023 to 31 March 2025	-

The Advisory Committee of the CCOD comprises representatives of employers and trade unions in the mines and works sectors. The Advisory Committee met three times in the current financial year on 1 July 2024, 5 November 2024 and 20 February 2025.

3.6.2 Audit and Risk Committee

The Audit and Risk Committee has been set up in terms of sections 76(4)(d) and 77 of the PFMA. The National Treasury Regulation 3.1.8 provides that an Audit and Risk Committee should operate in terms of a Charter, which must deal with its membership, authority and responsibilities. The Audit and Risk Committee Charter purpose is to set out the specific responsibilities of the Audit and Risk Committee as prescribed in the PFMA and the National Treasury Regulations and details the manner in which the Audit and Risk Committee will operate.

For the financial year ended 31 March 2025 the Audit and Risk Committee consisted of three members who are not employees of the CCOD or the NDOH.

The members are as follows:

Name of member	Qualification	Designation	Date of appointment	End of term	Number of meetings attended
Mr C de Kock	Professional Accountant (SA) Masters in Computer Auditing (MCom-IT Audit) Certified Information Systems Auditor (CISA) Certified Internal Auditor (CIA)	Chairperson & Independent Non-executive Member	10 May 2024	9 May 2027	7
Mr S Gounden	Chartered Accountant (SA) Bachelor of Accounting Sciences (BCompt) Diploma in Accountancy Chartered Director (SA)	Independent Non-executive Member	10 May 2024	9 May 2027	7
Dr NZ Qunta	PhD (Phil) Masters of Business Administration (MBA) Bachelor of Administration Bachelor of Commerce (Honours)	Independent Non-executive Member	10 May 2024	9 May 2027	7

The current Audit and Risk Committee's term began for the Fund in May 2024 and was extended to 9 May 2027 during the course of the financial year, providing essential continuity to the Fund's governance function. Previously the ARC was appointed to oversee the governance of the CCOD. The Audit and Risk Committee met 7 times in the current financial year, with 4 quarterly meetings and 3 "special" meetings taking place.

3.6.3 Risk Committee

The Risk Committee is established in terms of section 18 of the ODMWA and consists of the Chief Inspector of Mines, who is also the chairperson of the Risk Committee, the director of the MBOD and not less than three or more than four members representing the owners of mines and employee representatives, of which one shall be a medical practitioner. The Risk Committee has the mandate of declaring a mine or works controlled under Section 20 of the ODMWA for the CCOD’s purposes.

The CCOD will thereafter maintain a register containing the name and description of every controlled mine and works as per Section 10(3) of the ODMWA. The CCOD will also determine in respect of each controlled mines or works an amount payable by the owner of the mine or works to the CCOD, for the benefit of the Fund, in respect of each risk shift worked. This is to enable the CCOD to pay every person, who performs risk work at or in connection with mines and works, and who is found to be suffering from a compensable disease.

The Minister of Health has appointed the committee. The membership is as follows:

Name of member	Representing	Date of appointment	Attendance
Mr M Zondi (Chairperson)	DMPR	DMPR	2
Mr D Msiza	DMPR	DMPR	-
Mr V Nundlall	Minerals Council South Africa	1 July 2021 to 30 June 2024 1 July 2024 to 30 June 2027	3
Adv JP van Vuuren	Solidarity	1 July 2021 to 30 June 2024	1
Mr G Nkosi	AMCU	1 July 2021 to 30 June 2024 1 July 2024 to 30 June 2027	3
Mr J Boning	Solidarity	1 July 2024 to 30 June 2027	2
Dr L Maepe	Minerals Council South Africa	1 July 2024 to 30 June 2027	2
Prof C Badenhorst	Minerals Council South Africa	1 July 2021 to 30 June 2024	-

Alternate Chairperson*	Representing	Date of appointment	Attendance
Dr N Mtshali	MBOD Director	MBOD	1

*In an effort to improve the functioning of the Risk Committee the Minister of Health approved that the Director of the MBOD and the Compensation Commissioner for Occupational Diseases can act as alternative Chairpersons for the Risk Committee.

The Risk Committee of the MBOD, which determines the risk profile of controlled mines and works, met four times during the course of the year.

The MBOD is making a concerted effort to ensure that the Risk Committee fulfils its mandate and role. In an effort to improve the functioning of the Risk Committee, an updated “Terms of Reference of the Committee” and a new “Risk Determination methodology” were developed and approved by the Committee during the course of the prior financial year.

3.7 Risk Management

The Fund recognises that risk management is a valuable management tool which improves and assists management in minimising any negative impacts and optimising opportunities emanating from its operating environment.

The Risk Management Policy, Strategy and Framework of the Fund/CCOD were reviewed and approved in the financial year. In addition, in the current year the CCOD placed additional reliance on the Risk management policy and Risk management strategy of the NDOH.

During the course of the 2024/2025 financial year the following activities were undertaken by the Risk Management function and noted by the Audit and Risk Committee:

- The Risk management implementation plan for 2024/2025 was approved
- The Fraud risk register was reviewed and updated quarterly during the year
- The Strategic risk register was reviewed and updated quarterly during the year
- The Operational risk register was reviewed and updated quarterly during the year

An initiative undertaken to improve the governance function of the Fund during the course of the year was the alignment of policies between the NDOH and the Fund, where applicable, to meet the governance standards expected of a 3A Public Entity.

3.8 Internal audit

The objective of the Internal Audit Activity (IAA) in the Fund is to provide an effective, independent objective assurance and consulting activity designed to add value and improve the Fund's operations.

It achieves this by evaluating and improving the effectiveness of risk management, control, and governance processes in the Fund.

Internal audit evaluates the Fund's controls to determine their effectiveness and to develop recommendations, where appropriate, to improve and enhance existing controls. The internal audit function of the NDOH is supporting the Fund with the internal audit activities in the absence of an established internal audit function for the Fund. During the financial year under review, the internal audit conducted various reviews and assessments on the Fund's control environment. The results of these reviews were reported to the Audit and Risk Committee on a quarterly basis.

The IAA performed audits in line with the approved annual coverage plan for the 2024/25 financial year. The IAA's Risk-Based Three Year Strategic and Annual Plan were approved by the Audit and Risk Committee.

3.9 Compliance with laws and regulations

The CCOD operates as a directorate of the NDOH. The CCOD works with line function heads and unit directors at the NDOH to ensure compliance with laws and regulations applicable to the CCOD. Compliance with regulations applicable to the Fund as a listed Schedule 3A entity is monitored quarterly by the NDOH governance section. Compliance is monitored by the internal and external audit function and included in the annual risk assessment when completing and updating the risk register. The Risk registers were submitted to and reviewed by the Audit and Risk Committee on a quarterly basis.

3.10 Fraud and Corruption

The following policies and documents were approved during the 2024/2025 financial year:

- Fraud prevention implementation plan for the period 2024/2025 to 2027/2028
- Fraud prevention strategy
- Fraud prevention policy
- Fraud investigation procedures

The fraud prevention and implementation plan details management's fraud prevention planning, fraud risk assessment, fraud risk response and fraud risk monitoring for the 2024/2025 to 2027/2028 financial years. As a result of the CCOD being a directorate of the NDOH, the CCOD subscribes to the National Anti-Corruption Hot-Line housed at the Office of the Public Service Commission.

No internal instances of fraud and corruption within the operations of the MBOD/CCOD were identified for prosecution during the year.

3.11 Minimising conflicts of interest

The CCOD is a directorate of the NDOH. The NDOH adopted the Code of Conduct prescribed by the Department of Public Service and Administration (DPSA) for minimising conflicts of interest. Senior management and other stakeholders are required in terms of the policy to disclose any conflict of interest inherent in doing business with the NDOH.

During the period under review, no conflicts of interest were noted.

3.12 Code of conduct

The CCOD is a directorate of the NDOH and as such applies the disciplinary code and procedure for the public service. This is applicable to all employees. The MBOD/CCOD places reliance on the NDOH Code of Conduct.

No breaches of the Code of Conduct were identified in the year.

3.13 Health Safety and Environmental Issues

The Occupational Health and Safety (OHS) Committee for the MBOD/CCOD was formed in the 2020/2021 financial year to address the response to the COVID-19 pandemic. The work of the committee continued in the 2024/2025 year. A committee to address the infrastructure and safety, health and environmental issues at the NDOH has been formed in accordance with the Occupational Health and Safety Act, Act 85 of 1993. The OHS committee met on a quarterly basis during the course of the year to review workplace safety matters, discuss incidents, implement corrective actions, and ensure ongoing compliance with health and safety regulations.

The following OHS initiatives have been undertaken in the current financial year:

- Prioritising the training of Occupational Health and Safety Representatives, First Aiders, Marshalls and Fire Fighters to ensure competence, capacitation of committee members, and enable functionality for emergency response and inspections
- A monthly inspection tool was developed and shared with the OHS Representatives. In addition, the Health and Safety Officer as well as the OHS Representatives carried out monthly inspections
- Lifts in the building were repaired and declared safe after being switched off
- Removal of unused and broken furniture to mitigate the risk of fire

The compliance certificate from the Department of Public Works and Infrastructure has not been received. The Department of Employment and Labour has condemned the building currently occupied by the MBOD due to serious health and safety concerns, following a formal assessment that identified multiple risks, including structural issues, non-compliance with safety regulations, and potential hazards to staff and visitors. In response, the Department of Public Works and Infrastructure in coordination with NDOH stakeholders, has initiated a search for a new building.

3.14 Audit and Risk Committee report

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2025, in terms of its obligations as set out in the Treasury Regulations and the PFMA.

Audit and Risk Committee Responsibility

The Fund has established an Audit Committee in accordance with the provisions of the Treasury Regulations and the PFMA.

The ARC reports that it has adopted an appropriate formal terms of reference as its Charter, which is reviewed annually and that it has regulated the affairs of the ARC accordingly.

Composition and Meetings of the Audit and Risk Committee

For the financial year ended 31 March 2025, the ARC of the Fund comprised of three (3) independent members who have sufficient qualifications and experience to render the required Audit Committee function as stipulated in the committee terms of reference and is properly constituted to fulfil its mandate.

Part C - Governance

Name of member	Qualification	Designation	Date of appointment	End of term	Number of meetings attended
Mr C de Kock	Professional Accountant (SA) Masters in Computer Auditing (MCom-IT Audit) Certified Information Systems Auditor (CISA) Certified Internal Auditor (CIA)	Chairperson & Independent Non-executive Member	10 May 2024	9 May 2027	7
Mr S Gounden	Chartered Accountant (SA) Bachelor of Accounting Sciences (BCompt) Diploma in Accountancy Chartered Director (SA)	Independent Non-executive Member	10 May 2024	9 May 2027	7
Dr NZ Qunta	PhD (Phil) Masters of Business Administration (MBA) Bachelor of Administration Bachelor of Commerce (Honours)	Independent Non-executive Member	10 May 2024	9 May 2027	7

The Effectiveness of Internal Control

The systems of internal control are designed to provide cost effective assurance in achieving the Fund's objectives by ensuring that assets are safeguarded, operations are effective and efficient, that financial- and performance information is reliable, and that compliance with applicable laws and regulations is ensured.

The ARC provided oversight on the financial, operational and business activities of the Fund through the quarterly reporting processes by management, as well as internal audit reviews.

The systems of internal control within the Fund were materially effective. AGSA and Internal Audit findings were addressed by management in order to maintain and further enhance the internal control environment.

Internal Audit

The ARC was satisfied with the activities of the Internal Audit function (co-sourced from the NDOH), including its annual work programme, coordination with the external auditors and follow-up on management's corrective action plans.

Risk Management

The ARC is responsible for oversight of the risk management function. The entity recognizes that risk management is a valuable management tool which improves and assists management in minimizing any negative impacts and optimizing opportunities emanating from its operating environment. The risk management framework (Policy, Strategy, and Implementation plan) was recommended by ARC for approval by the Accounting Authority during the year and ARC has reviewed the risk assessments and risk registers and tracked and monitored the risk mitigation plans.

Although Internal Audit executed the risk management function in the current year, it is recommended, as in the previous year, that a separate dedicated function for Risk Management is created to comply with Schedule 3A entity requirements and global Internal Audit best practices.

Quality of management and quarterly reports

The ARC was satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review. The actual costs incurred were also monitored against the approved budget throughout the year.

Main activities undertaken by the ARC during the financial year, include the review and monitoring of:

1. Quarterly financial management reports and the unaudited Annual Financial Statements submitted to the AGSA;
2. Risk-based audit plans, implementation thereof, and progress reports of Internal Audit and the AGSA;
3. Corrective action plans to address AGSA and Internal Audit findings;
4. The appropriateness of the accounting policies, practices and the potential changes thereto;
5. The effectiveness of the system of risk management, including fraud prevention;
6. Compliance with relevant laws and regulations;
7. Quarterly operational reports;
8. Quarterly performance information reports and the Annual Report, prior to submission to the AGSA;
9. Compliance with applicable regulatory provisions; and
10. The finance function in terms of relevant skills and experience.

The ARC is still concerned, as in the previous year, that the required organisational capacity and necessary budget requirements to deal with the new Section 3A regulatory requirements for core and support services, is not forthcoming.

Evaluation of Annual Financial Statements and Finance Function

The ARC has evaluated the Annual Financial Statements and provided oversight on the following:

i. Reviewed the Annual Financial Statements to be included in the Annual Report;
ii. Reviewed the AGSA's management and audit reports as presented, and management responses thereto;
iii. Reviewed adjustments and corrections resulting from the audit;
iv. Reviewed any changes in accounting policies and practices; and
v. Reviewed significant financial reporting judgments and estimates contained in the annual financial statements.

The ARC concluded that the Finance function has the appropriate expertise and experience to meet the responsibilities of its' role, and is satisfied with the adequacy and effectiveness of its' capacity.

AGSA's Report

The ARC concurs and accepts the conclusions of the AGSA on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

The Committee confirms that it has been actively involved throughout the AGSA audit process and was thoroughly appraised of the issues giving rise to the audit opinion.

Appreciation

The Committee expresses its appreciation to the Commissioner, the Senior Management team, Internal Audit and the AGSA for their continued support and dedication that also contributed to the successful outcome of the activities during the year under review.

On behalf of the Audit and Risk Committee:

CG de Kock
Chairperson of the Audit and Risk Committee
CCOD
Date: 30 July 2025

3.15 B-BBEE Compliance Performance Information

The CCOD is a directorate of the NDOH. The budget for the administration of the MBOD/CCOD, the provision of BME's and the activities of the Certification Committees are provided for within voted funds in the NDOH. Procurement is managed centrally through the NDOH supply chain function.

The only costs which are paid for by the Fund are the costs of undertaking the actuarial valuation and bank charges which in terms of the requirements of the ODMWA in section 77(A)(2) are permitted to be recovered from the Fund. The procurement process needs to comply with NDOH supply chain requirements.

The following table indicates the Broad-Based Black Economic Empowerment (B-BBEE) requirements as required by the B-BBEE Act as determined by the Department of Trade, Industry and Competition:

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?	No	Not applicable to the Fund
Developing and implementing a preferential procurement policy?	Yes	Procurement is managed centrally by NDOH supply chain management and the purchases on behalf of the MBOD/CCOD are required to comply with NDOH policies.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to the Fund
Developing criteria for entering into partnerships with the private sector?	No	Not applicable to the Fund
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	No	Not applicable to the Fund

Part D - Human Resource Management

4.1 Introduction

As at 31 March 2025, filled positions at the CCOD decreased from 33 to 32, and at the MBOD from 36 to 35. The filled posts are mainly administrative, with insufficient specialised roles in law, occupational health, IT, communication, and financial management. Technical and support services are provided by the Minerals Council South Africa under a Memorandum of Understanding with the NDOH.

The human resources function for both the MBOD and CCOD is centrally managed by the NDOH. The Fund has no designated employees, and related costs are included under goods and services in-kind in the Annual Financial Statements.

The human resource statistics below reflect the staffing required to administer the Fund and its activities.

A directive from the DPSA, issued on 1 October 2023, froze the filling of certain vacancies as a cost-containment measure. Initially intended to last until 31 March 2024, the freeze was extended to 31 March 2025, with limited easing.

As at 31 March 2025, two priority posts within the MBOD remained vacant and were not classified as frozen. By mid-2025, the freeze had been lifted, but hiring remains restricted to critical, clinical, and strategic posts.

4.2 Employee Distribution

Distribution of posts at the CCOD as at 31 March 2025:

Designation	Level	Number of posts	Filled	Frozen	Vacancy percentage %
Compensation commissioner	14	1	1	-	-
Director	13	2	2	-	-
Deputy directors	12	2	2	-	-
Deputy directors: administration	11	1	-	1	100%
Assistant directors	10	2	2	-	-
Assistant directors: administration	9	1	-	1	100%
Senior state accountants (finance)	8	1	-	1	100%
Senior state accountants (inspector)	8	2	2	-	-
Senior administration officer	8	1	-	1	100%
Administration officers	7	2	2	-	-
Senior administrative clerk	7	1	1	-	-
Personal assistants	6	2	1	1	50%
Administration clerks	6	3	2	1	33%
Registry clerk	5	1	-	1	100%
Administrative / finance clerks	5	21	16	5	24%
Switchboard operator	4	1	1	-	-
Cleaner	3	1	-	1	100%
Messenger	3	1	-	1	100%
Total	**-**	**46**	**32**	**14**	**30%**

Part D - Human Resource Management

2. Employee Distribution (continued)

Movement in filled positions at the CCOD during the course of the 2024/2025 financial year:

Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
14	1	-	-	1
13	2	-	-	2
12	2	-	-	2
10	2	-	-	2
8	2	-	-	2
7	3	-	-	3
6	4	-	1	3
5	16	-	-	16
4	1	-	-	1
3	-	-	-	-
Total	**33**	**-**	**1**	**32**

Reasons for terminations at the CCOD during the course of the 2024/2025 financial year:

Reason	Number	% of total number of staff leaving
Death	-	-
Resignation	-	-
Dismissal	-	-
Retirement	1	100%
Ill Health	-	-
Expiry of contract	-	-
Other	-	-
Total	**1**	**-**

2. Employee Distribution (continued)

Profile of the workforce at the CCOD as at 31 March 2025:

Level	African				Coloured				Indian				White				Total			
	M	D	F	D	M	D	F	D	M	D	F	D	M	D	F	D	M	D	F	D
14	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-
13	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	-
12	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-
10	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-
8	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-
7	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-
6	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	2	-
5	5	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	11	-
4	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
Total	**13**	**1**	**17**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**14**	**1**	**18**	**-**

*M=Male F=Female D=Disabled

2. Employee Distribution (continued)

Distribution of posts at the MBOD as at 31 March 2025:

Designation	Level	Number of posts	Filled	Frozen	Vacant	Vacancy percentage %
Deputy director	11	1	1	-	-	-
Chief clinical technologist	10	1	1	-	-	-
Assistant director: clinical technology	10	1	1	-	-	-
Assistant director: radiography	10	1	1	-	-	-
Assistant director: administration	9	1	-	1	-	100%
Professional nurse	9	1	-	-	1	100%
Radiologist	9	1	1	-	-	-
Radiographer	8	1	-	-	1	100%
Personal assistant	7	1	1	-	-	-
Senior human resource officer	7	1	-	1	-	100%
Chief administrative clerk	7	3	2	1	-	33%
Registry clerk supervisor	7	1	1	-	-	-
Chief security officer	7	1	1	-	-	-
Senior administration clerk	6	5	3	2	-	40%
Senior security officer	6	1	1	-	-	-
Administration clerk	5	16	9	7	-	44%
Registry clerk	5	1	-	1	-	100%
Finance clerk	5	1	1	-	-	-
Supply chain clerk	5	2	-	2	-	100%
Security	4	7	7	-	-	-
General assistant	3	4	4	-	-	-
Security	3	1	-	1	-	100%
Cleaner	2	4	-	4	-	100%
Total	**-**	**57**	**35**	**20**	**2**	**39%**

*M=Male F=Female D=Disabled

Part D - Human Resource Management

2. Employee Distribution (continued)

Movement in filled positions at the MBOD during the course of the 2024/2025 financial year:

Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
11	1	-	-	1
10	3	-	-	3
9	1	-	-	1
7	5	-	-	5
6	5	-	1	4
5	10	-	-	10
4	7	-	-	7
3	4	-	-	4
Total	**36**	**-**	**1**	**35**

Reasons for terminations at the MBOD during the course of the 2024/2025 financial year:

Reason	Number	% of total number of staff leaving
Death	-	-
Resignation	-	-
Dismissal	-	-
Retirement	1	100%
Ill Health	-	-
Expiry of contract	-	-
Other	-	-
Total	**1**	

Profile of the workforce at the MBOD as at 31 March 2025:

Level	African				Coloured				Indian				White				Total			
	M	D	F	D	M	D	F	D	M	D	F	D	M	D	F	D	M	D	F	D
11	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
10	-	-	2	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	3	-
9	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-
7	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2	-
6	3	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	2	-
5	3	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	6	-
4	6	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	1	-
3	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2	-
Total	**16**	**-**	**18**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**16**	**-**	**19**	**-**

*M=Male F=Female D=Disabled

5.1 Irregular Expenditure

Reconciliation of irregular expenditure:

Description	2024/2025	2023/2024
Opening balance	31 440	31 440
Add: Irregular expenditure confirmed	-	-
Closing Balance	**31 440**	**31 440**

Refer to note 30 in the Annual Financial Statements for further information.

5.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Description	2024/2025	2023/2024
Opening balance	630 141	630 141
Add: Fruitless and wasteful expenditure confirmed	-	-
Closing Balance	**630 141**	**630 141**

Refer to note 31 in the Annual Financial Statements for further information.

Fruitless and wasteful expenditure (under assessment, determination, and investigation):

Description	2024/2025	2023/2024
Fruitless and wasteful expenditure under assessment	2 001 958	575 014
Total	**2 001 958**	**575 014**

Fruitless and wasteful expenditure under assessment represents payments made to claimants or beneficiaries in the process of assessment for possible erroneous or double payments.

5.3 Payment of suppliers

Description	Number of invoices	Value R
Valid invoices received	4	1 885 802
Invoices paid within 30 days or agreed period	4	1 885 802

Per section 77A(2) of the ODMWA the cost of the actuarial valuation performed is paid from the Fund. No suppliers were paid late during the course of the 2024/2025 financial year.

5.4 Supply chain management

The CCOD operates as a directorate of the NDOH. The purchasing function of the MBOD/CCOD is maintained centrally by NDOH supply chain management, The Fund does not make any purchases other than the payment of actuarial valuation costs which is permissible i.t.o of 77A(2) of the ODMWA.

Part F - Annual financial information

6.1 Responsibility statement

To the Parliament of Mines and Works Compensation Fund

These financial statements are the responsibility of the Accounting Authority. The ODMWA, as amended requires the CCOD to ensure that full and proper financial records of the financial affairs of the Mines and Works Compensation Fund (Fund) are maintained. In addition, the PFMA, in section 55(1)(b) requires separate Annual Financial Statements to be prepared.

The Fund's business, operations and the result thereof are clearly reflected in the Annual Financial Statements. The CCOD is responsible for the maintenance of adequate accounting records and for the preparation and integrity of the Annual Financial Statements and related information.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations of such statements issued by the Accounting Standards Board and in the manner required by the PFMA.

The Accounting Authority is responsible for the Fund's system of internal control. The internal controls include a risk based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practice policies and procedures. Employees of the CCOD, with the appropriate segregation of duties, implement these controls.

The Annual Financial Statements have been prepared on the going concern basis as at 31 March 2025. The Accounting Authority believes there is sufficient liquidity to meet short-term financial obligations as they become due, as the Funds' accumulated surplus should be sufficient.

The Auditor-General is responsible for examining and reporting on the fair presentation of the Annual Financial Statements. The audit report of the Annual Financial Statements of the Fund is presented on pages 43 to 48.

The Annual Financial Statements of the Fund, set out on pages 49 to 93, were approved by the Accounting Authority, in terms of the ODMWA, for the financial year ended 31 March 2025 and were signed on its behalf by:

Dr MB Kistnasamy
Compensation Commissioner for Occupational Diseases
30 July 2025

Part F - Annual financial information

6.2 Report of the auditor-general to Parliament on the Mines and Works Compensation Fund

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mines and Works Compensation Fund set out on pages 49 to 93, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mines and Works Compensation Fund as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

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

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

Responsibilities of the accounting authority for the financial statements

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

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

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

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 47, forms part of my auditor's report.

Part F - Annual financial information

6.2 Report of the auditor-general to Parliament on Mines and Works Compensation Fund

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 ensure effective and efficient management of the Compensation Commissioner for Occupational Diseases (CCOD) 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.

    - Number of claims finalised by the fund (other than pensioners).
    - Number of benefit payments made by the fund (other than pensioners).
    - Number of controlled mines and works inspected.
    - Percentage of levies (funds) received from controlled mines and works liable for payment of levies per the financial system.

12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined 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 selected indicators.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

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

Part F - Annual financial information

6.2 Report of the auditor-general to Parliament on Mines and Works Compensation Fund

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 public entity's compliance with legislation.

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

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

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

Annual financial statements

22. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA.

23. Material misstatements of statutory receivables, provision for impairment, other income - debt impairment and disclosures identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

24. The accounting authority is responsible for the other information included in the annual report which includes the minister's statement, accounting authority's report, audit and risk committee's report and the human resource management. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditors 'report.

25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on 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.

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

27. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

28. I have nothing to report in this regard.

Part F - Annual financial information

6.2 Report of the auditor-general to Parliament on Mines and Works Compensation Fund

Internal control deficiencies

29. 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.

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

31. Management did not implement adequate reviews to ensure the preparation of accurate financial statements as material misstatements were identified that were subsequently corrected.

Auditor-General

Pretoria

30 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Part F - Annual financial information

6.2 Report of the auditor-general to Parliament on Mines and Works Compensation Fund

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 public entity's compliance with selected requirements in key legislation.

Financial statements

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

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

Communication with those charged with governance

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

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

Part F - Annual financial information

6.2 Report of the auditor-general to Parliament on Mines and Works Compensation Fund

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	PFMA 51(1)(b)(i) PFMA 51(1)(b)(ii) PFMA 55(1)(c)(i) PFMA 51(1)(e)(iii) PFMA 55(1)(a) PFMA 55(1)(b) PFMA 53(4) PFMA 54(2)(c’) PFMA 54(2)(d) PFMA 57(b)
Treasury regulations	TR 16A.7.1 TR 16A.7.3 TR 16A.7.6 TR 16A9.1(b)(ii) TR 16A9.1(e) TR 16A9.1(f) TR 30.1.1 TR 30.1.3(a) TR 30.1.3(b) TR 30.1.3(d) TR 30.2.1 TR 31.1.2(c') TR 33.1.1 TR 33.1.3 TR 31.3.3
PFMA SCM Instruction note 4 of 2022/23	Paragraph 4.12
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	PRECCA 34(1)
Occupational Disease in Mines and Works Act, 1973 (Act No. 78 of 1973)	Section 61 (4) Section 61 (5) Section 66

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6.3 Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025	2024
Assets			
Current Assets			
Investments	3	5 919 154 354	5 727 062 890
Receivables from exchange transactions	4	33 584 551	15 242 082
Cash and cash equivalents	5	63 483 689	69 401 069
		6 016 222 594	**5 811 706 041**
Total Assets		**6 016 222 594**	**5 811 706 041**
Liabilities			
Current Liabilities			
Provisions	6	884 906 654	661 915 757
Payables from exchange transactions	7	84 828 064	78 970 442
Payables from non-exchange transactions	8	30 630 450	24 524 712
		1 000 365 168	**765 410 911**
Non-Current Liabilities			
Provisions	6	2 205 684 814	2 227 296 493
Total Liabilities		**3 206 049 982**	**2 992 707 404**
Net Assets		**2 810 172 612**	**2 818 998 637**
Accumulated surplus		2 810 172 612	2 818 998 637
Total Net Assets		**2 810 172 612**	**2 818 998 637**

The accounting policies on pages 55 to 65 and the notes on pages 66 to 93 form an integral part of the Annual Financial Statements.

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6.4 Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions			
Levy income	10	107 033 021	127 413 512
Other income - Movement in provisions	11	-	127 269 875
Other income - Debt impairment	12	30 953 359	-
Other income	13	3 315 615	-
Interest received	14	486 090 411	466 545 805
Total revenue from exchange transactions		**627 392 406**	**721 229 192**
Revenue from non-exchange transactions			
Transfer revenue			
Goods and services in-kind from the NDOH	15	56 224 982	53 959 214
Pension payments transfer utilised	16	1 904 254	209 304
Total revenue from non-exchange transactions		**58 129 236**	**54 168 518**
Total revenue	9	**685 521 642**	**775 397 710**
Expenditure			
Goods and services in-kind from the NDOH	15	(56 224 982)	(53 959 214)
Pension payments transfer utilised	16	-	(209 304)
Finance costs	17	(301 730 565)	(289 375 747)
Debt impairment	18	-	(8 452 058)
Bad debts written-off	18	(17 100 722)	(4 145 985)
Movement in provisions	19	(316 829 921)	-
General expenses	20	(2 461 477)	(2 596 299)
Total expenditure		**(694 347 667)**	**(358 738 607)**
(Deficit) surplus for the year		**(8 826 025)**	**416 659 103**

The accounting policies on pages 55 to 65 and the notes on pages 66 to 93 form an integral part of the Annual Financial Statements.

Part F - Annual financial information

6.5 Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2023	**2 402 339 534**	**2 402 339 534**
Changes in net assets		
Surplus for the year	416 659 103	416 659 103
Total changes	416 659 103	416 659 103
Balance at 01 April 2024	**2 818 998 637**	**2 818 998 637**
Changes in net assets		
Deficit for the year	(8 826 025)	(8 826 025)
Total changes	(8 826 025)	(8 826 025)
Balance at 31 March 2025	**2 810 172 612**	**2 810 172 612**

The accounting policies on pages 55 to 65 and the notes on pages 66 to 93 form an integral part of the Annual Financial Statements.

Part F - Annual financial information

6.6 Cash Flow Statement

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Receipts			
Levy income		105 195 021	128 382 863
Interest received		512 741 558	450 578 074
Transfer payments (non-exchange)		1 813 000	1 735 000
		619 749 579	580 695 937
Payments			
Claimants and payables from exchange transactions		(407 886 421)	(213 888 321)
Finance costs		(489 413)	(1 017 031)
Transfer payments		-	(209 304)
		(408 375 834)	(215 114 656)
Net cash flows from operating activities	21	**211 373 745**	**365 581 281**
Cash flows from investing activities			
Increase in investments		(505 291 125)	(443 048 529)
Proceeds from investments drawdown		288 000 000	95 000 000
Net cash flows from investing activities		**(217 291 125)**	**(348 048 529)**
Net increase/(decrease) in cash and cash equivalents		**(5 917 380)**	**17 532 752**
Cash and cash equivalents at the beginning of the year		69 401 069	51 868 317
Cash and cash equivalents at the end of the year	5	**63 483 689**	**69 401 069**

The accounting policies on pages 55 to 65 and the notes on pages 66 to 93 form an integral part of the annual report.

Part F - Annual financial information

6.7 Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Levy income	128 600 007	(22 697 475)	**105 902 532**	107 033 021	**1 130 489**	Note 28
Other income - Debt impairment	-	-	**-**	30 953 359	**30 953 359**	Note 28
Other income	-	-	**-**	3 315 615	**3 315 615**	Note 28
Interest received	481 492 102	(4 974 259)	**476 517 843**	486 090 411	**9 572 568**	Note 28
Total revenue from exchange transactions	**610 092 109**	**(27 671 734)**	**582 420 375**	**627 392 406**	**44 972 031**	
Revenue from non-exchange transactions						
Transfer revenue						
Goods and services in-kind from the NDOH	-	-	**-**	56 224 982	**56 224 982**	Note 28
Pension payments transfer utilised	229 545	(62 102)	**167 443**	1 904 254	**1 736 811**	Note 28
Total revenue from non-exchange transactions	**229 545**	**(62 102)**	**167 443**	**58 129 236**	**57 961 793**	
Total revenue	**610 321 654**	**(27 733 836)**	**582 587 818**	**685 521 642**	**102 933 824**	
Expenditure						
Goods and services in-kind from the NDOH	-	-	**-**	(56 224 982)	**(56 224 982)**	Note 28
Pension payments transfer utilised	(229 545)	62 102	**(167 443)**	-	**167 443**	Note 28
Finance costs	(267 119 410)	18 356 901	**(248 762 509)**	(301 730 565)	**(52 968 056)**	Note 28
Debt impairment	(3 885 127)	(150 028)	**(4 035 155)**	-	**4 035 155**	Note 28
Bad debts written-off	-	-	**-**	(17 100 722)	**(17 100 722)**	Note 28
Movement in provisions	(128 600 007)	22 697 474	**(105 902 533)**	(316 829 921)	**(210 927 388)**	Note 28
General expenses	(2 508 916)	(124 327)	**(2 633 243)**	(2 461 477)	**171 766**	Note 28
Total expenditure	**(402 343 005)**	**40 842 122**	**(361 500 883)**	**(694 347 667)**	**(332 846 784)**	
Surplus / (Deficit)	**207 978 649**	**13 108 286**	**221 086 935**	**(8 826 025)**	**(229 912 960)**	
Actual amount on comparable basis as presented in the budget and actual comparative statement	**207 978 649**	**13 108 286**	**221 086 935**	**(8 826 025)**	**(229 912 960)**	

Part F - Annual financial information

6.7 Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Investments	6 096 512 569	(176 966 991)	**5 919 545 578**	5 919 154 354	**(391 224)**	Note 28
Receivables from exchange transactions	30 597 555	(17 838 388)	**12 759 167**	33 584 551	**20 825 384**	Note 28
Cash and cash equivalents	136 095 974	(70 872 847)	**65 223 127**	63 483 689	**(1 739 438)**	Note 28
	6 263 206 098	**(265 678 226)**	**5 997 527 872**	**6 016 222 594**	**18 694 722**	
Total Assets	**6 263 206 098**	**(265 678 226)**	**5 997 527 872**	**6 016 222 594**	**18 694 722**	
Liabilities						
Current Liabilities						
Provisions	840 798 964	(199 309 972)	**641 488 992**	884 906 654	**243 417 662**	Note 28
Payables from exchange transactions	79 143 855	6 104 474	**85 248 329**	84 828 064	**(420 265)**	Note 28
Payables from non-exchange	25 849 538	320 730	**26 170 268**	30 630 450	**4 460 182**	Note 28
	945 792 357	**(192 884 768)**	**752 907 589**	**1 000 365 168**	**247 457 579**	
Non-Current Liabilities						
Provisions	2 508 670 546	(304 135 835)	**2 204 534 711**	2 205 684 814	**1 150 103**	Note 28
Total Liabilities	**3 454 462 903**	**(497 020 603)**	**2 957 442 300**	**3 206 049 982**	**248 607 682**	
Net Assets	**2 808 743 195**	**231 342 377**	**3 040 085 572**	**2 810 172 612**	**(229 912 960)**	
Net Assets						
Reserves						
Accumulated surplus	2 808 743 195	231 342 377	**3 040 085 572**	2 810 172 612	**(229 912 960)**	

1. Significant account policies

The significant accounting policies applied in the preparation of these Annual Financial Statements are set out below.

1.1 Basis of preparation

The Annual 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) (PFMA).

These Annual 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 Presentation currency

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the entity. All amounts are rounded to the nearest South African Rand.

1.3 Going concern assumption

These Annual Financial Statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements.

Significant judgements include:

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.

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

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 6.

Provisions, where the Fund does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period, are classified as current liabilities; and the balance of the liabilities are classified as non-current. Provisions, which involve significant judgements, are classified into one of the following categories:

- Provision for Benefit claims (Benefits due); or
- Provision for Incurred but not yet reported claims (IBNR).

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.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

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.

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.

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.

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.

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.

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.

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.

1.5 Financial instruments (continued)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Classification

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

Class	Category
Investments	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity classifies investments as surplus funds placed with financial institutions in higher yielding instruments for the benefit of the entity in order to meet future long-term service delivery commitments. The Investment accounts are managed separately from transactional banking accounts in order to maximise investment income.

Cash and cash equivalents are held for the purpose of operating activities. Cash and cash equivalents are used by the entity for transactional banking.

The entity has the following types of financial liabilities (classes 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
Payables from non-exchange transactions	Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

6.8 Significant Accounting Policies

1.5 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following category:
- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

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

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

1.6 Statutory receivables

Identification

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

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

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

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

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

Recognition

The entity recognises statutory receivables as follows:
- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:
- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

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

Interest on statutory receivables is recognised as revenue in accordance with the policy on revenue from exchange transactions.

Impairment losses

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

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:
- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).

1.6 Statutory receivables (continued)

- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

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

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

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

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

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

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

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

1.7 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.

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

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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6.8 Significant Accounting Policies

1.7 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

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

Provisions are not recognised for future operating surplus.

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

Provisions, where the Fund does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period, are classified as current liabilities; and the balance of the liabilities are classified as non-current.

Provisions are classified into one of the following categories:

- Provision for Benefit claims (Benefits due);
- Provision for Incurred but not yet reported claims (IBNR); or
- Provision for Pensioner liability.

1.8 Revenue from exchange transactions

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

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

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

Revenue from exchange transactions comprise levy revenue and interest.

Other income comprises recoveries raised in terms of section 74(a) and section 74(b) of the ODMWA, as well as the release of provisions and payables from exchange transactions.

Measurement

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

1.8 Revenue from exchange transactions (continued)

Levy Revenue

Levy revenue is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

Revenue is recognised at the fair value when the risk shift has been worked as indicated in the assessment submitted by the mines and works or when a reliable estimate can be made.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.9 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

1.9 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Goods in-kind

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the entity recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

The entity recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

1.10 Investment income

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

1.11 Comparative figures

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

1.12 Fruitless and wasteful expenditure

Fruitless expenditure as defined in Section 1 of the PFMA is expenditure which was made in vain and could have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written-off as irrecoverable.

1.13 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure incurred in contravention of, or not in accordance with legislation and expenditure recorded in the statement of financial performance or liability recognised in the statement of financial position.

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred.

1.14 Budget information

The Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget is prepared on an accrual basis and presented by economic classification.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The approved budget covers the fiscal period from 1 April 2024 to 31 March 2025.

1.15 Related parties

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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 Annual Financial Statements.

Part F - Annual financial information

6.8 Significant Accounting Policies

1.16 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Part F - Annual financial information

6.9 Notes to the Annual Financial Statements

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed

3. Investments

	2025	2024
At amortised cost		
CPD Investment	3 051 289 780	2 818 258 191
This interest bearing investment are funds invested with the Corporation for Public Deposits (CPD). It bears interest at 7.50% per annum (2024: 8.25% per annum).		
Short-term call deposit	109 476 931	75 255 171
Short-term call deposits are funds invested in a financial instrument which bears interest at 6.95% per annum (2024: 7.75%).		
Fixed deposit - Mines	2 509 808 360	2 605 301 564
Short-term fixed deposits are funds invested in financial instruments which bear interest between 8.10% and 8.30% per annum (2024: between 8.90% and 9.70% per annum).		
Fixed deposit - Works	244 166 589	224 193 481
Short-term fixed deposits are funds invested in financial instruments which bear interest between 8.20% and 8.30% per annum (2024: between 8.99% and 9.00% per annum).		
Fixed deposit - Research	4 412 694	4 054 483
Short-term fixed deposits are funds invested in a financial instrument which bears interest at 8.30% per annum (2024: 9.70% per annum).		
	5 919 154 354	**5 727 062 890**

Current assets		
At amortised cost	5 919 154 354	5 727 062 890

6.9 Notes to the Annual Financial Statements

Figures in Rand	2025	2024

4. Receivables from exchange transactions

Trade receivables - Statutory receivable	30 052 077	14 706 770
Other receivables - Statutory receivable	880 642	535 312
Receivable from the NDOH - Statutory receivable	2 651 832	-
	33 584 551	**15 242 082**

Statutory receivables general information

Standard terms and interest charged on overdue accounts

Standard terms on trade receivables are 20 days following the month in which the risk shifts were worked. Interest is levied on overdue accounts, calculated on a simple interest rates basis in accordance with the rates as prescribed in guidelines issued by National Treasury.

The applicable rates per annum are as follows:

2025	
1 April 2024 to 31 October 2024	11.75%
1 November 2024 to 31 December 2024	11.50%
1 January 2025 to 28 February 2025	11.25%
1 March 2025 to 31 March 2025	11.00%
2024	
1 April 2023 to 30 April 2023	10.75%
1 May 2023 to 30 June 2023	11.25%
1 July 2023 to 31 March 2024	11.75%

Determination of transaction amount

Statutory receivables arise from levies in accordance with section 62 and section 63 of the ODMWA, penalties in terms of section 65 of the ODMWA and interest levied in accordance with section 64 of the ODMWA.

Fair value of trade and other receivables

The fair value of trade and other receivables is deemed to be the carrying value due to the short-term nature of the receivables and the market related interest rates attached to them.

Trade and other receivables past due but not impaired

At 31 March 2025, R10 577 078 (2024: R7 316 682) were neither past due nor impaired.

At 31 March 2025, R23 007 473 (2024: R7 925 400) were past due but not impaired.

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

One month past due	596 910	172 370
Two months past due	490 345	276 798
Over three months past due	21 920 218	7 476 232
	23 007 473	**7 925 400**

Figures in Rand	2025	2024

4. Receivables from exchange transactions (continued)

Trade and other receivables impaired

As of 31 March 2025, trade and other receivables of R38 906 064 (2024: R69 859 423) were impaired and provided for.

The ageing of these receivables are as follows:

Current	1 418 615	1 874 809
One month past due	2 766	-
Two months past due	5 254	-
Over three months past due	37 479 429	67 984 614
	38 906 064	**69 859 423**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	69 859 423	61 407 365
Provision for impairment	(15 953 064)	11 494 521
Amounts written-off	(15 000 295)	(3 042 463)
	38 906 064	**69 859 423**

The creation of provision for impaired receivables has been included in the debt impairment expense (Refer to note 18). The release of the provision for impaired receivables has been included in Other income - Debt impairment (Refer to note 12).

The maximum exposure to credit risk at the reporting date is the fair value of the receivables balance. The Fund does not hold any collateral as security. Trade receivable comprises a large, widespread customer base.

The provision for debt impairment for the current year has been determined using the following methodology:

- Operations with no evidence of activity in the current year - full outstanding balance provided
- Operations with evidence of activity in the current year or which belong to a current operating group - outstanding balances of greater than 180 days plus the interest and penalties accrued in the current year have been provided
- The provision for debt impairment was reduced by historical debt collection rates on long outstanding debt

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	63 483 689	69 401 069

Part F - Annual financial information

6.9 Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Cash and cash equivalents (continued)

Credit quality of cash at bank and short-term deposits

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
Absa (F1+) - Current Account: Mines	14 143 727	25 985 928
Absa (F1+) - Current Account: Research	12 594 483	10 568 986
Absa (F1+) - Current Account: State	29 094 947	26 931 538
Absa (F1+) - Current Account: Works	5 926 555	4 836 648
FNB (F1+) - Current Account: Mines	1 723 977	1 077 969
	63 483 689	**69 401 069**

The amount of cash included the State bank account was appropriated for the purposes of the payment of pensions under the Pneumoconiosis Compensation Act, No. 64 of 1962 which preceded the ODMWA. Per section 69(4) of the ODMWA the remaining balance in the State account will be transferred to the State Revenue Fund once all obligations have been extinguished.

Part F - Annual financial information

6.9 Notes to the Annual Financial Statements

Figures in Rand	2025	2024

6. Provisions

Non-current liabilities	2 205 684 814	2 227 296 493
Current liabilities	884 906 654	661 915 757
	3 090 591 468	**2 889 212 250**

IBNR Provision	2 204 626 374	2 227 296 493
Benefits due	884 467 766	661 915 757
Pension liability	1 497 328	-
	3 090 591 468	**2 889 212 250**

6. Provisions (continued)

Reconciliation of provisions - 2025

	Opening Balance	Additions (1)	Paid during the year (2)	Changes in methodology and assumptions / unexpected increase / (decrease) (3)	Unwinding (4)	Transfer to benefits due	Total
IBNR - TB Loss of Earnings	1 231 743	4 072 609	-	100 692	358 209	(4 160 685)	1 602 568
IBNR - TB First Degree	1 030 709	873 958	-	(275 204)	149 061	(1 023 510)	755 014
IBNR - TB Second Degree	1 711 269	1 847 423	-	(417 083)	263 283	(2 143 674)	1 261 218
IBNR - Permanent First Degree	1 043 687 848	10 389 036	-	(34 850 256)	108 637 774	(146 244 366)	981 620 036
IBNR - Permanent Second Degree	1 179 634 924	17 338 539	-	118 629 082	121 128 031	(217 343 038)	1 219 387 538
Benefits Due - TB Loss of Earnings	37 083 998	-	(13 955 240)	7 078 189	3 351 941	4 160 685	37 719 573
Benefits Due - TB First Degree	16 855 990	-	(4 987 890)	1 694 588	1 477 325	1 023 510	16 063 523
Benefits Due - TB Second Degree	98 358 930	-	(11 988 409)	229 591	9 194 200	2 143 674	97 937 986
Benefits Due - Permanent First Degree	155 229 034	-	(89 331 729)	(6 258 604)	14 297 495	146 244 366	220 180 562
Benefits Due - Permanent Second Degree	354 387 805	-	(286 608 983)	194 637 679	32 806 583	217 343 038	512 566 122
Pensioner Liability	-	2 135 429	(406 926)	(395 747)	164 572	-	1 497 328
	2 889 212 250	**36 656 994**	**(407 279 177)**	**280 172 927**	**291 828 474**	**-**	**3 090 591 468**

1. Additions represent the expected new claims during the 12 month inter-valuation period.
2. Payments for the year.
3. Changes in financial assumptions represents the impact of the liability as a result of changes in financial assumptions. Changes in methodology and assumptions represents the impact of the liability as a result of changes in approach and payment rate and settlement pattern assumptions. Unexpected increase/(decrease) is the amount required in addition to the items above, to add up to the newly calculated liability. It results from actual experience not following assumptions.
4. Unwinding represents interest credited to the liability as per the BEASSA nominal zero yield curve as at 31 March 2024 for the 12-month inter-valuation period.

6. Provisions (continued)

Reconciliation of provisions - 2024

	Opening Balance	Additions (1)	Paid during the year (2)	Changes in methodology and assumptions / unexpected increase / (decrease) (3)	Unwinding (4)	Transfer to benefits due	Total
IBNR - TB Loss of Earnings	8 469 083	21 888 480	-	(9 261 200)	1 860 285	(21 724 905)	1 231 743
IBNR - TB First Degree	7 097 489	5 922 524	-	(7 139 190)	970 532	(5 820 646)	1 030 709
IBNR - TB Second Degree	13 991 396	8 549 528	-	(13 673 923)	1 779 996	(8 935 728)	1 711 269
IBNR - Permanent First Degree	1 020 942 234	55 865 444	-	15 170 425	101 836 613	(150 126 868)	1 043 687 848
IBNR - Permanent Second Degree	1 108 918 863	71 218 339	-	78 307 551	111 514 308	(190 324 137)	1 179 634 924
Benefits Due - TB Loss of Earnings	68 486 145	-	(19 570 040)	(39 158 438)	5 601 426	21 724 905	37 083 998
Benefits Due - TB First Degree	28 607 772	-	(4 759 524)	(15 083 111)	2 270 207	5 820 646	16 855 990
Benefits Due - TB Second Degree	137 131 616	-	(82 023 901)	23 019 875	11 295 612	8 935 728	98 358 930
Benefits Due - Permanent First Degree	224 720 024	-	(57 367 765)	(181 398 226)	19 148 133	150 126 868	155 229 034
Benefits Due - Permanent Second Degree	327 391 373	-	(51 495 136)	(139 074 966)	27 242 397	190 324 137	354 387 805
Provision for PH files	2 422 986	-	-	(2 422 986)	-	-	-
	2 948 178 981	**163 444 315**	**(215 216 366)**	**(290 714 189)**	**283 519 509**	**-**	**2 889 212 250**

1. Additions represent the expected new claims during the 12-month inter-valuation period.
2. Payments for the year.
3. Changes in financial assumptions represents the impact of the liability as a result of changes in financial assumptions. Changes in methodology and assumptions represents the impact of the liability as a result of changes in approach and payment rate and settlement pattern assumptions. Unexpected increase/(decrease) is the amount required in addition to the items above, to add up to the newly calculated liability. It results from actual experience not following assumptions.
4. Unwinding represents interest credited to the liability as per the BEASSA nominal zero yield curve as at 31 March 2023 for the 12-month inter-valuation period.

6. Provisions (continued)

The total claims liability, including provision for claims incurred but not yet reported (IBNR) and pensions, as at 31 March 2025 was estimated to be R3 090 591 468 (2024: R2 889 212 250). This represents the expected monetary amount, that together with investment income, would be sufficient to cover future payments in respect of last risk shifts worked to 31 March 2025.

Benefits Due represent a liability, however what is not certain is when the claim will be paid or how much will be paid based on the environment the Fund operates in. Therefore, the valuation amount relating to Benefits Due is classified as a Provision for Benefits Due and is recognised as such in the Statement of Financial Position. The provision recognised in the Statement of Financial Position as at 31 March 2025 amounted to R884 467 766.

With regards to the IBNR claims, the claims have not been reported to the MBOD nor has an assessment been made to determine whether the claims are compensable or not and therefore whether the Fund has an obligation or not. The validity of the claim depends on the assessment done in terms of the ODMWA. The provision recognised in the Statement of Financial Position as at 31 March 2025 amounted to R2 204 626 374.

Pensions are currently paid to those who already received pensions before the ODMWA changed in 1993 (both ex-workers and spouses). The pensions are paid from the State Account. The provision recognised in the Statement of Financial Position as at 31 March 2025 amounted to R1 497 328.

Valuation methodology and actuarial assumptions

Provision for Benefits Due

The provision for Benefits Due was raised for all workers or ex-workers that were certified by the certification committee to be suffering from a compensable disease and where it is anticipated that the outflow of resources embodying economic benefits required to settle that obligation is probable but the amount is not certain.

Claims in relation to Benefits Due were categorised as follows:
- TB Loss of Earnings
- TB First Degree
- TB Second Degree
- Other Permanent First Degree
- Unknown First Degree
- Other Permanent Second Degree
- Unknown Second Degree
- Other Permanent Unknown Degree
- Unknown Claim Type

The following methodology was applied to determine the Provision for Benefits Due as at 31 March 2025:
- The number of claims reported, certified and not yet paid per claim year was multiplied by the average cost of per claim for that claim year.
- The average cost per claim was calculated as the average of claims reported, certified and paid in each particular category.
- Payment rates (probability of payment) dependent on the time period between claim year and valuation date were applied.
- These payment rates represent a sliding scale which are subject to a maximum of the payment rate for the IBNR Provision at 31 March 2025.
- A settlement pattern was applied to the proportion of claims that are assumed will be paid as at 31 March 2025. The settlement patterns were consistent with those used to calculate the IBNR provision.
- Expected future claim payments were discounted to 31 March 2025 using the BEASSA nominal zero-coupon yield curve as at 31 March 2025.
- The Provision for Benefits Due equals to the sum of these discounted future claim payments.

6. Provisions (continued)

With respect to the Unknown First Degree and Unknown Second Degree category above, a weighted average of the applicable (first degree / second degree) average cost per claim and settlement periods for TB and Permanent Diseases was used for calculation purposes. Similarly, for Unknown Claim Type, a weighted average of the average cost per claim and settlement period was used.

IBNR provision

The IBNR provision makes allowance for future payments to be made on claim events which will arise in future as a result of exposure to conditions up to the valuation date that may lead to these claim events. In order to calculate the IBNR Provision, run-off triangles have been constructed to model development pattern (reporting delay) and settlement pattern (payment delay).

In order to use these models, an occurrence date is needed. Last risk date has been used as a proxy for occurrence date. An “average cost per claim” method was used in respect of these run-off triangles.

It is noted for calculation purposes that last risk date was grouped into last risk year and claims date into claims year. Last risk year and claims year are defined as the twelve-month period for 31 March of the particular year.

The IBNR provision comprises the TB Liability and the Permanent Disease Liability.

Claims in relation to the TB Liability were categorised as follows:
- TB Initial (combination of TB Current and TB Can Antedate)
- TB Reactivated (combination of TB Reactivation and TB Relapse)
- TB First Degree
- TB Second Degree

Within each category of claim, the following sub-categories were used based on the mine the individual worked for at claim date or last risk date:
- Gold
- Platinum
- Other commodities

The reason for subdividing TB claims into these groups was to obtain homogeneous groups to improve estimates of future claim payments.

The following methodology was applied to determine the TB Liability as at 31 March 2025:
- The ultimate number of claims were projected for last risk years up to the end of 31 March 2025 by applying a development pattern to the cumulative proportion of claims observed to have been reported to 31 March 2025. This process was repeated to determine incremental claims per development year for each applicable last risk year.
- To allow for complete claims experience, current certification guidelines and based on an analysis of the data, a 7 year development period was used in determining the development pattern.
- The average cost per claim was derived by analysing the underlying distribution of claim amounts awarded and subsequently paid per claim year. The following disease categories were analysed separately, based on the separate rules stipulated in the ODMWA with regard to the way in which award amounts are calculated:
    - TB Loss of Earnings (consists of TB Initial and TB Reactivated)
    - TB First Degree
    - TB Second Degree
- With respect to TB Loss of Earnings and TB Second Degree, the mean of the underlying distributions were used.
- With respect to TB First Degree, the mode of the underlying distributions were used which corresponds to the maximum benefit as per the ODMWA.
- The average cost per claim for TB Loss of Earnings was projected forward by the observed 'inflation rate'.
- The average cost per claim for TB First Degree was projected forward by applying inflation to the maximum benefit each year.

6. Provisions (continued)

- The average cost per claim for TB Second Degree was projected forward by adjusting the underlying distribution to each subsequent claims year by keeping the minimum and maximum benefits and the benefits falling between these amounts by inflation each year (subject to the applicable maximum benefit).
- The total claim amounts per development year for each last risk year was calculated by multiplying the expected number of claims in each development year (for each risk year) by the average cost per claim for that year. With respect to TB Loss of Earnings, a proportion of claims result in no loss once assessed. These claims have therefore been reduced by the proportion of claims expected to result in no loss.
- A payment rate (probability of payment) was applied to total outstanding claims to allow for a proportion of the ultimate claims that will result in no payment.
- A settlement pattern was applied to the proportion of claims assumed to be paid in each development year for each last risk year. This gives an estimate of total claims that will be settled per claim year and settlement year. The settlement pattern was derived for the following groupings:
  - TB Loss of Earnings (consists of TB Initial and TB Reactivated)
  - TB Permanent Diseases (consists of First Degree and Second Degree)

  A 9-year settlement period was used in respect of both these groupings.
- Expected future claim amounts to be paid per settlement year for each claims year were discounted to 31 March 2025 using the BEASSA nominal zero-coupon yield curve as at 31 March 2025.
- The TB Liability equals to the sum of these discounted future claim payments across all settlement years for all risk years.

With regards to the Permanent Diseases Liability, allowance has been made for under-reporting. Under-reporting exists where workers are eligible to claim from the Fund but do not do so for various reasons. This is particularly relevant to permanent diseases such as silicosis and asbestosis where there is a long latency period. Under-reporting therefore means liabilities based on actual claims experience will not reflect the true number of ultimate claims that may arise in future.

The methodology for the Permanent diseases liability involved the following process:

Claims in relation to the Permanent Disease Liability were categorised as follows:
- Silicosis First Degree
- Silicosis Second Degree
- Asbestos-related Diseases First Degree
- Asbestos-related Diseases Second Degree
- Obstructive airway disease (OAD) First Degree
- OAD Second Degree
- Other First Degree
- Other Second Degree

The reason for subdividing Permanent Disease claims into these groups was to obtain homogeneous groups to improve estimates of future payments.

Within each category of claim, the following sub-categories have been used based on racial categorisation:
- Black
- White

The reason for subdividing the categories into sub-categories based on racial classification is to determine the extent of under-reporting with regards to Permanent Disease Claims.

The following methodology was applied to determine the Permanent Disease Liability as at 31 March 2025:
- The ultimate number of claims were projected for last risk years up to the end of 31 March 2025 by applying a development pattern to the cumulative proportion of claims observed to have been reported to 31 March 2025. This process was repeated to determine incremental claims per development year for each applicable last risk year.

6. Provisions (continued)

- To allow for complete claims experience, current certification guidelines and based on an analysis of the data, the development patterns have been allowed for over the following number of years:
  - Asbestos-related diseases: 55 years
  - Silicosis: 45 years
  - OAD: 10 years
  - Other: 55 years
- The ultimate number of claims expected to arise for last risk years 2004 to 2025 was determined applying this method. The ultimate number of claims for risk years prior to 2004 was done in conjunction with the estimation of under-reported claims.
- The average cost per claim was derived by analysing the underlying distribution of claim amounts awarded and subsequently paid per claim year. The following disease categories were analysed separately, based on the separate rules stipulated in the ODMWA with regard to the way in which award amounts are calculated:
  - Permanent Disease First Degree
  - Permanent Disease Second Degree
- With respect to Permanent Disease First Degree, the mode of the underlying distributions were used which corresponds to the maximum benefit as per the ODMWA.
- With respect to Permanent Disease Second Degree, the mean of the underlying distributions were used.
- The average cost per claims for Permanent Disease First Degree was projected forward by applying inflation to the maximum benefit each year.
- The average cost per claim for Permanent Disease Second Degree was projected forward by adjusting the underlying distribution to each subsequent claims year by keeping the minimum and maximum benefits and the benefits falling between these amounts by inflation each year (subject to the applicable maximum benefit).
- A payment rate (probability of payment) was applied to total outstanding claims to allow for a proportion of the ultimate claims that will result in no payment.
- A settlement pattern was applied to the proportion of claims assumed to be paid in each development year for each last risk year. A 9 year settlement period was used.
- Expected future claim amounts to be paid per settlement year for each claims year were discounted to 31 March 2025 using the BEASSA nominal zero-coupon yield curve as at 31 March 2025.
- The number of under-reported claims were estimated as follows:
  - The development pattern for white workers is assumed be representative of the true development of permanent diseases such as Silicosis.
  - Within the black and white workers' development patterns, active workers claim within development year zero and ex-workers claim after development year zero. Under-reporting is minimal with respect to active workers. Under-reporting is therefore assumed to occur predominantly for black ex-workers.
  - The proportion of black ex-workers claiming after development year zero was adjusted such that the proportion of black workers claiming in development year zero to the proportion of black ex-workers claiming after development year zero equals the proportion of white workers claiming in development year zero to the proportion of white ex-workers claiming after development year zero. This was applied to last risk years from 2004 to 2025.
  - Frequency rates (excluding and including under-reporting) were estimated for this period and projected prior to 2004. This projection was done using historical claim numbers to calibrate frequency rates excluding under-reporting prior to 2004. The relationship between post 2003 frequency rates including and excluding under-reporting was used to determine pre 2004 frequency rates including under-reporting.
  - Pre-2004 frequency rates including and excluding under-reporting were applied to estimated total risk shifts prior to 2004 to determine total ultimate claims including and excluding under-reporting for last risk years prior to 2004.
  - An adjustment was made for under-reported black silicosis second degree claims to ensure reasonable progressions in the frequency rates after allowing for corrections to under-reporting - this was as a result of Silica-TB claims in black workers, resulting in an immediate second degree certification, thereby distorting the relative frequency rates of black silicosis first degree claims versus black silicosis second degree claims.
  - The proportion of the total ultimate number of claims excluding under-reporting relating to last risk years prior to 2004 expected to be reported and certified after 31 March 2025 was determined by using the applicable development patterns.

Figures in Rand	2025	2024

6. Provisions (continued)

- ° Past under-reported claims was calculated as the difference between ultimate claims including and excluding under-reporting that are assumed to have developed by 31 March 2025.
- ° After the payment rate was applied, a settlement pattern was applied to past under-reported claims with effect 1 April 2025. Mortality was allowed for to allow for the probability of survival from the point the worker should have claimed to the valuation date.
- ° Future under-reported claims were calculated as the difference between ultimate claims including and excluding under-reporting that are assumed to arise after 31 March 2025 for last risk years to 31 March 2025. After the payment rate was applied, these were assumed to be settled in line with claims arising through the normal course of events.

- Expected future claim amounts to be paid per settlement year for each claim years were discounted to 31 March 2025 using the BEASSA nominal zero-coupon yield curve as at 31 March 2025.
- The Permanent Liability equals to the sum of these discounted future claim payments across all settlement years for all risk years.

Pensioner liability

In determining the value of the pensions that are expected to be paid, we have applied monthly pensions over the remaining expected lifetime of the individual from the valuation date. These monthly pensions are adjusted on an annual basis for inflation. Each monthly pension is multiplied by the probability that the pensioner will be alive at that point and then discounted back to the valuation date. The total value of these pension payments is the sum of all the discounted value of these payments across all the pensioners.

Assumptions

The following were the principal assumptions at the reporting date:

Economic assumptions

The economics assumptions used for the purposes of the valuation are:

- Annual cash flows have been discounted at the rate implied by the BEAASA nominal zero-coupon bond curve as at 31 March 2025 at that point in time.
- Inflation is calculated to be the difference between the yields on the BEASSA nominal zero-coupon bond curve and real zero bond curve as at 31 March 2025. An inflation risk premium of 0.5% has been applied.

Demographic assumptions

The demographic assumptions used for the purposes of the valuation are:

- Mortality: It was assumed that the mortality for under-reported claims arising to the valuation date would be in line with the 1985 base mortality table for black males in the ASSA AIDS model.

Other assumptions

	2025	**2024**
	%	**%**
Future 'inflation rate' for TB Loss of Earnings	12	12
Proportion of TB Loss of Earnings claims that result in no loss	8	8
TB Liability - percentage future claims that will be paid	80	80
Permanent Disease Liability - percentage future claims that will be paid	85	85
Permanent Disease Liability - percentage of under-reported claims that will be paid	75	75

6. Provisions (continued)

Sensitivity analysis

Where variables are considered to be immaterial, no impact has been assessed for insignificant changes to these variables. Particular variables may not be considered material at present. Should the materiality level of an individual variable change however, an assessment of reasonable possible changes to that variable in the future may be required.

The Fund believes that the stated discounted provision is reasonable. It was calculated on a best estimate basis. The actual payments will differ from the estimated liability, as the estimate was based on certain variables and assumptions.

The sensitivity of some of the assumptions is shown in this table:

2025	**Benefits due**	**IBNR provision**	**Impact on deficit / accumulated surplus**
	R	*R*	*R*
Base scenario	884 467 766	2 204 626 374	-
Scenario 1: 90% TB payment, 95% Other Permanent payment	964 753 698	2 305 245 589	(180 905 147)
Scenario 2: 70% TB payment, 75% Other Permanent payment	594 003 677	2 104 007 160	391 083 303

2024	**Benefits due**	**IBNR provision**	**Impact on surplus / accumulated surplus**
	R	*R*	*R*
Base scenario	661 915 757	2 227 296 493	-
Scenario 1: IBNR and Benefits Due: 80% TB payment, 70% Other Permanent payment	592 316 126	2 113 021 321	183 874 803
Scenario 2: IBNR and Benefits Due: 80% TB payment, 55% Other Permanent payment	522 716 494	1 998 746 148	367 749 608

The effective date of the actuarial valuation was 31 March 2025. The actuarial valuation was performed independently by Deloitte & Touche, Actuarial & Analytical Solutions.

Part F - Annual financial information

6.9 Notes to the Annual Financial Statements

Figures in Rand	2025	2024

7. Payables from exchange transactions

Trade payables	69 624 870	76 040 610
Other payables from exchange transactions	15 203 194	2 929 832
	84 828 064	**78 970 442**

8. Payables from non-exchange transactions

National Treasury	30 250 450	24 144 712
Other payables from non-exchange transactions	380 000	380 000
	30 630 450	**24 524 712**

9. Revenue

Levy income	107 033 021	127 413 512
Other income - Movement in provisions	-	127 269 875
Other income - Debt impairment	30 953 359	-
Other income	3 315 615	-
Interest received	486 090 411	466 545 805
Goods and services in-kind from the NDOH	56 224 982	53 959 214
Pension payments transfer utilised	1 904 254	209 304
	685 521 642	**775 397 710**

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

Levy income	107 033 021	127 413 512
Other income - Movement in Provisions	-	127 269 875
Other income - Debt impairment	30 953 359	-
Other income	3 315 615	-
Interest received	486 090 411	466 545 805
	627 392 406	**721 229 192**

The amount included in revenue arising from non-exchange transactions is as follows:
Transfer revenue

Goods and services in-kind from the NDOH	56 224 982	53 959 214
Pension payments transfer utilised	1 904 254	209 304
	58 129 236	**54 168 518**

Basis on which fair value of inflowing resources was measured

Transfers:

Services in-kind from the NDOH - Employee related costs	Measured at the value of the employee related expenses incurred by the NDOH which relate to the CCOD.
Goods and services in-kind from the NDOH	Measured at the value of goods and service related expenses incurred by the NDOH which relate to the CCOD.
Pension payments transfer utilised	Measured at the fair value of the movement in the provision for pensioner liability through the statement of financial performance.

Figures in Rand	2025	2024

9. Revenue (continued)

Nature and type of goods in-kind are as follows:

Goods in-kind from the NDOH	Goods in-kind represents expenditure incurred on behalf of the CCOD by the NDOH which includes operational expenses on goods necessary for the functioning of the CCOD.
Rental paid for CCOD buildings	The NDOH pays rent to the Department of Public Works for the CCOD premises at 144 De Korte Street. The rental for 144 De Korte Street is included in a rental covering a number of buildings. The Department of Public Works has not allocated the rental payable by the NDOH to the various locations and so it is not possible to determine the rental paid.

Nature and type of services in-kind are as follows:

Services in-kind from the NDOH	Services in-kind represents expenditure incurred on behalf of the CCOD by the NDOH which includes employee-related and operational expenses necessary for the functioning of the CCOD.
Services in-kind from social partners and the mining industry	The Minerals Council South Africa and other social partners supported various business process reforms at the CCOD. These included IT systems development, secondment of medical doctors to the Certification Committees of the MBOD, technical support for the preparation of the annual reports and financial statements, funding for the electronic database, and tracking and tracing of claimants and beneficiaries. Funding support was made available by the social partners through the provision of technical expertise, human resources and funding for outreach initiatives rather than through direct cash transfers to the CCOD. Refer to note 29 for additional information on the assistance from the Minerals Council South Africa.

10. Levy income

	2025	2024
Section 62 levies	104 901 653	125 923 307
Section 63 research levies	1 469 260	1 490 205
Section 65 penalties	662 108	-
	107 033 021	**127 413 512**

The amount included in levy income arising from section 62 and 63 levies transactions amounted to R106 370 913 (2024: R127 413 512).

The amount included in levy income arising from penalties levied in terms of section 65 of the ODMWA amounted to R662 108 (2024: RNil).

Part F - Annual financial information

6.9 Notes to the Annual Financial Statements

Figures in Rand	2025	2024

11. Other income - Movement in provisions

Movement in provisions		
Disease in the First Degree - Section 80(1)	30 719 824	110 362 358
Disease in the Second Degree - Section 80(3)	(330 605 300)	(10 450 922)
Tuberculosis at 75% - Section 80(1)	(11 251 490)	26 531 157
Tuberculosis in the First Degree - Section 80(4)	(2 293 342)	16 299 777
Tuberculosis in the Second Degree - Section 80(2)(b)	(1 659 931)	(17 895 481)
Pensioner liability	(1 739 682)	-
PH Provision	-	2 422 986
	(316 829 921)	**127 269 875**

The table above shows the split in the movement in provisions. If the net movement in provisions (excluding unwinding costs) is a release to provisions then the amount is shown with other income - movement in provisions (refer note 11). If the net movement in provisions (excluding unwinding costs) is an increase to provisions then the amount is shown with movement in provisions expenses (refer note 19). The split above is shown for comparative purposes.

12. Other income - Debt impairment

Movement in debt impairment provision	30 953 359	-

Refer to note 4 for the reconciliation of the movement in the provision for debt impairment.

13. Other income

Recovery from NDOH - Section 74	2 651 832	-
Payables from exchange release	663 783	-
	3 315 615	**-**

The amount included in other income arising from exchange transactions amounted to R3 315 615 (2024: RNil).

14. Interest received

Interest revenue		
Interest on investments	480 091 464	459 016 260
Interest on cash and cash equivalents	2 143 526	3 494 390
Interest charged on trade and other receivables	3 855 421	4 035 155
	486 090 411	**466 545 805**

The amount included in interest income arising from exchange transactions amounted to R486 090 411 (2024: R466 545 805).

15. Goods and services in-kind from the NDOH

Goods and services in-kind from the NDOH	56 224 982	53 959 214

Goods and services in-kind from the NDOH comprise:		
Non-exchange - services in-kind - employee related expenses	36 005 420	34 693 164
Non-exchange - goods and services in-kind	20 219 562	19 266 050
	56 224 982	**53 959 214**

Part F - Annual financial information

6.9 Notes to the Annual Financial Statements

Figures in Rand	2025	2024

16. Pension payments transfer utilised

Pension payments transfer utilised	1 904 254	209 304

The table below shows the split of the related expenditure for the pension payments transfer utilised non-exchange revenue:

Pension liability expenditure split:		
Expenditure - Pension payments transfer utilised	-	209 304
Expenditure - Pension payments transfer utilised	-	209 304
Finance costs - Provisions - Unwinding adjustment (Refer note 17)	164 572	-
Movement in provisions (Refer note 19)	1 739 682	-

17. Finance costs

Trade and other payables	5 156 584	5 856 238
Provisions - Unwinding adjustment	291 828 474	283 519 509
Interest - State account	4 745 507	-
	301 730 565	**289 375 747**

18. Debt impairment and bad debts written-off

Debt impairment

Contributions to debt impairment provision	-	11 494 521
Bad debts written-off	-	(3 042 463)
	-	**8 452 058**

Refer to note 4 for the reconciliation of the movement in the provision for debt impairment.

Bad debts written off

Bad debts written-off	17 100 722	4 145 985
	17 100 722	**4 145 985**

Bad debts are written-off in accordance with the debt write-off policy adopted by the Fund and relate to long outstanding balances.

6.9 Notes to the Annual Financial Statements

Figures in Rand	2025	2024

19. Movement in provisions

Movement in provisions		
Disease in the First Degree - Section 80(1)	30 719 824	110 362 358
Disease in the Second Degree - Section 80(3)	(330 605 300)	(10 450 922)
Tuberculosis at 75% - Section 80(1)	(11 251 490)	26 531 157
Tuberculosis in the First Degree - Section 80(4)	(2 293 342)	16 299 777
Tuberculosis in the Second Degree - Section 80(2)(b)	(1 659 931)	(17 895 481)
Pensioner liability	(1 739 682)	-
PH Provision	-	2 422 986
	(316 829 921)	**127 269 875**

Movement in provision
If the net movement in provisions (excluding unwinding costs) is a reduction in provisions then the amount is shown with other income - movement in provisions (refer note 11). If the net movement in provisions (excluding unwinding costs) is an increase to provisions then the amount is shown with movement in provisions expenses (refer note 19).

20. General expenses

Actuarial valuation expenses	1 885 802	1 885 802
Bank charges	575 675	710 497
	2 461 477	**2 596 299**

21. Cash generated from operations

(Deficit) surplus	(8 826 025)	416 659 103
Adjustments for:		
Finance costs	301 241 152	288 358 716
Debt impairment	(30 953 359)	8 452 058
Bad debts written-off	17 100 722	4 145 985
Net movement in provisions (excluding unwinding adjustment)	(90 449 256)	(342 486 240)
Movement in accrued interest on investments	25 199 661	(15 967 731)
Changes in working capital:		
Receivables from exchange transactions	(4 489 832)	969 351
Payables from exchange transactions	1 190 451	3 924 343
Payables from non-exchange transactions	1 360 231	1 525 696
	211 373 745	**365 581 281**

Figures in Rand	2025	2024

22. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At amortised cost	Total
Investments	5 919 154 354	5 919 154 354
Cash and cash equivalents	63 483 689	63 483 689
	5 982 638 043	**5 982 638 043**

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	84 828 064	84 828 064
Payables from non-exchange transactions	30 630 450	30 630 450
	115 458 514	**115 458 514**

2024

Financial assets

	At amortised cost	Total
Investments	5 727 062 890	5 727 062 890
Cash and cash equivalents	69 401 069	69 401 069
	5 796 463 959	**5 796 463 959**

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	78 970 442	78 970 442
Payables from non-exchange transactions	24 524 712	24 524 712
	103 495 154	**103 495 154**

Figures in Rand	2025	2024

23. Contingencies

Contingent assets

Section 74(a) of the ODMWA states “The Minister shall pay, from moneys appropriated by Parliament for that purpose, to the commissioner for the credit of the relevant account of the compensation fund any amount which is due to the commissioner by an owner of a controlled mine or a controlled works under any provision of this Act and which the Commissioner is unable to recover from that owner, but excluding any interest due under section 64 or 66 or any penalty imposed under section 65." The amount which is potentially recoverable from the Minister, in the event that the Fund is unable to recover from the owner, is R12 143 655 (2024: R22 834 255).

Section 74(b) of the ODMWA states “The Minister shall pay, from moneys appropriated by Parliament for that purpose, to the Commissioner for the credit of the relevant account of the compensation fund any amount paid from the compensation fund to any person who was not entitled to receive such amount, and which the commissioner is unable to recover from such person”. The amount which is potentially recoverable from the Minister, in the event that the Fund is unable to recover from the person is R470 232 (2024: R445 678).

Contingent liabilities

The Fund has potential liabilities resulting from historical beneficiary payments that are under investigation. The maximum possible liability to the Fund from known investigations is R269 166 (2024: R269 166).

24. Related parties

Relationships	
Controlling entity	NDOH
Committee with significant influence	Advisory Committee
Members of key management	Dr MB Kistnasamy (Compensation Commissioner for Occupational Diseases and Accounting Authority) Ms T Mama (Deputy Compensation Commissioner for Occupational Diseases)

Related party balances

	2025	2024
Amounts included in Receivables from exchange transactions		
NDOH	2 651 832	-

The receivable from the NDOH was raised for the recovery of amounts due to the commissioner by an owner of a controlled mine or a controlled works under the ODMWA and which the commissioner is unable to recover from that owner. This receivable excludes any interest due under section 64 or 66 or any penalty imposed under section 65. No security or guarantees have been provided.

Related party transactions

	2025	2024
Transfer payments for pension payments		
NDOH	1 813 000	1 735 000
Goods and services in-kind from the NDOH		
NDOH	56 224 982	53 959 214
Recovery from the NDOH - Section 74		
NDOH	2 651 832	-

The transactions above represent transfer payments from the NDOH for the payment of pensions, the assistance necessary for the functioning of the CCOD and the recognition of revenue for the recovery from the NDOH under the requirements of section 74 of the ODMWA.

Figures in Rand	2025	2024

24. Related parties (continued)

Key management information

Role	**Name**	**Description**
Compensation Commissioner for Occupational Diseases	Dr MB Kistnasamy	Per the ODMWA the Compensation Commissioner for Occupational Diseases is responsible for administering and controlling the Fund.
Accounting Authority	Dr MB Kistnasamy	The Compensation Commissioner is the Accounting Authority, as he is in charge of the Fund in terms of ODMWA and as such is the Accounting Authority in terms of the PFMA section 49(2)(b).
Deputy Compensation Commissioner for Occupational Diseases	Ms T Mama	Per the ODMWA the Deputy Compensation Commissioner for Occupational Diseases is required to act in the place of the Compensation Commissioner whenever there is no commissioner or the commissioner is absent or is for any other reason unable to perform his functions.

The salaries for key management are paid by the NDOH and are included in the Goods and services in-kind from the NDOH. Refer to note 15.

The costs for the Advisory Committee are paid by the NDOH and are included in the Goods and services in-kind from the NDOH. Refer to note 15.

25. Risk management

Financial risk management

The Fund’s activities expose it to a variety of financial risks including market risk (including cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Fund’s principal financial liabilities are benefits payable to workers and ex-workers. The Fund’s principal financial assets include interest bearing investments with the CPD, short-term fixed deposits and cash and cash equivalents from its operations.

The Fund monitors the management of these risks.

Figures in Rand	2025	2024

25. Risk management (continued)

Liquidity risk

The Fund manages liquidity risk through ensuring adequate reserves and liquid resources are maintained.

Financial liabilities include payables from exchange transactions and payables from non-exchange transactions, which are due in less than one year. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The table below analyses the entity's financial liabilities into relevant maturity groupings as the Fund does not have an unconditional right to defer settlement post 12 months after balance sheet date.

2025 - Financial liabilities	**Not later than one year**
Payables from exchange transactions	84 828 064
Payables from non-exchange transactions	30 630 450
	115 458 514

2024 - Financial liabilities	**Not later than one year**
Payables from exchange transactions	78 970 442
Payables from non-exchange transactions	24 524 712
	103 495 154

Credit risk

Maximum exposure to credit risk is represented by the carrying amounts of investments and cash and cash equivalents in the statement of financial position. The risk is managed by investing surplus funds per Treasury requirements and guidelines for an entity of government with funds under management.

Funds are deposited with the CPD, which is a subsidiary of the South African Reserve Bank. In addition, the Minister of Finance approved that funds can be deposited in a short-term fixed deposit in a rated registered bank or financial institution.

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

Financial instrument	**2025**	**2024**
Investments - CPD	3 051 289 780	2 818 258 191
Short-term call deposits - FNB	109 476 931	75 255 171
Short-term fixed deposits - Absa	370 208 489	340 176 506
Short-term fixed deposits - FNB	2 388 179 154	2 493 373 022
Cash and cash equivalents - Absa	61 759 712	68 323 100
Cash and cash equivalents - FNB	1 723 977	1 077 969

Market risk

Interest rate risk

As the Fund has significant interest-bearing assets, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The estimated fair value at 31 March 2025 has been determined using the market value and appropriate valuation methodologies, but are not necessarily indicative of the amounts the Fund could realise in the normal course of business. The fair value of financial instruments equals their carrying value, either because of the short-term nature and normal trade terms thereof, or the market-related interest rates attached to them.

Figures in Rand	2025	2024

25. Risk management (continued)

The Fund is exposed to cash flow interest rate risk on various financial assets including trade payables, cash and cash equivalents and investments.

The exposure to interest rate fluctuations in line with movements in the prime lending rate are managed to minimise the impact on the statement of financial performance by amongst others entering into fixed-rate instruments for investment balances held.

A reasonably possible change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) the deficit/surplus for the year by the amounts shown below.

This analysis assumes that all other variables remain constant.

31 March 2025	**100 bp increase**	**100 bp decrease**
Interest bearing investments - CPD	30 653 138	(30 373 435)
Short-term deposits	28 810 455	(28 547 566)
Cash and cash equivalents	637 755	(631 935)
Trade and other payables	(699 449)	693 066
	59 401 899	**(58 859 870)**

31 March 2024	**100 bp increase**	**100 bp decrease**
Interest bearing investments - CPD	28 312 112	(28 053 770)
Short-term deposits	29 221 738	(28 955 096)
Cash and cash equivalents	697 200	(690 839)
Trade and other payables	(763 901)	756 930
	57 467 149	**(56 942 775)**

Cash flow interest rate risk

Financial instrument	**Current interest rate**	**Due in less than a year**
Interest bearing investment - CPD	7,50 %	3 051 289 780
Short term call deposit - Mines	6,95 %	109 476 931
Short term fixed deposit - Mines	8,20 %	819 237 286
Short term fixed deposit - Mines	8,10 %	806 772 609
Short term fixed deposit - Mines	8,20 %	540 355 263
Short term fixed deposit - Mines	8,30 %	343 443 202
Short term fixed deposit - Works	8,20 %	221 813 996
Short term fixed deposit - Works	8,30 %	22 352 593
Short term fixed deposit - Research	8,30 %	4 412 694
Cash and cash equivalents - Mines	4,60 %	14 143 727
Cash and cash equivalents - Mines	4,75 %	1 723 977
Cash and cash equivalents - Research	4,60 %	12 594 483
Cash and cash equivalents - State	4,50 %	29 094 947
Cash and cash equivalents - Works	4,60 %	5 926 555
Trade payables	11,00 %	69 624 870

Price risk

The Fund is exposed to fluctuations in the employment market because its revenue is derived from risk shifts worked by employees in mines and works multiplied by the applicable levy rate per commodity.

26. Going concern

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus of R2 810 172 612 and that the entity's total assets exceed its liabilities by R2 810 172 612.

The Annual 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.

The Fund believes there is sufficient liquidity to meet short-term financial obligations as they become due, as current assets (R6 016 222 594) exceed current liabilities (R1 000 365 168) by R5 015 857 426 as at 31 March 2025.

27. Events after the reporting date

A settlement agreement for R9 266 273 was signed on 21 July 2025 in settlement of a legal claim for long outstanding debts. The amount relates to the settlement of the outstanding assessment balances in terms of section 62 and section 63 of the ODMWA for the 2017/2018 financial year. Outstanding interest to the value of R6 743 629 in relation to the assessments that were settled has been written-off in the 2024/2025 financial year and the long outstanding debt which had been included in the provision for debt impairment was reversed due to the subsequent event.

28. Budget differences

Material differences between budget and actual amounts

Material differences can be explained as follows:

<u>Statement of Financial Performance</u>

Other income - Debt impairment

Other income - Debt impairment was R30 953 359 compared to a budgeted debt impairment expense of R4 035 155. A number of long outstanding debtors were written-off in the current year, which were previously provided for, resulting in a reduction in the provision for debt impairment and a release to the statement of financial performance. The process to write-off long outstanding trade debtors is done in accordance with the revenue, receivables and debt write-off policy on a case-by-case basis and is therefore not included in the budget of the Fund. In addition the settlement of R9 266 273 in long oustanding debts has had a consequential reduction in the provision for debt impairment.

Other income

Other income of R3 315 615 is higher than the budget of RNil, consisting of a recovery in terms of section 74(a) of the ODMWA from the NDOH (R2 651 832) and a payables from exchange release (R663 783) in the year ended 31 March 2025. The section 74(a) recovery was originally forecast in the budget for the year ended 31 March 2026 and the payables from exchange release is a one-off event not budgeted for.

Interest received

Interest received for the year of R486 090 411 is R9 572 568 higher than the final budget of R476 517 843. The difference is due to a portion of the Investments invested at a marginally higher interest rate than what was anticipated in the budget.

Goods and services in-kind from the NDOH

Goods and services in-kind revenue from non-exchange transactions amounting to R56 224 982 was not included in the budget process as the the accounting entries relating to GRAP 23 have no net impact on the Annual Financial Statements of the Fund.

28. Budget differences (continued)

Pension payments transfer utilised

The pension payments transfer utilised income of R1 904 254 is R1 736 811 higher than the budget of R167 443. In the 2024/2025 financial year the Fund accounted for the pension benefits payable as a provision, which was not budgeted for. The pension payments transfer utilised of R1 904 254 is the net result to the statement of financial performance for the recognition of the pension liability as a provision, which consequently reduces the liability to National Treasury.

The pension payments transfer utilised expense of RNil is R167 443 lower than the budget of R167 443. The budgeted expense was for pension payments made. In the 2024/2025 financial year the Fund accounted for the pension liability as a provision and as such pension payments made are reflected as a reduction against the provision.

Finance cost

Finance costs of R301 730 565 is higher than the budget of R248 762 509 because of a higher discount rate utilised by the actuaries in the computation of the actuarial valuation compared to the rate used in the budget.

Bad debts written-off

Bad debts written-off of R17 100 722 is higher than a budget of RNil. This difference is due to several long outstanding debtors written-off in the current year. The process to write-off long outstanding trade debtors is done in accordance with the revenue, receivables and debt write-off policy on a case-by-case basis and is therefore not included in the budget process of the Fund.

Movement in provisions

The budget for movement in provisions amounting to R105 902 533 anticipated that there would be a net increase in the provision for benefits due and IBNR in line with a higher number of risk shifts and new certifications compared to prior years. The actuarial valuation of the provision done as at 31 March 2025 indicated that the movement in provision increased more than anticipated resulting in a movement in provision of R316 829 921.

General expenses

General expenses of R2 461 477 is R171 766 lower than the budget of R2 633 243. This is due to lower bank charges in the year compared to budget, due to a reduction in foreign payments as the payment to foreign bank accounts was placed on hold for a period in the year.

Statement of Financial Position

Receivables from exchange transactions

Receivables from exchange transactions was R20 825 384 higher than the budget of R12 759 167 mainly due to a one-off receivable from the NDOH relating to the recovery under section 74(a) of the ODMWA and the settlement agreement reached for R9 266 273 which was included in provision for debt impairment in the budget. The provision for debt impairment was further reduced by the higher than budgeted collection of historic debts.

Cash and cash equivalents

Actual cash and cash equivalents of R63 483 689 was lower than budget of R65 223 127 due to fluctuations in cash balances in the normal course of the business of the Fund.

Provisions

Current portion of the provision amounting to R884 906 654 was higher than the budget of R641 488 992 and non-current provisions of R2 205 684 814 is higher than budget of R2 204 534 711. The budget for provisions anticipated that there would be a smaller net increase in the provision for benefits due (current provisions) and IBNR (non-current provisions). The actuarial valuation of the provision done as at 31 March 2025 computed a higher benefits due and IBNR compared to the budget. The actuarial valuation methodology and assumptions are disclosed in note 6.

28. Budget differences (continued)

Payables from non-exchange transactions

Payables from non-exchange transactions of R30 630 450 is R4 460 182 higher than the budget of R26 170 268.

In the 2024/2025 financial year the Fund recognised the provision for pensioner liability and as a consequence the payables from non-exchange balance increased, which was not considered at the time the budget was prepared.

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of changes in the overall budget parameters.

<u>Statement of Financial Performance</u>

Levy income

The approved budget of R128 600 007 was reduced to R105 902 532 in the final budget due to lower levy rates for the 2024/2025 financial year after new levy rates were gazetted. The reduction in levy rates was offset by higher projected risk shifts in the final budget compared to the approved budget.

Debt Impairment

The final budget for debt impairment of R4 035 155 was R150 028 higher than the approved budget of R3 885 127. The debt impairment expense was adjusted in the final budget after taking into account the completed 2023/2024 Annual Financial Statements which indicated higher interest on long outstanding trade debtors which impacted the revised provision for debt impairment calculation in the final budget.

Pension payments utilised

The final budget for pension payments transfer utilised was R62 102 lower than the approved budget of R229 545 to account for the reduction in the number of pensioners receiving pension payments in line with the Pneumoconiosis Compensation Act, 1962 (Act 64 of 1962). The final budget forecast 14 pensioners to continue receiving pension payments which was revised downwards from 18 in the approved budget.

Finance Cost

The approved budget for Finance costs of R267 119 410 was reduced by R18 356 901 to R248 762 509 in the final budget. The reason for the reduction was because of lower discount rate used in the final budget after the actual actuarial valuation at 31 March 2024 reflected an updated discount rate.

Movement in provisions

The final budget for movement in provisions decreased from R128 600 007 to R105 902 533. The decrease in the final budget for the movement in provision was lower in the final budget as a consequence of a lower forecasted actuarial valuation.

General expenses

The approved budget for general expenses of R2 508 916 was increased to R2 633 243 in the final budget to allow for higher bank charges as a result of the forecasted higher number of payments for the year to foreign bank accounts.

28. Budget differences (continued)

Statement of Financial Position

Investments

The approved budget for Investments decreased by R176 966 991 from R6 096 512 569 to a final budget of R5 919 545 578. The decrease is due to the downward revision of interest rates in the final budget compared to the approved budget as a result of reductions in the repo rate in South Africa. In addition, higher projected benefit payments combined with lower projected levy income for the 2024/2025 financial year resulted in the lower final budget for investment balances.

Receivables from exchange

The final budget for Receivables from exchange of R12 759 167 was R17 838 388 lower than the approved budget of R30 597 555. The receivables from exchange budget was adjusted downward after the 2023/2024 annual financial statements indicated that the improved debtor management and efficient and timely mine inspections contributed to improved debt collection.

Cash and Cash equivalents

The budget for cash and cash equivalents fluctuates as a consequence of revisions of other items in the budget and as such the final budget of R65 223 127 was R70 872 847 lower than the approved budget of R136 095 974.

Provisions

The final budget for current provisions of R641 488 992 was R199 309 972 lower than the approved budget of R840 798 964 and the final budget for non-current provisions of R2 204 534 711 was lower than the approved budget of R2 508 670 546. The lower actuarial valuation for 31 March 2024 was completed after the approved budget was prepared and resulted in a downward revision in the provisions balance in the final budget.

Payables from exchange transactions

For payables from exchange transactions the final budget of R85 248 329 was R6 104 474 higher than the approved budget of R79 143 855. The budget was adjusted following the completion of the 2023/2024 annual financial statements that indicated an increase in payables from exchange from the approved budget.

29. Assistance from Social Partners

Minerals Council South Africa

The Minerals Council South Africa provided significant support for various business process improvements at the CCOD. Their contributions included the development of IT systems, the secondment of medical doctors to the MBOD Certification Committees, technical assistance for preparing annual reports and financial statements, funding for an electronic database, and efforts to track and trace claimants and beneficiaries. The Minerals Council’s support is in the form of technical expertise, human resources and funding for outreach initiatives, rather than direct cash transfers to the CCOD.

The Memorandum of Understanding between the Minerals Council South Africa and the NDOH stipulates that the maximum value of the support will not exceed R310 572 085 over a period of 7 years from 2019 to 2025.

The budgeted support for the extended 15 month period from 1 January 2024 to 31 March 2025 was R68 659 085, compared to the prior 12 month period from 1 January 2023 to 31 December 2023 which was R59 219 024.

Figures in Rand	2025	2024

30. Irregular expenditure

Opening balance as previously reported	31 440	31 440
Add: Irregular Expenditure - current	-	-
Closing balance	**31 440**	**31 440**

<u>Current year:</u>

No irregular expenditure in the current financial year.

<u>Prior period:</u>

No irregular expenditure in the current financial year.

Disciplinary steps taken/criminal proceedings

<u>Analysis of irregular expenditure reported in the current year</u>

Nature of expenditure	Disciplinary steps taken	R
Claims related expenditure	No irregular expenditure in the current year	-

<u>Analysis of irregular expenditure reported in the prior year</u>

Nature of expenditure	Disciplinary steps taken	R
Claims related expenditure	No irregular expenditure in the prior year	-

31. Fruitless and wasteful expenditure

Opening balance as previously reported	630 141	630 141

<u>Current year:</u>

No fruitless and wasteful expenditure in the current financial year.

<u>Prior period:</u>

No fruitless and wasteful expenditure in the prior financial year.

Disciplinary steps taken/criminal proceedings

Fruitless and Wasteful expenditure relating to previous years was submitted to the loss control function at the National Department of Health for assessment. The investigation and assessment by the loss control function was in progress as at 31 March 2025. To date no disciplinary steps have been taken.

National Department of Health

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