

MINES AND WORKS COMPENSATION FUND



Annual Report **2025 / 2026**

Annual Report for the year ended 31 March 2026

RP241/2026
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Part A – General Information

This Annual 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, 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 ODMWA 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.

For purposes of this Annual Report the terms CCOD/MBOD and Fund are used interchangeably.

1.2 Address

The CCOD and MBOD have one national office based in Johannesburg. 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)

1.6 Bankers

Absa and First National Bank (FNB)

1.7 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
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

1.8 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. The NDOH provides funds from the fiscus for the administration of the Fund.

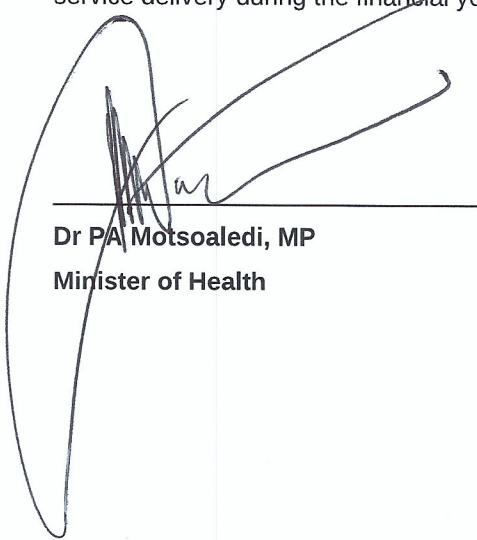
The Fund is congratulated on its achievement of an unqualified audit by the Auditor-General of South Africa in the 2024/2025 financial year and achieving all performance targets for the 2025/2026 financial year.

The Certification Committees of the MBOD conducted 21 275 certifications (average 1 772 per month) in the 2025/2026 financial year compared to 17 765 (average 1 480 per month) in the prior year through the collaboration with the Tshiamiso Trust. Over the 12-month period ending 31 March 2026, 5 949 claims were finalised amounting to R475 178 837 compared to 6 197 claimants amounting to R407 279 177 in the prior financial year.

The Risk Committee continued to function effectively in the 2025/2026 financial year with 58 operations declared as controlled operations in the financial year (2024/2025 financial year: 16 operations).

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, 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.

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



Dr PA Motsoaledi, MP
Minister of Health

1.9 Compensation Commissioner for Occupational Diseases' report

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

The Compensation Commissioner administers and controls the Fund in terms of the ODMWA and as such is the Accounting Authority in terms of section 49(2)(b) of the PFMA.

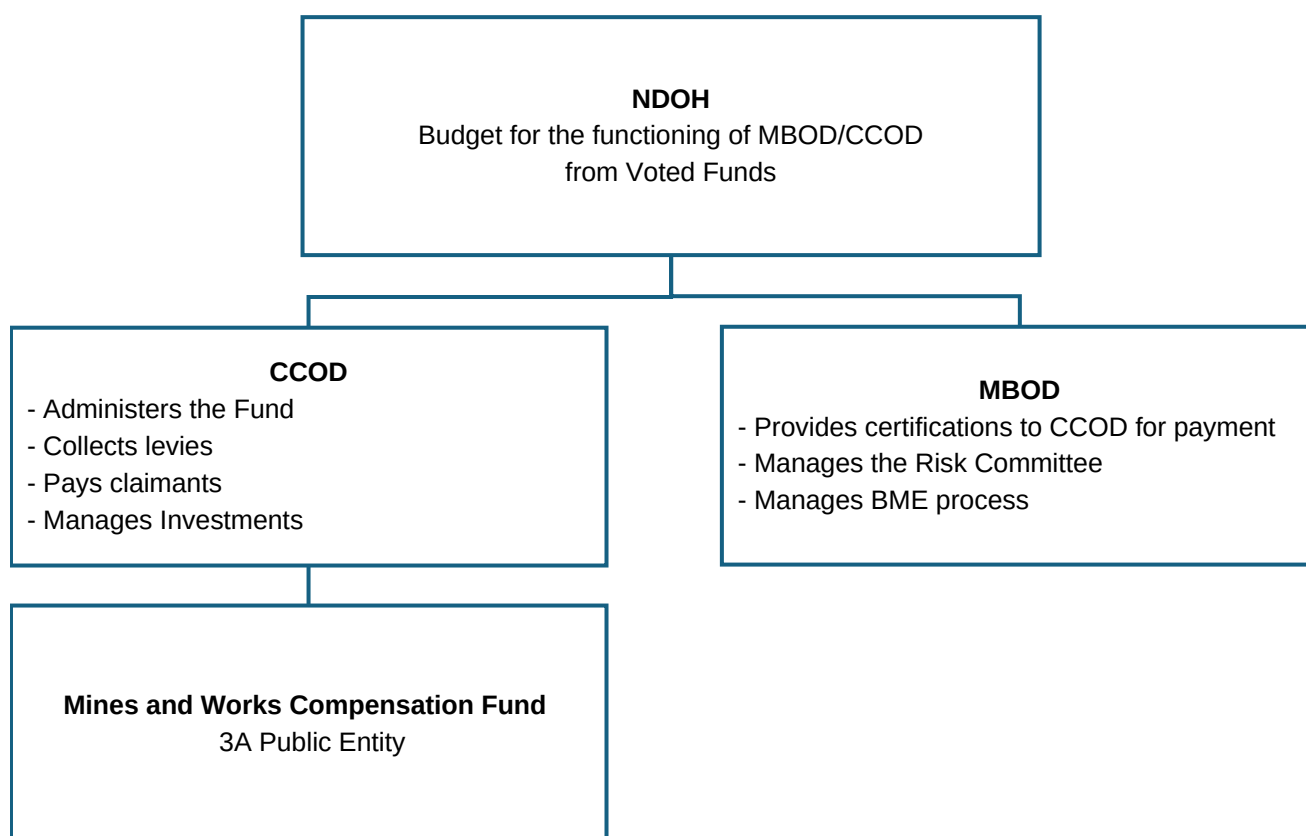
The Fund compensates workers and ex-workers in controlled mines and works, for occupational diseases of the cardio-respiratory system and reimbursement for loss of earnings incurred during Tuberculosis (TB) treatment. In the case where the worker or ex-worker is deceased, the Fund compensates their beneficiaries.

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

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. The purchasing function of the MBOD/CCOD is maintained centrally by NDOH supply chain management and NDOH supply chain management processes are in place and are required to be followed. The Fund does not make any purchases other than the payment of the actuarial valuation costs which is permissible in terms of 77A(2) of the ODMWA.

Overview and performance for the 2025/2026 financial year

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 2024/2025 financial year to Parliament in accordance with National Treasury's reporting deadlines. The Fund obtained an unqualified audit, with material findings, from the AGSA on the 2024/2025 Annual Financial Statements.

100 percent of targets in the Annual Performance Plan of the Fund were achieved in the 2025/2026 financial year with all five performance indicator targets being met. Refer to section 2.3 for the detailed performance information of the Fund.

MBOD/CCOD management continued collaborating with industry bodies and data sharing with Tshiamiso Trust in terms of outreaches in various regions in South Africa to locate and examine ex-mineworkers. Further notable events undertaken by the MBOD/CCOD include:

- Engagement with the Presidency regarding the Socio-Impact Assessment Study related to the new bill on compensation for occupational diseases
- Attendance at the World TB Day activities
- Worked with the StopTB Partnership for demonstration of the use of the ultraportable X-ray unit
- Roll-out of computer aided detection tools for TB and implementation at five mining sites
- Participation in meetings of the Mozambique study on the use of ultraportable X-ray units and computer-aided detection tools for occupational lung diseases.

Going concern

The accumulated surplus of the Fund improved to R3,1 billion as at 31 March 2026 from R2,8 billion at 31 March 2025 in line with the surplus for the year. Management believes there is sufficient liquidity in the Fund to meet current financial obligations as they become due, as current assets (R6,1 billion) exceed current liabilities (R1,3 billion) by R4,8 billion at the year-end. No concerns were identified with regards to the economic viability of the Fund.

Actuarial valuation

NMG Consultants and Actuaries (Pty) Ltd were appointed as the external actuaries and performed a full external actuarial valuation of the Fund as at 31 March 2026.

Levies on controlled mines were adjusted from 1 August 2025 based on the 31 March 2025 actuarial valuation of the Fund in Government Notice No 6462 of Government Gazette 53097 of 31 July 2025.

Benefits, claims and certifications

An inflationary increase to benefits payable to claimants for first-degree and second-degree claims was implemented from 1 August 2025 in Government Notice No 6463 of Government Gazette 53098 of 31 July 2025. The revised amounts 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 R96 474 (2024/2025: 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 R214 820 (2024/2025: 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.

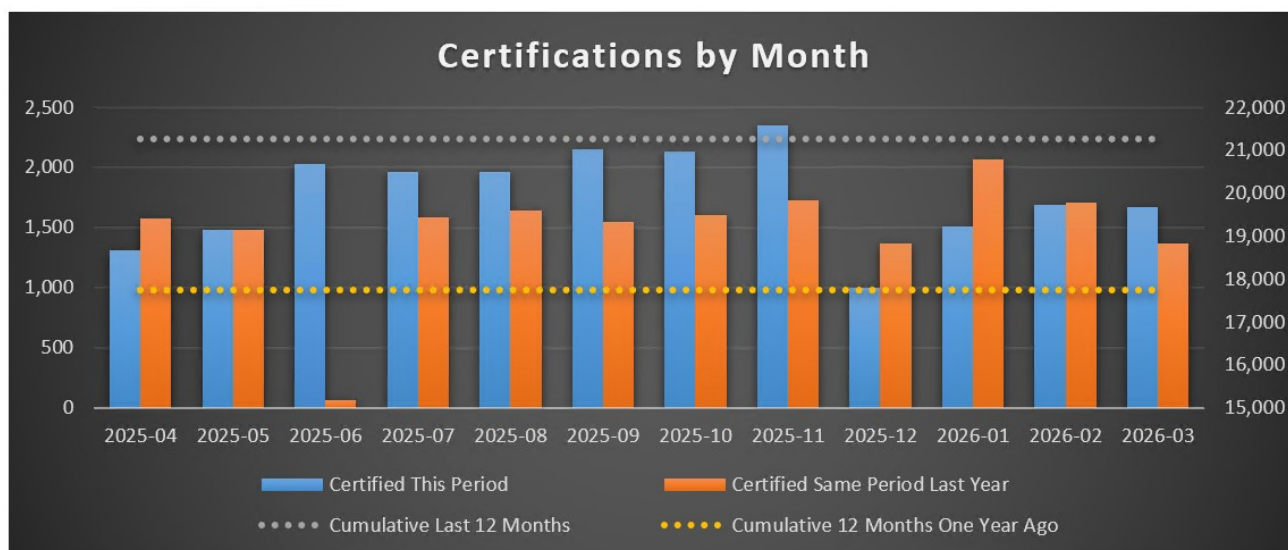
Refer to section 2.2.1 for additional information on the revised benefit payments.

Overall, there are 71 067 unpaid compensation claims amounting to R1,8 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.

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 29 530 calls (2024/2025: 21 403) for the year ending 31 March 2026 with 20 471 outgoing calls (2024/2025: 21 853) being made.

The Certification Committees of the MBOD conducted 21 275 certifications (average 1 772 per month) in the 2025/2026 financial year compared to 17 765 (average 1 480 per month) in the prior year benefitting from the collaboration with the Tshiamiso Trust.

Refer to the certifications per month chart with comparatives for the 12 months ending 31 March 2026:

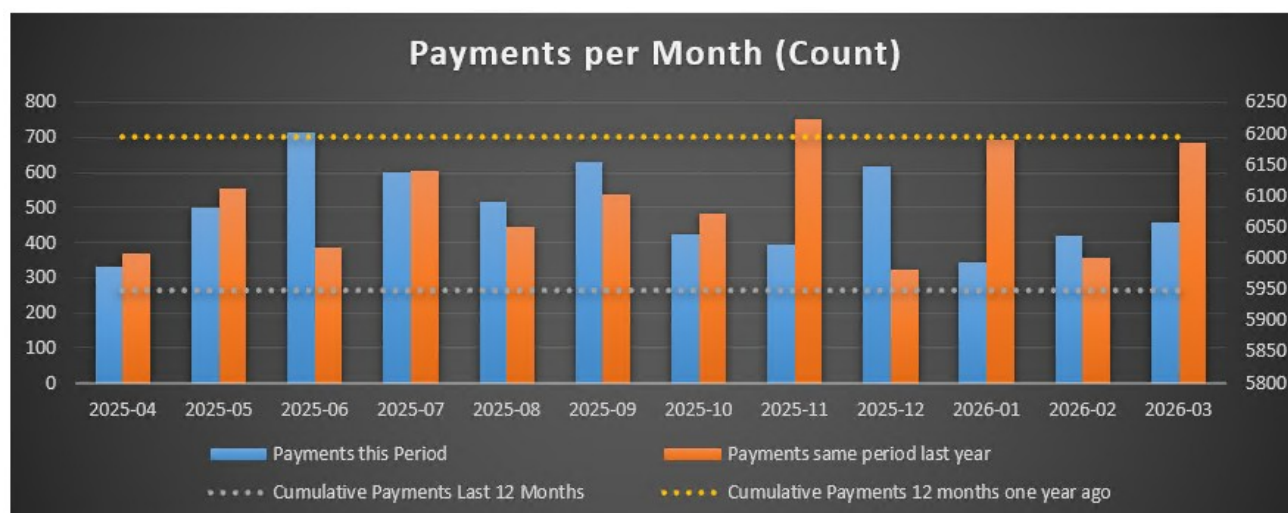


Certifications per month to 31 March 2026 (with comparatives)

There were 21 275 (2024/2025: 17 765) certifications during the 2025/2026 financial year made up as follows:

- 3 678 compensable claims (2024/2025: 8 869)
- 17 597 non-compensable claims (2024/2025: 8 896)

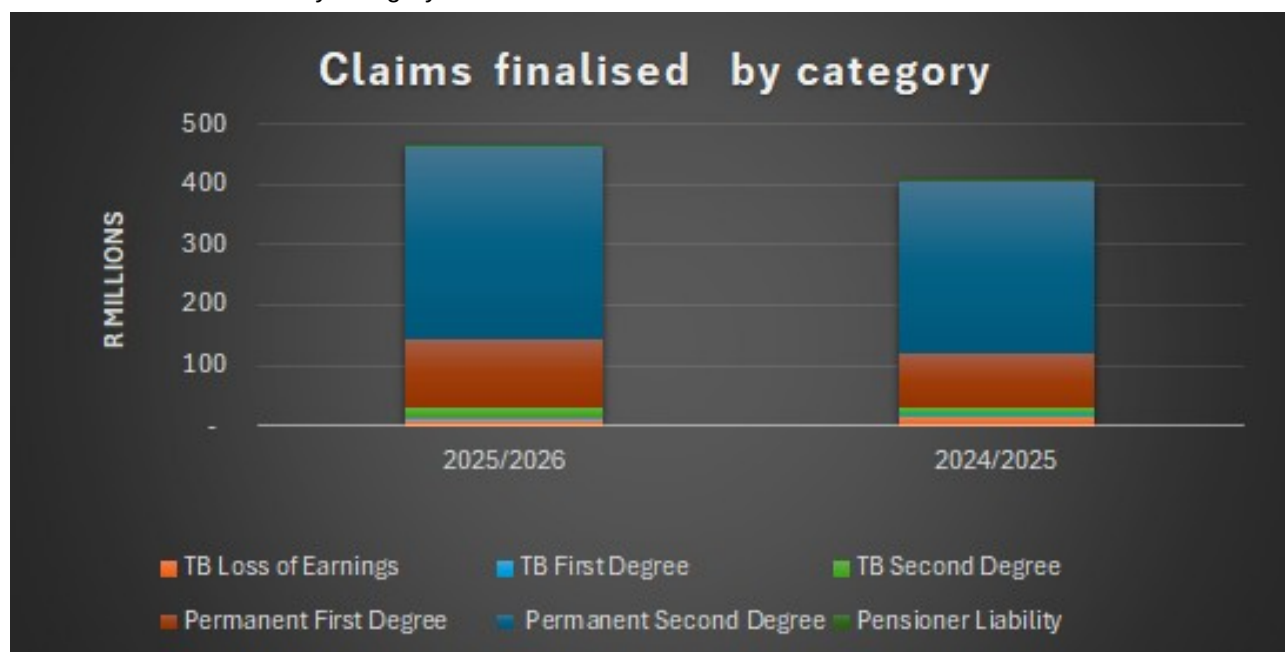
Refer to the payments per month chart with comparatives for the 12 months ending 31 March 2026:



Payments per month to 31 March 2026 (with comparatives)

Over the 12-month period ending 31 March 2026, 5 949 claims were finalised amounting to R475 178 837 compared to 6 197 claimants amounting to R407 279 177 in the prior financial year. The increase in the Rand value of claims finalised is due to higher number of first-degree and second-degree claims finalised relative to the prior year.

Refer to claims finalised by category chart below:



The CCOD continued to pay monthly pensions to 16 (2024/2025: 16) pensioners in terms of the Pneumoconiosis Compensation Act, No. 64 of 1962 which preceded the ODMWA. The monthly pensions are paid from voted funds.

Levies

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 in terms of section 62 of the ODMWA. A research levy of R0,02 per risk shift is also levied on controlled mines and works in terms of section 63 of the ODMWA. Penalties of R411,408 (2024/2025: R662,108) in accordance with section 65 of the ODMWA, were levied in the 2025/2026 financial year to facilitate compliance in the payment of outstanding assessments.

The Fund maintained a high collection ratio of 97% (97% in 2024/2025) of levy revenue raised in the 2025/2026 financial year. During the current financial year 141 inspections (2024/2025: 131 inspections) of mines and works were undertaken. On-site inspections were supported by telephonic enquiries and desktop reviews to assist with revenue assessments.

The Mining Industry Employee Database of South Africa (MIEDSA) online submission portal was launched in the prior year, 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. 100 percent of revenue submissions in the 2025/2026 financial year were made via the MIEDSA online submission portal.

The inspections, along with submissions on the MIEDSA online portal, contributed to more accurate submission of risk shift information and payments of levies by controlled mines and works.

The settlement agreement amount for R9,3 million, signed on 21 July 2025 in settlement of a legal claim for long outstanding debts, was received in the current year. 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. There were continued efforts on the recovery of other long outstanding debtor balances in the current financial year with engagement taking place with the State Attorney's office to facilitate formal recovery efforts of outstanding debt. The debtor management process and efforts of the inspection team resulted in an additional

R2,5 million in long outstanding debtor balances recovered during the year. Notwithstanding the efforts to recover long outstanding debts, the collection of the long outstanding debt remains a key challenge for management of the Fund, and as such a determination will need to be made regarding the viability of pursuing recovery of the outstanding historical debt.

Controlled mines and works

There are 940 controlled mines and works in the register as at 31 March 2026, with 235 active controlled mines and works liable for levies. The Risk Committee carried out its functions effectively during the 2025/2026 financial year, with 58 operations declared as controlled operations.

Classification	Gazette Number	Notice Number	Commencement Date
Afrimat Aggregate Operations (Pty) Ltd – Brewelskloof Quarry	52597	6170	01-May-25
Afrimat Aggregate Operations (Pty) Ltd – Kliprug Quarry	52597	6170	01-May-25
Afrimat Aggregate Operations (Pty) Ltd – Palmiet Quarry	52597	6170	01-May-25
Canyon Coal (Pty) Ltd – Gugulethu Colliery	52597	6170	01-May-25
Glencore Operations South Africa (Pty) Ltd – Helena Mine	52597	6170	01-May-25
Glencore Operations South Africa (Pty) Ltd (Pty) Ltd – Magareng Mine	52597	6170	01-May-25
Glencore Operations South Africa (Pty) Ltd (Pty) Ltd – Rhovan Mine	52597	6170	01-May-25
Glencore Operations South Africa (Pty) Ltd (Pty) Ltd – Thorncliffe Mine	52597	6170	01-May-25
Marula Platinum (Pty) Ltd – Marula Platinum	52597	6170	01-May-25
Iyanga Mining (Pty) Ltd – Klipfontein Colliery	52597	6170	01-May-25
Kumba Iron Ore (Pty) Ltd – Kolomela Mine	52597	6170	01-May-25
Sea of Mountains (Pty) Ltd – Lomoteng Mine	52597	6170	01-May-25
Sea of Mountains (Pty) Ltd – Lomoteng Mine	52597	6170	01-May-25
Mbuyelo Coal (Pty) Ltd – Khashani Colliery	52597	6170	01-May-25
Mbuyelo Coal (Pty) Ltd – Manungu Colliery	52597	6170	01-May-25
Midmar Quarry (Pty) Ltd – Midmar Quarry	52597	6170	01-May-25
Mzimkhulu Mining (Pty) Ltd – Mzimkhulu Colliery	52597	6170	01-May-25
Prieska Copper Zinc Mine (Pty) Ltd – Prieska Copper Zinc Mine	52597	6170	01-May-25
Rietvlei Mining Company (Pty) Ltd – Rietvlei Colliery	52597	6170	01-May-25
United Manganese Kalahari (Pty) Ltd – United Manganese Kalahari	52597	6170	01-May-25
South Africa Zijin Platinum – Nkwe Platinum	52597	6170	01-May-25
Inyanda Mining Holdings (Pty) Ltd – Inyanda Plant	52627	6185	01-May-25

Classification	Gazette Number	Notice Number	Commencement Date
Phola Coal Processing Plant (Pty) Ltd – Phola Coal Processing Plant	52627	6185	01-May-25
Upward Spiral 1471 (Pty) Ltd	52627	6185	01-May-25
Chilwavhusiki Colliery	53360	6625	01-Nov-25
Demaneng Mine	53360	6625	01-Nov-25
Nkomati Anthracite	53360	6625	01-Nov-25
Glenover Mine	53360	6625	01-Nov-25
Mototolo Mine	53360	6625	01-Nov-25
Elders Colliery	53360	6625	01-Nov-25
Dwarsrivier Chrome Mine	53360	6625	01-Nov-25
Moeijelijk Mine	53360	6625	01-Nov-25
Frischgewaagd Chrome Mine	53360	6625	01-Nov-25
Elandskraal Mine	53360	6625	01-Nov-25
De Groote Boom Mine	53360	6625	01-Nov-25
Modderfontein Gold Mine	53360	6625	01-Nov-25
Kalagadi Manganese Mine	53360	6625	01-Nov-25
Kropz Elandsfontein Mine	53360	6625	01-Nov-25
Langpan Mining Company	53360	6625	01-Nov-25
Mokala Manganese Mine	53360	6625	01-Nov-25
Gardinia Colliery	53360	6625	01-Nov-25
Nokeng Fuorspar Mine	53360	6625	01-Nov-25
Sedibeng Iron Ore Mine	53360	6625	01-Nov-25
Klipspruit Colliery	53360	6625	01-Nov-25
Brakfontein Colliery	53360	6625	01-Nov-25
Fairbreeze Mine	53360	6625	01-Nov-25
Tronox Namakwa Sands Northern Operations	53360	6625	01-Nov-25
Botleng Colliery	53360	6625	01-Nov-25
Boskop Mine	53360	6625	01-Nov-25
Central Africa Crushers	54045	7060	01-Mar-26
Grasvalley Chrome Mine	54045	7060	01-Mar-26
Sterkfontein Crushers	54045	7060	01-Mar-26
Idwala Lime	54045	7060	01-Mar-26
PPC Laezonia Quarry	54045	7060	01-Mar-26
Simuma Quarry	54045	7060	01-Mar-26
Sephaku Development Aganang	54045	7060	01-Mar-26
Sefateng Chrome Mine	54045	7060	01-Mar-26
Koppies Mine	54045	7060	01-Mar-26

A new risk determination methodology was gazetted in notice no. 5218 of Government Gazette no. 51271, dated 20 September 2024 with an 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.

Legislative enhancements

The Occupational Diseases in Mines and Works Act, 78 of 1973 (ODMWA) is a key piece of legislation governing the assessment, certification and compensation of workers and former workers in mines and works who have contracted occupational lung diseases as a result of exposure to harmful dust.

However, the ODMWA is outdated and misaligned with South Africa's constitutional imperatives and health system reforms and needs to be repealed and replaced with a new bill. A new Compensation for Occupational Diseases in Controlled Mines and Controlled Works (CODMW) Bill is in the process of being promulgated. The proposed CODMW Bill seeks to:

- Modernise the legislative framework for occupational lung diseases and compensation
- Strengthen governance and oversight of the compensation fund to prevent delays and leakages
- Improve access to compensation for workers and former workers in controlled mines and controlled works, and their beneficiaries by simplifying the administrative processes and creating a more client-centred system

The proposed CODMW 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

The State Law Adviser has approved the CODMW Bill. The final Socio-Economic Impact Assessment (SEIAS) has been certified by the Presidency. The Bill will now be submitted to the Cabinet for approval to be published for public comment.

Loss control

Neither the CCOD nor the 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 still in progress at the year-end.

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 management, 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 impact of this collaboration is seen in the higher Rand value of claimants paid and increased certifications.

The MBOD/CCOD continued with the digitisation of physical claimant files, stored with Metrofile, to facilitate faster processing of claims. 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

No 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:

- Recognition of subsequent events
- Misstatement of disclosure in the Annual Financial Statements pertaining to assistance from social partners
- Non-material misstatements of disclosures in the Annual Financial Statements
- Non-cash amounts included in the cash flow statement
- Clarification of the amount reflected as claims paid
- Unregistered mines included in receivables
- Record keeping of documentation
- Immaterial prior period errors not disclosed
- House-keeping matters on governance

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 management interventions over the period 2025/2026 to 2029/2030 are as follows:

- Finalising the legislative reforms;
- Ensuring the effective and efficient management of the Fund through collection of levies, certifications and payment of claims, and
- Working closely with stakeholders and social partners to resolve many of the legacy challenges facing the CCOD.

The Fund's focus over the medium term will be on maintaining 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.

Acknowledgements 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.

The breakdown of the sources of revenue are as follows:

Statement of financial performance item	Audited amounts			Budget	Actual	% deviation	
	2022/2023 R'000	2023/2024 R'000	2024/2025 R'000	2025/2026 R'000	2025/2026 R'000	from budget	from prior year
Levy income	120 955	127 414	107 033	103 281	102 550	(1%)	(4%)
Interest received	323 583	466 546	486 091	416 654	435 843	5%	(10%)
Movement in provisions	592 794	127 270	-	-	71 391	100%	100%
Debt impairment – Statutory receivables	40 360	-	30 953	-	-	-	(100%)
Debt impairment – Financial Instruments	-	-	-	-	303	100%	100%
Other income	-	-	3 316	4 307	5 612	30%	69%
Exchange revenue	1 077 692	721 230	627 392	524 242	615 698	17%	(2%)
Goods and services in-kind from the NDOH	51 687	53 959	61 588	-	64 679	100%	5%
Pension payments – non-exchange	359	209	1 904	225	88	(61%)	(95%)
Non-exchange revenue	52 046	54 168	63 492	225	64 767	-	2%
Total revenue	1 129 738	775 398	690 884	524 467	680 465	30%	(2%)

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

Movements in provisions (R71,4 million) relates to the “release” to provisions (net of unwinding costs) for the actuarial valuation being performed at 31 March 2026. Refer to note 7 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.

Other income of R5,6 million comprises the recovery from the NDOH in terms of section 74A of the ODMWA (R4,3m) for outstanding levy and research assessments which the Fund is unable to recover and a release in payables from exchange (R1,3 million).

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.

Please refer to note 36 in the Annual Financial Statements for commentary on actual results compared to budget.

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	
	2022/2023 R'000	2023/2024 R'000	2024/2025 R'000	2025/2026 R'000	2025/2026 R'000	from budget	from prior year
Finance costs	282 701	289 376	301 731	257 607	268 025	(4%)	(11%)
Movements in provisions	-	-	316 830	103 383	-	(100%)	(100%)
Goods and services in-kind (NDOH)	51 687	53 959	61 588	-	64 679	100%	5.0%
Debt impairment – Statutory Receivables	-	8 452	-	2 313	9 330	>100%	100%
Bad debts written-off – Statutory Receivables	-	4 146	17 101	3 084	323	(90%)	(98%)
Pension payments transfer utilised	359	209	-	-	-	-	-
General expenses	904	2 597	2 461	2 126	1 943	(9%)	(21%)
Total expenses	335 651	358 739	699 710	368 513	344 299	(7%)	(51%)

Finance costs represent the unwinding charge on the provision of R261,2 million (2024/2025 R291,8 million) and interest charges on payables from exchange transactions of R6,8 million (2024/2025 R5,2 million). The decrease in the unwinding charge was attributable to the lower interest rates in the current year in line with macroeconomic factors. Goods and services in-kind represent the cost to the NDOH for administration of the CCOD and MBOD. The R3,1 million increase (5 percent) in 2025/2026 in comparison to the prior financial year was driven by an increase in goods and services in-kind (R3,0 million higher).

Bad debts of R0,3 million in the 2025/2026 financial year were written-off in accordance with the debt-write off policy adopted by the Fund.

General expenses comprise actuarial valuation costs of R1,9 million (2024/2025 R1,9 million) and bank charges of R0,05 million (2024/2025 R0,6 million). Full actuarial valuations were performed in both the 2025/2026 and the 2024/2025 financial years.

Please refer to note 36 in the Annual Financial Statements for commentary on actual results compared to budget.

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	
	2022/2023 R'000	2023/2024 R'000	2024/2025 R'000	2025/2026 R'000	2025/2026 R'000	from budget	from prior year
Investments	5 363 047	5 727 063	5 919 154	6 083 495	5 997 473	(1%)	1%
Receivables from exchange transactions	28 809	15 242	33 585	17 528	10 530	(40%)	(69%)
Cash and cash equivalents	51 868	69 401	63 484	62 790	58 321	(7%)	(8%)
Total assets	5 443 724	5 811 706	6 016 223	6 163 814	6 066 324	(2%)	1%

Investment balances were marginally higher at 31 March 2026 with the increase of R78,3 million driven by interest capitalised on funds invested (R431,2 million) being partially offset by the drawdown of investments (R348 million) to fund excess claim payments over levies received. Refer to note 4 in the annual financial statements for the split of investment balances and the related interest rates earned.

In addition, receivables from exchange transactions decreased to R10,5 million at 31 March 2026 from R33,6 million at 31 March 2025, where the challenges in the collection of long outstanding debt (R2,5 million in 2025/2026 compared to R14,3 million in the prior year) resulted in a consequential increase in the provision for debt impairment (R9,3 million). Other factors driving the decrease in receivables from exchange transactions include:

- Receipt of the settlement amount of R9,3 million for the legal claim
- Collection of additional long outstanding debt (R2,5 million)
- Settlement of the receivable from the NDOH (R2,7 million)

Please refer to note 36 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	
	2022/2023 R'000	2023/2024 R'000	2024/2025 R'000	2025/2026 R'000	2025/2026 R'000	from budget	from prior year
Accumulated surplus	2 402 340	2 818 998	2 810 173	2 966 126	3 141 133	6%	12%
Provisions – non-current	2 159 419	2 227 296	2 205 685	2 261 773	1 660 020	(27%)	(25%)
Provisions – current	788 760	661 916	884 907	811 751	1 145 206	41%	29%
Payables from exchange	70 206	78 971	84 828	90 242	86 187	(5%)	2%
Payables from non-exchange	22 999	24 525	30 630	33 922	33 778	(0.4%)	10%
Total equity and liabilities	5 443 724	5 811 706	6 016 223	6 163 814	6 066 324	(2%)	1%

Total equity and liabilities were marginally higher at 31 March 2026 compared with the comparative period. The reduction in the overall provisions balance from R3,1 billion at 31 March 2025 to R2,8 billion at 31 March 2026 comprises a R0,5 billion reduction in the provisions for claims incurred but not yet reported (IBNR) offset by a R0,2 billion increase in the provision for benefits due. Provisions are calculated with reference to the external actuarial valuation performed.

Please refer to note 7 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 36 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 2025/2026 R'000	Expenditure 2025/2026 R'000	Available 2025/2026 R'000	% Spend	Over / under expenditure
Compensation of employees	42 847	35 721	7 126	83%	Under
Goods and services	23 454	23 450	4	100%	Under
Machinery and equipment	3 194	95	3 099	3%	Under
Buildings and other fixed structures	50	35	15	70%	Under
Households	416	416	-	100%	Under
Financial assets	-	-	-	>100%	Over
Departmental agencies & accounts	2	2	-	>100%	Over
Transfer payments	6 202	6 201	1	100%	Under
Total	76 165	65 920	10 245	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.

1.10 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.

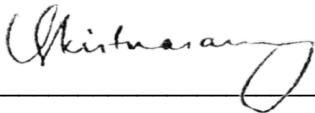
The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) Standards applicable to the Fund.

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 2026.



Dr MB Kistnasamy

Compensation Commissioner for Occupational Diseases

1.11 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 administers 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

1.12 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 ODMWA 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.

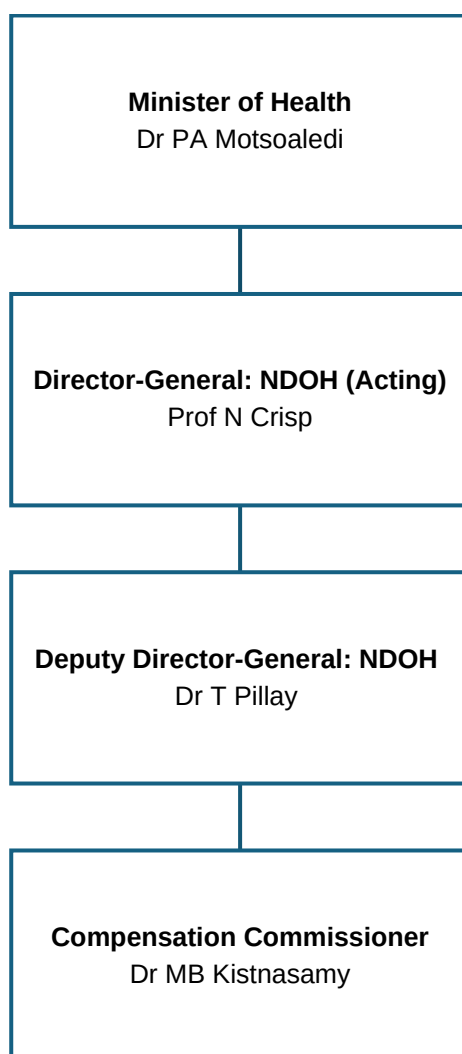
CCOD as a directorate of the NDOH

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

Constitutional mandate

Section 27 provides for the rights of access by citizens to social security, including, if they are unable to support themselves and their dependents, appropriate social assistance. The State will take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights.

1.13 Organisational structure



Organisational structure of the CCOD

Part B – Performance Information

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 2025/2026 to 2029/2030.

The Annual Performance Plan for 2025/2026 for the Fund was approved by the Minister of Health and tabled to Parliament on 4 April 2025.

The key focus area for the CCOD for the 2025/2026 financial year was the effective and efficient management of the Fund through certifications and payment of claims, collection of levies and inspections of controlled mines and works.

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:

- occupational diseases of the cardio-respiratory organs
- reimbursement for loss of earnings incurred 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).

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, information management 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. Approximately 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:

One Sum Benefits

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 R96 474 (2024/2025: 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 R214 820 (2024/2025: 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 August 2025.

Pensioners

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
- Dr Nhlanhla Mtshali as the Director: MBOD (Seconded)
- Ms Thembisa Mama as the Deputy Compensation Commissioner
- Mr Gert van Heerden as the Acting Chief Financial Officer effective from 1 April 2026 (Seconded)
- Mr Mishack Maswanganye as the Director: Finance

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 was capacitated at 83 percent with the MBOD at 87 percent of approved positions as at 31 March 2026. 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 yet been enacted. Refer to the "Legislative enhancements" section of the Compensation Commissioner for Occupational Diseases' report above for further information.

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

2.3 Performance indicators and achievements

AGSA's report on the Audit of Predetermined Objectives

In the AGSA's management report of the 2025/2026 Audit of Predetermined Objectives, the AGSA found the Fund's reported performance information to be valid, accurate and complete throughout the reporting period. The conclusion of the Audit of Predetermined Objectives for 2025/2026 was a clean audit report. The full report is available in section 6.2.

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 2025/2026 to 2029/2030:

Outcome Oriented Goal 1	Ensure the effective and efficient management of the CCOD / 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 objectives during the first year of the strategic plan period from 2025/2026 to 2029/2030:

Strategic objective	Performance Indicator	Actual Performance 2024/2025	Planned Target 2025/2026	Actual Performance 2025/2026	Deviation from planned target to actual performance 2025 / 2025	Comments on deviation
1 Ensure the effective and efficient management of the CCOD / Fund	1.1 Number of certifications finalised on the CCMS per year	17 765	9 000	21 275	Achieved (12 275 overachieved)	The significant overachievement of the target is attributable to the increased volume of claims received through the collaboration with the Tshiamiso Trust. Additional certification committee sessions were convened to accommodate the resultant increase in claim volumes.
	1.2 Number of claims finalised by the Fund (other than pensioners)	6 197	5 500	5 949	Achieved (449 overachieved)	*The marginal overachievement in claims finalised and paid during the year is attributable to the following factors: - The successful completion of a data exchange project with the IEC generated a high volume of claims. - An increased number of compensable certifications was received pursuant to the ongoing collaboration with the Tshiamiso Trust. - Community outreach initiatives conducted in labour-sending areas contributed to an increase in the volume of claims received - Ongoing system enhancements contributed to a more efficient and streamlined payments process. - Collaborative engagements with banks and mining companies facilitated in-service claim submissions and electronic bank verifications, further streamlining the payments process.
	1.3 Number of benefit payments made by the Fund (other than pensioners)	5 637	5 000	5 134	Achieved (134 overachieved)	
	1.4 Number of controlled mines and works inspected	131	85	141	Achieved (56 overachieved)	The overachievement of the mines and works inspection target is attributable to a focused and coordinated effort by the inspection team to conduct inspections in accordance with the debtors and revenue verification policy. Inspections are further augmented by desktop reviews and structured analytical processes.
	1.5 Percentage of levies (funds) received from controlled mines and works liable for payment of levies per the financial system	97%	85%	97%	Achieved (12% overachieved)	Overachievement of the target resulted from: - The continued efforts of the debtors control function in actively managing debtors. - The MIEDSA online submission was used by all controlled operations after a phased roll out in the prior year. This system facilitates invoice generation for payment and mitigates errors made on manual assessment submissions. - Fully functional risk committee which facilitated the controlling of operations performing risk work - Penalties being imposed on non-complying debtors was used to facilitate compliance

* 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.

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

Classification	2025/2026			2024/2025		
	Budget R'000	Audited outcome R'000	Variance R'000	Budget R'000	Audited outcome R'000	Variance R'000
Compensation of employees	42 847	35 721	7 126	37 561	35 570	1 991
Goods and services	23 454	23 450	4	21 980	20 049	1 931
Machinery and equipment	3 194	95	3 099	6 499	383	6 116
Buildings and other fixed structures	50	35	15	-	-	-
Households	416	416	-	-	450	(450)
Financial assets	-	-	-	-	133	(133)
Departmental agencies & accounts	2	2	-	-	54	(54)
Transfer payments	6 202	6 202	-	4 466	4 466	-
Total	76 165	65 921	10 244	70 506	61 105	9 401

The budget for the administration of the CCOD and MBOD amounted to R76,2 million for the 2025/2026 financial year compared to R70,5 million for the 2024/2025 financial year.

The NDOH carries the administration costs of the CCOD which includes 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.

The Fund has no capital investment programme. Infrastructure costs are borne by the NDOH.

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.

2.6 Revenue collection

Revenue from exchange transactions:

Revenue	2025/2026			2024/2025		
	Budget R'000	Audited outcome R'000	Variance R'000	Budget R'000	Audited outcome R'000	Variance R'000
Levy income	103 281	102 550	(731)	105 902	107 033	1 130
Movement in provisions	-	71 391	71 391	-	-	-
Debt impairment – Financial instruments	-	303	303	-	-	-
Debt impairment – Statutory	-	-	-	-	30 953	30 953
Other income	4 307	5 612	1 305	-	3 316	3 316
Interest received	416 654	435 843	19 189	476 518	486 090	9 573
Revenue from exchange transactions	524 242	615 698	91 456	582 420	627 392	44 972

Interest received decreased from R486,1 million to R435,8 million in the 2025/2026 financial year driven by the reduction in interest rates earned on investments in line with the decrease in the prime interest rate in South Africa. The prime lending rate decreased from 11% effective 30 January 2025 to 10.25% at 20 November 2025. Refer to note 4 in the Annual Financial Statements for additional information on rates earned.

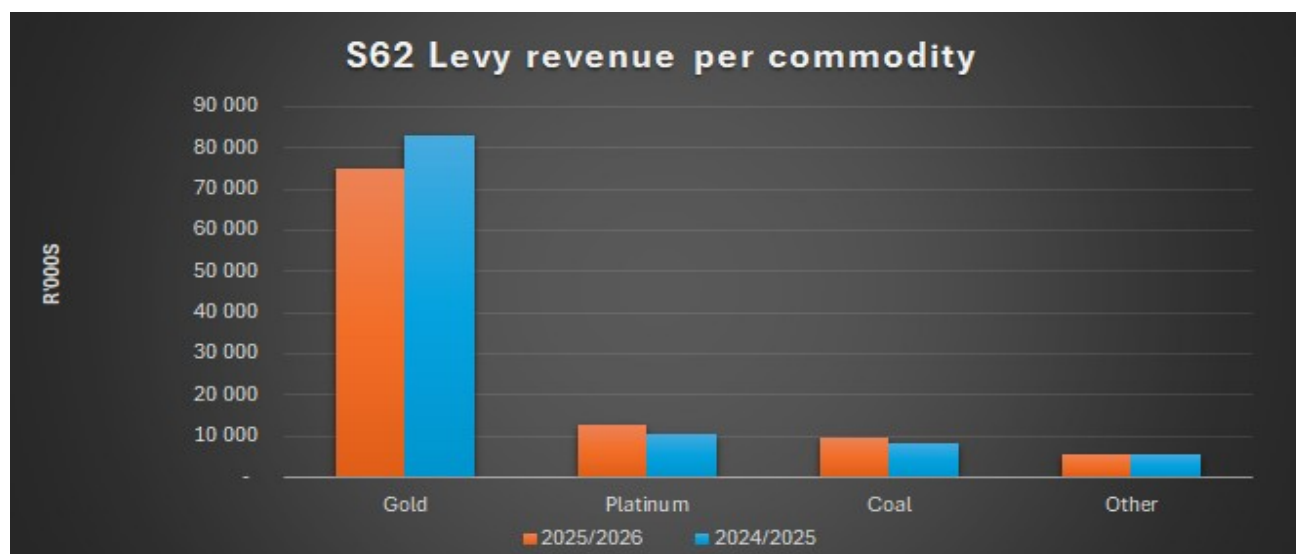
97% (97% in 2024/2025) of levy revenue raised in the 2025/2026 financial year was collected. Levy income for the financial year ended 31 March 2026 decreased by 4 percent compared to the prior financial year ending 31 March 2025. The R4,5 million decrease in levy revenue from the 2024/2025 financial year is mainly attributable to the 15 percent decrease in the levy rate applicable to gold mines which decreased from R4.58 per risk shift to R3.90 per risk shift effective from 1 August 2025, which drove the R8,1 million decrease in gold levy revenue.

Partially offsetting the decrease in levy revenue from gold mines was an increase in levy revenue from platinum mines (R2,2 million higher) and coal mines (R1,2 million higher). 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 driving the movement in revenue for major commodities:

Major commodity	Revenue component	2025/2026 – from 1 August 2025	2024/2025 – from 1 April 2024
Gold	Levy Rate – per shift	R3.90	R4.58
	Risk Shifts	18 565 436	18 155 317
Platinum	Levy Rate – per shift	R0.49	R0.46
	Risk Shifts	26 406 181	22 809 562
Coal	Levy Rate – per shift	R0.62	R0.61
	Risk Shifts	15 301 599	13 392 114

The chart below represents the split of section 62 levies per commodity which illustrates the contribution that gold, platinum and coal levies make to levy revenue.



The table below represents the levies per commodity effective 1 August 2025 (gazetted in Government Notice No 6462 of Government Gazette 53097 of 31 July 2025), 1 April 2024 (gazetted in Government Notice No 4823 of Government Gazette 50656 of 15 May 2024), and 1 April 2023 (gazetted in Government Notice No 3341 of Government Gazette 48472 of 26 April 2023).

Levy rates per commodity:

Commodity	Levy rates – applicable from 1 August 2025	Levy rates – applicable from 1 April 2024	Levy rates – applicable from 1 April 2023
Andalusite	0.01	0.01	0.01
Chrome	0.31	0.32	0.46
Coal	0.62	0.61	0.35
Copper	0.28	0.25	0.32
Diamond	0.15	0.18	0.28
Fluorspar	0.01	0.01	0.01
Gold	3.90	4.58	5.48
Iron	0.09	0.11	0.16
Lead	0.07	0.13	0.40
Magnesite	0.01	0.01	0.01
Manganese	0.10	0.10	0.15
Mica & Feldspar	0.01	0.01	0.01
Phosphate	0.01	0.01	0.01
Platinum	0.49	0.46	0.70
Quarries	0.16	0.29	0.55
Vanadium	0.01	0.01	0.01
Works	0.18	0.16	0.22
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 2026, the CCOD met with the National Assembly Portfolio Committee on Health on:

- 22 April 2025 - The Portfolio Committee was briefed on the "Strategic Plan for 2025/2026 to 2029/2030 of the Fund" and the "Annual Performance Plan for 2025/2026 of the Fund"
- 3 September 2025 – The Fund presented at the Portfolio Committee's Strategic planning briefing by the Department of Health on its Legislative Programme for 2025/2026 to 2029/2030
- 8 October 2025 - The Portfolio Committee was briefed on the "2024/2025 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 2025/2026 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 the ODMWA and as such is the Accounting Authority in terms of the PFMA section 49(2)(b). 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 17 in the Annual Financial Statements.

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 consists 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.

As at 31 March 2026 the membership of the Advisory Committee was as follows:

Name of member	Representing	Date of appointment	Attendance
Dr B Kistnasamy	CCOD	CCOD	3
Mr DM Luvuno	NUM	23 December 2022 to 31 March 2025. Extended to 30 November 2025.	2
Mr DG Nkosi	AMCU	23 December 2022 to 31 March 2025. Extended to 30 November 2025.	1
Mr VM Radebe	NUMSA	23 December 2022 to 31 March 2025. Extended to 30 November 2025.	3
Ms ND Tsipane	NUM	23 December 2022 to 31 March 2025. Extended to 30 November 2025.	4
Dr T Balfour	Minerals Council South Africa	23 December 2022 to 31 March 2025. Extended to 30 November 2025.	4
Dr J Matjila	Minerals Council South Africa	14 November 2023 to 13 November 2026 (Resigned 1 April 2025)	-
Mr JJ van Staden	Minerals Council South Africa	14 November 2023 to 13 November 2026 (Retired 31 July 2025)	-
Dr BE Legobye	Minerals Council South Africa	14 November 2023 to 13 November 2026	4
Ms LF Woodburn	SEIFSA	14 November 2023 to 13 November 2026 (Resigned 11 June 2025)	1

The Advisory Committee of the CCOD comprises representatives of employers and trade unions in the mines and works sectors. The Advisory Committee met four times in the current financial year on 10 June 2025, 25 September 2025, 25 November 2025 and 17 March 2026.

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.

For the financial year ended 31 March 2026 the Audit and Risk Committee consisted of three members who are not employees of the CCOD or the NDOH.

Name of member	Qualification	Designation	Date of appointment	End of term	Number of meetings attended
Mr C de Kock	Professional Accountant (SA); MCom-IT Audit; CISA; CIA	Chairperson & Independent Non-executive Member	10 May 2024	9 May 2027	7
Mr S Gounden	Chartered Accountant (SA); BCompt; Diploma in Accountancy; Chartered Director (SA)	Independent Non-executive Member	10 May 2024	9 May 2027	6
Dr NZ Qunta	PhD (Phil); MBA; Bachelor of Administration; Bachelor of Commerce (Honours)	Independent Non-executive Member	10 May 2024	9 May 2027	7

The Audit and Risk Committee met seven times in the current financial year, with four quarterly meetings and three “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, 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.

Name of member	Representing	Date of appointment	Attendance
Mr M Zondi (Chairperson)	DMPR	DMPR	1
Mr D Msiza	DMPR	DMPR	-
Mr V Nundlall	Minerals Council South Africa	1 July 2024 to 30 June 2027	3
Mr G Nkosi	AMCU	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	4

Alternate Chairperson*	Representing	Date of appointment	Attendance
Dr N Mtshali	Director of the MBOD	MBOD	4

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 met four times during the course of the 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.

During the course of the 2025/2026 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 2025/2026 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
- A comprehensive risk maturity self-assessment was undertaken by management
- The first annual risk management and fraud awareness training was provided to staff
- An enhanced risk management implementation plan was developed and implemented

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.

Internal audit evaluates the Fund's controls to determine their effectiveness and to develop recommendations, where appropriate, to improve and enhance existing controls. 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 2025/2026 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. 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.

3.10 Fraud and Corruption

The following policies and documents were approved during the 2025/2026 financial year:

- Fraud prevention implementation plan for the period 2025/2026 to 2027/2028

- Fraud prevention strategy
- Fraud prevention policy
- Fraud investigation procedures

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 DPSA for minimising conflicts of interest.

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. 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

Occupational Health and Safety (OHS) Committee

The Occupational Health and Safety (OHS) Committee for the MBOD/CCOD was established during the 2020/2021 financial year in response to the COVID-19 pandemic. New OHS Representatives are currently in place, following a nomination process conducted in May 2024. Their appointment letters are valid until June 2027. The committee focuses on occupational health, safety, environmental, and infrastructure-related matters and operates in accordance with the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).

Meetings of the OHS Committee

The OHS Committee met quarterly throughout the financial year to review workplace health and safety matters, discuss reported incidents, monitor the implementation of corrective actions, and ensure ongoing compliance with occupational health and safety legislation and regulations.

OHS Initiatives Undertaken During the Financial Year

The following initiatives were implemented during the reporting period:

- Priority was given to the training and capacitation of Occupational Health and Safety Representatives, First Aiders, Evacuation Marshals, Firefighters, and committee members to strengthen emergency preparedness and support effective workplace inspections.
- Five employees received firefighting training.
- Five employees were trained as evacuation marshals.
- Four employees were trained as Occupational Health and Safety Representatives.
- Four employees completed incident investigation training.

Monthly inspection

A monthly workplace inspection tool was developed and distributed to all OHS Representatives. Monthly inspections were conducted jointly by the Health and Safety Officer and OHS Representatives to identify hazards, monitor compliance, and implement corrective actions where necessary.

Health and Safety Challenges

The Department has not yet received a compliance certificate from the Department of Public Works and Infrastructure (DPWI).

Following a formal assessment, the Department of Employment and Labour declared the building currently occupied by MBOD unsuitable for occupation due to significant occupational health and safety concerns. The assessment identified several critical risks, including structural defects, non-compliance with applicable health and safety legislation, and hazards that pose risks to employees and visitors.

As a result of these deficiencies, MBOD has been unable to obtain approval for its Emergency Evacuation Plan or conduct emergency evacuation drills.

The Department of Public Works and Infrastructure in coordination with NDOH stakeholders initiated a search for a new building. Due to various reasons, the process was not successful. Engagement with the NDOH has taken place regarding the renovation of the CCOD/MBOD building in order to ensure compliance with health and safety requirements. As at the reporting date, the funding has not been approved.

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 2026, 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 2026, 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.

Name of member	Qualification	Designation	Date of appointment	End of term	Number of meetings attended
Mr C de Kock	Professional Accountant (SA); MCom-IT Audit; CISA; CIA	Chairperson & Independent Non-executive Member	10 May 2024	9 May 2027	7
Mr S Gounden	Chartered Accountant (SA); BCompt; Diploma in	Independent Non-executive Member	10 May 2024	9 May 2027	6

	Accountancy; Chartered Director (SA)				
Dr NZ Qunta	PhD (Phil); MBA; Bachelor of Administration; Bachelor of Commerce (Honours)	Independent Non-executive Member	10 May 2024	9 May 2027	7

The Audit and Risk Committee met seven times in the current financial year, with four quarterly meetings and three “special” meetings taking place.

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

29 July 2026

3.15 B-BBEE Compliance Performance Information

The CCOD is a directorate of the NDOH. Procurement is managed centrally through the NDOH supply chain function.

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 2026, filled positions at the CCOD decreased from 32 to 30, and at the MBOD from 35 to 34. 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 CCOD has 6 vacant positions at 31 March 2026 whilst the MBOD had 5 vacant positions. The vacant positions were reduced from the position at 31 March 2025 where the CCOD had 14 frozen vacant posts and the MBOD 20 frozen vacant posts. Previously, 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. The restriction was lifted in April 2025. Departments are now expected to operate within their Medium-Term Expenditure Framework (MTEF) budgets where a number of vacant posts were removed from the staff establishment. To ensure compliance with PFMA and continuity of medical assessments, claims management services and payment of compensation for mineworkers with occupational lung diseases; 6 additional posts have been approved for creation and approval by the DPSA.

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

4.2 Employee Distribution

Distribution of posts at the CCOD as at 31 March 2026:

Designation	Level	Number of posts	Filled	Vacant	Vacancy percentage %
Compensation commissioner	14	1	1	-	-
Director	13	2	2	-	-
Deputy directors	12	1	1	-	-
Deputy directors: administration	11	1	-	1	100%
Deputy directors: provisional support	11	1	-	1	100%
Assistant directors	10	2	2	-	-
Assistant directors: administration	9	1	-	1	100%
Senior state accountant	8	3	2	1	33%
Administration officers	7	2	2	-	-
Senior administrative clerk	7	1	1	-	-
HR Clerk Supervisor	7	1	-	1	100%
Personal assistants	6	1	1	-	-
Administration clerks	6	2	2	-	-
Finance clerks	5	4	4	-	-
Administrative clerks	5	12	11	1	8%
Switchboard operator	4	1	1	-	-
Total		36	30	6	17%

Movement in filled positions at the CCOD during the course of the 2025/2026 financial year:

Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
14	1	-	-	1
13	2	-	-	2
12	2	-	1	1
10	2	-	-	2
8	2	-	-	2
7	3	-	-	3
6	3	-	-	3
5	16	-	1	15
4	1	-	-	1
Total	32	-	2	30

Reasons for terminations at the CCOD during the course of the 2025/2026 financial year:

Reason	Number	% of total number of staff leaving
Death	-	-
Resignation	1	50%
Dismissal	-	-
Retirement	1	50%
Ill Health	-	-
Expiry of contract	-	-
Other	-	-
Total	2	100%

Profile of the workforce at the CCOD as at 31 March 2026:

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	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
10	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-
8	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-
7	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-
6	1	-	1	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	2	-
5	4	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	11	-
4	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
Total	12	1	16	-	-	-	-	-	1	-	-	-	-	-	1	-	13	1	17	-

* M=Male F=Female D=Disabled

Distribution of posts at the MBOD as at 31 March 2026:

Designation	Level	Number of posts	Filled	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	-	-
Professional Nurse	9	1	-	1	100%
Radiologist	9	1	1	-	-
Assistant directors: administration	9	1	-	1	100%
Radiographer	8	1	-	1	100%
Personal assistant	7	1	1	-	-
Chief administrative clerk	7	2	2	-	-
Registry clerk supervisor	7	1	-	1	100%
Chief Security Officer	7	1	1	-	-
Senior administration clerk	6	3	3	-	-
Senior Security Officer	6	1	1	-	-
Administration clerk	5	9	9	-	-
Finance clerk	5	1	1	-	-
Security	4	7	7	-	-
General assistant	3	4	4	-	-
Driver	3	1	-	1	100%
Total		39	34	5	13%

Movement in filled positions at the MBOD during the course of the 2025/2026 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	-	1	4
6	4	-	-	4
5	10	-	-	10
4	7	-	-	7
3	4	-	-	4
Total	35	-	1	34

Reasons for terminations at the CCOD during the course of the 2025/2026 financial year:

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

Profile of the workforce at the MBOD as at 31 March 2026:

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	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
7	1	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	3	-
6	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2	-
5	3	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	7	-
4	6	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	1	-
3	1	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	3	-
Total	13	-	20	-	-	-	-	-	-	-	1	-	-	-	-	-	13	-	21	-

* M=Male F=Female D=Disabled

Part E – PFMA Compliance

5.1 Irregular Expenditure

Reconciliation of irregular expenditure:

Description	2025/2026	2024/2025
Opening balance	31 440	31 440
Add: Irregular expenditure confirmed	-	-
Closing Balance	31 440	31 440

Refer to note 39 in the Annual Financial Statements for further information.

5.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Description	2025/2026	2024/2025
Opening balance	630 141	630 141
Add: Fruitless and wasteful expenditure confirmed	-	-
Closing Balance	630 141	630 141

Refer to note 38 in the Annual Financial Statements for further information.

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

Description	2025/2026	2024/2025
Fruitless and wasteful expenditure under assessment	2 072 352	2 001 958
Total	2 072 352	2 001 958

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 2025/2026 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 in terms of 77A(2) of the ODMWA.

Part F – Annual Financial Information

6.1 Responsibility statement

To Parliament on the 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.

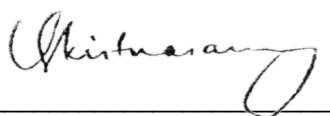
The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations of such statements issued by the Accounting Standards Board and in the manner required by the PFMA.

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 2026. 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 46 to 51.

The Annual Financial Statements of the Fund, set out on pages 52 to 121, were approved by the Accounting Authority, in terms of the ODMWA, for the financial year ended 31 March 2026 and were signed on its behalf by:



Dr MB Kistnasamy

Compensation Commissioner for Occupational Diseases

29 July 2026

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 Mines and Works Compensation Fund set out on pages 52 to 121, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, and 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 2026 and its financial performance and cash flows for the year then ended in accordance with the Standards of 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 on pages 50 to 51, forms part of my auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to ensure effective and efficient management of the compensation commissioner for occupational diseases/fund presented in the annual performance report for the year ended 31 March 2026. 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 certifications finalised on the compensation claims management system per year
 - 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 the selected indicators.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

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

Report on compliance with legislation

18. In accordance with the 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:

Revenue management

22. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

Other information in the annual report

23. The accounting authority is responsible for the other information included in the annual report which includes the minister's statement, accounting authority's report and audit and risk committee's report and human resource management. The other information referred to does not include the financial statements and the auditor's report.

24. 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.

25. 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.
26. 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.
27. I have nothing to report in this regard.

Internal control deficiencies

28. 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.
29. 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.
30. The accounting authority did not implement sufficient measures to ensure the collection of long-outstanding debts due to inadequate follow-up and monitoring of overdue debtors.

Auditor-General!

Pretoria
30 July 2026



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- 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.

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 55(1)(a) PFMA 55(1)(b) PFMA 55(1)(c)(i) PFMA 51(1)(b)(ii) PFMA 53(4) PFMA 57(b) PFMA 51(1)(e)(iii)
Treasury regulations	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
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

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.3 Statement of Financial Position as at 31 March 2026

		2026	2025 Restated*
	Note(s)		
Assets			
Current Assets			
Investments	4	5 997 473 210	5 919 154 354
Receivables from exchange transactions	5	10 529 523	33 584 551
Cash and cash equivalents	6	58 321 228	63 483 689
		6 066 323 961	6 016 222 594
Total Assets		6 066 323 961	6 016 222 594
Liabilities			
Current Liabilities			
Provisions	7	1 145 206 272	884 906 654
Payables from exchange transactions	8	86 187 100	84 828 064
Payables from non-exchange transactions	9	33 777 989	30 630 450
		1 265 171 361	1 000 365 168
Non-Current Liabilities			
Provisions	7	1 660 019 621	2 205 684 814
Total Liabilities		2 925 190 982	3 206 049 982
Net Assets		3 141 132 979	2 810 172 612
Accumulated surplus		3 141 132 979	2 810 172 612
Total Net Assets		3 141 132 979	2 810 172 612

The accounting policies on pages 58 to 74 and the notes on pages 75 to 121 form an integral part of the annual financial statements.

* See Note 3 & 30 & 31

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.4 Statement of Financial Performance

		2026	2025 Restated*
	Note(s)		
Revenue			
Revenue from exchange transactions			
Levy income	11	102 549 795	107 033 021
Movement in provisions	12	71 391 172	-
Debt impairment - Statutory Receivables	13	-	30 953 359
Debt impairment - Financial Instruments	14	302 970	-
Other income	15	5 611 508	3 315 615
Interest received	16	435 842 748	486 090 411
Total revenue from exchange transactions		615 698 193	627 392 406
Revenue from non-exchange transactions			
Transfer revenue			
Goods and services in-kind from the NDOH	17	64 678 725	61 587 769
Pensions - Non-exchange revenue	18	87 797	1 904 254
Total revenue from non-exchange transactions		64 766 522	63 492 023
Total revenue	10	680 464 715	690 884 429
Expenditure			
Goods and services in-kind from the NDOH	17	(64 678 725)	(61 587 769)
Finance costs	19	(268 024 594)	(301 730 565)
Bad debts written-off - Statutory Receivables	20	(323 028)	(17 100 722)
Debt Impairment - Statutory Receivables	13	(9 329 620)	-
Movement in provisions	12	-	(316 829 921)
General expenses	21	(1 942 808)	(2 461 477)
Total expenditure		(344 298 775)	(699 710 454)
Surplus (deficit) for the year		336 165 940	(8 826 025)

The accounting policies on pages 58 to 74 and the notes on pages 75 to 121 form an integral part of the annual financial statements.

* See Note 3 & 30 & 31

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.5 Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
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)
Opening balance as previously reported	2 810 172 612	2 810 172 612
Adjustments		
Change in accounting policy	(5 205 573)	(5 205 573)
Balance at 01 April 2025 as restated*	2 804 967 039	2 804 967 039
Changes in net assets		
Surplus for the year	336 165 940	336 165 940
Total changes	336 165 940	336 165 940
Balance at 31 March 2026	3 141 132 979	3 141 132 979

The accounting policies on pages 58 to 74 and the notes on pages 75 to 121 form an integral part of the annual financial statements.

* See Note 3 & 30 & 31

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.6 Cash Flow Statement

		2026	2025 Restated*
	Note(s)		
Cash flows from operating activities			
Receipts			
Levy income		112 253 182	105 195 021
Interest received		5 111 340	7 450 433
Transfer payments (non-exchange)		1 894 000	1 813 000
S74(a) recovery		6 959 995	-
		126 218 517	114 458 454
Payments			
Claims paid	23	(468 324 889)	(407 279 177)
Finance costs		(1 463 195)	(489 413)
Refunds to non-controlled operations		(7 650 174)	-
Other cash item		(1 942 720)	(607 244)
		(479 380 978)	(408 375 834)
Net cash flows from operating activities	22	(353 162 461)	(293 917 380)
Cash flows from investing activities			
Proceeds from investment drawdown		355 000 000	288 000 000
Transfers to investments		(7 000 000)	-
Net cash flows from investing activities		348 000 000	288 000 000
Net increase decrease in cash and cash equivalents		(5 162 461)	(5 917 380)
Cash and cash equivalents at the beginning of the year		63 483 689	69 401 069
Cash and cash equivalents at the end of the year	6	58 321 228	63 483 689

The accounting policies on pages 58 to 74 and the notes on pages 75 to 121 form an integral part of the annual financial statements.

* See Note 3 & 30 & 31

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.7 Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	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	111 335 229	(8 054 393)	103 280 836	102 549 795	(731 041)	Note 36
Movement in provisions	-	-	-	71 391 172	71 391 172	Note 36
Other income	2 654 832	1 652 331	4 307 163	5 611 508	1 304 345	Note 36
Debt Impairment - Financial Instruments	-	-	-	302 970	302 970	Note 36
Interest received	462 799 936	(46 145 879)	416 654 057	435 842 748	19 188 691	Note 36
Total revenue from exchange transactions	576 789 997	(52 547 941)	524 242 056	615 698 193	91 456 137	
Revenue from non-exchange transactions						
Transfer revenue						
Goods and services in-kind from the NDOH	-	-	-	64 678 725	64 678 725	Note 36
Pensions - Non-exchange revenue	133 955	90 645	224 600	87 797	(136 803)	Note 36
Total revenue from non-exchange transactions	133 955	90 645	224 600	64 766 522	64 541 922	
Total revenue	576 923 952	(52 457 296)	524 466 656	680 464 715	155 998 059	
Expenditure						
Goods and services in-kind from the NDOH	-	-	-	(64 678 725)	(64 678 725)	Note 36
Finance costs	(268 006 127)	10 399 450	(257 606 677)	(268 024 594)	(10 417 917)	
Bad debts written-off - Statutory Receivables	-	(3 084 483)	(3 084 483)	(323 028)	2 761 455	Note 36
Debt Impairment - Statutory Receivables	(4 035 155)	1 721 902	(2 313 253)	(9 329 620)	(7 016 367)	Note 36
Movement in provisions	(111 469 184)	8 085 929	(103 383 255)	-	103 383 255	Note 36
General expenses	(2 672 111)	546 311	(2 125 800)	(1 942 808)	182 992	Note 36
Total expenditure	(386 182 577)	17 669 109	(368 513 468)	(344 298 775)	24 214 693	
Surplus for the year	190 741 375	(34 788 187)	155 953 188	336 165 940	180 212 752	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	190 741 375	(34 788 187)	155 953 188	336 165 940	180 212 752	

The accounting policies on pages 58 to 74 and the notes on pages 75 to 121 form an integral part of the annual financial statements.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.7 Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	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	6 228 310 361	(144 815 202)	6 083 495 159	5 997 473 210	(86 021 949)	Note 36
Receivables from exchange transactions	13 386 238	4 142 210	17 528 448	10 529 523	(6 998 925)	Note 36
Cash and cash equivalents	69 109 750	(6 319 425)	62 790 325	58 321 228	(4 469 097)	Note 36
	6 310 806 349	(146 992 417)	6 163 813 932	6 066 323 961	(97 489 971)	
Total Assets	6 310 806 349	(146 992 417)	6 163 813 932	6 066 323 961	(97 489 971)	
Liabilities						
Current Liabilities						
Payables from exchange transactions	91 978 224	(1 735 747)	90 242 477	86 187 100	(4 055 377)	Note 36
Payables from non-exchange transactions	27 930 314	5 991 513	33 921 827	33 777 989	(143 838)	Note 36
Provisions	757 411 862	54 339 416	811 751 278	1 145 206 272	333 454 994	Note 36
	877 320 400	58 595 182	935 915 582	1 265 171 361	329 255 779	
Non-Current Liabilities						
Provisions	2 202 659 002	59 113 548	2 261 772 550	1 660 019 621	(601 752 929)	Note 36
Total Liabilities	3 079 979 402	117 708 730	3 197 688 132	2 925 190 982	(272 497 150)	
Net Assets	3 230 826 947	(264 701 147)	2 966 125 800	3 141 132 979	175 007 179	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	3 230 826 947	(264 701 147)	2 966 125 800	3 141 132 979	175 007 179	

The accounting policies on pages 58 to 74 and the notes on pages 75 to 121 form an integral part of the annual financial statements.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1. Significant accounting 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).

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, except for the changes set out in note 3 Changes in accounting policy.

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 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.5 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.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes. Significant judgements include:

Provisions

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);

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 7 - Provisions.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures an impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the 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.

Additional disclosures are included in note 27 - Statutory receivables disclosure.

Impairment – expected credit loss (ECL) allowances

The entity measures expected credit losses (ECL) on financial assets measured at amortised cost using the requirements in GRAP 104.5.17–5.35. ECL measurement involves significant judgement, including in:

- The probability that a financial asset will default (PD). The PDs are derived from the Fitch rating agency;
- Exposure at Default (EAD) - the size of credit exposure; and
- The Loss Given Default (LGD)

Additional disclosures are included in note 24 - Financial Instruments - Risk Management and Other Disclosures.

1.6 Financial instruments - GRAP 104 (revised 2019) - current policy

Applied from the effective date prescribed for the entity by regulation of the Minister of Finance and the applicable Directive (see note 3). Any references to paragraph numbers in this accounting policy relates to paragraphs in GRAP 104 (revised 2019), relating Appendices or relating Basis for Conclusions.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.6 Financial instruments - GRAP 104 (revised 2019) - current policy (continued)

Definitions

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. Financial instruments are broadly categorised as either financial assets or financial liabilities.

Financial asset includes:

- cash; or
- contractual rights to receive or exchange cash or another financial asset.

Financial liabilities are contractual obligations to:

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

The **amortised cost** of a financial asset or liability is the amount at which it is measured initially, minus principal repayments, plus or minus cumulative amortisation using the effective-interest rate method, and less any loss allowance.

12 month expected credit losses is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). An entity shall estimate cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The cash flows that are considered shall include cash flows from the sale of collateral held (where applicable) or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial instrument can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the entity shall use the remaining contractual term of the financial instrument.

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.

Credit risk rating grades are the ratings of credit risk based on the risk of default occurring on the financial instrument.

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

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

The **effective interest method** is the method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of interest revenue or interest expense in surplus or deficit in the relevant period.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, an entity shall estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but shall not consider the expected 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, 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).

Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.6 Financial instruments - GRAP 104 (revised 2019) - current policy (continued)

Gross carrying amount of a financial asset is the amortised cost of a financial asset, before adjusting for any loss allowance.

Impairment gain or loss is a gain or loss that is recognised in surplus or deficit in accordance with paragraph 5.23 and 5.36.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Loss allowance is the allowance for expected credit losses on financial assets measured in accordance with paragraph 4.2.

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

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

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

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 that payment was contractually due.

Initial Recognition

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

The entity recognises financial assets using trade date accounting.

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Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.6 Financial instruments - GRAP 104 (revised 2019) - current policy (continued)

Classification

Classification of Financial Assets

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

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

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

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

For the purpose of applying (b) above:

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

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

Assets held for the collection of contractual cash flows, where those cash flows represent the solely payments of principal and interest (SPPI), are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss (ECL) allowance.

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. The objective of the entities management model for investments is to collect contractual cash flows rather than to sell the investments to realise fair value changes.

Cash and cash equivalents are held for the purpose of operating activities and comprise bank balances. Cash is held primarily to facilitate operating activities and are used by the entity for transactional banking. The objective of the entities management model for cash and cash equivalents is to collect contractual cash flows rather than to sell the accounts to realise fair value changes.

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

Classification of Financial Liabilities

The entity classifies all financial liabilities as subsequently measured at amortised cost.

Class	Category
Trade payable	Financial liability measured at amortised cost

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.6 Financial instruments - GRAP 104 (revised 2019) - current policy (continued)

Measurement

Initial measurement

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.

Subsequent measurement of financial assets

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

(a) amortised cost

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

Subsequent measurement of financial liabilities

After initial recognition, the entity measures a financial liability in accordance with the section on "Classification of Financial Liabilities".

Amortised cost measurement

Financial assets

Effective interest method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Write-off

The entity directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Impairment

Recognition of expected credit losses

General approach

The entity recognises a loss allowance for Expected Credit Losses (ECL) on all financial assets measured at amortised cost.

Subject to paragraphs 5.28 to 5.30, at each reporting date, an entity measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

The general approach to calculating the ECL allowance requires that an assessment of credit risk needs to be determined at both initial recognition and subsequently. The entity measures the loss allowance at an amount equal to the 12-month ECL at initial recognition. If credit risk increases significantly at subsequent reporting dates, a lifetime ECL is recognised.

If the entity measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the above paragraph is no longer met, the entity measures the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

Subject to paragraphs 5.28 to 5.30, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Mines and Works Compensation Fund

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6.8 Significant Accounting Policies

1.6 Financial instruments - GRAP 104 (revised 2019) - current policy (continued)

The entity recognises in surplus or deficit, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with GRAP 104 (revised 2019).

Determining significant increases in credit risk

At each reporting date, the entity assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the entity uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the entity compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Measurement of expected credit losses

The entity measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Gains and losses

A gain or loss on a financial asset that is measured at amortised cost is recognised in surplus or deficit when the financial asset is derecognised. A gain or loss on a financial liability that is measured at amortised cost is recognised in surplus or deficit when the financial liability is derecognised and through the amortisation process.

Derecognition

Derecognition of financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

Derecognition of financial liabilities

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

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.6 Financial instruments - GRAP 104 (revised 2019) - current policy (continued)

Presentation

Interest, losses and gains

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

1.7 Financial instruments - GRAP 104 (Previous policy applied in comparative period)

The accounting policies below are applicable to financial instruments for the 2024/2025 financial year prior to adoption of GRAP 104 (revised 2019) effective 1 April 2025.

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.

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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.7 Financial instruments - GRAP 104 (Previous policy applied in comparative period) (continued)

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.

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
Trade payables	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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.7 Financial instruments - GRAP 104 (Previous policy applied in comparative period) (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- 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, or through the amortisation process.

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.

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.

1.8 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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.8 Statutory receivables (continued)

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).
- 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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.8 Statutory receivables (continued)

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.

1.9 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.

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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.9 Provisions and contingencies (continued)

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

Provisions are not recognised for future operating surplus.

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.

Benefits Due - Provisions are raised for certified claims where the Fund has a present obligation to compensate workers or ex-workers for occupational lung disease, measured at the actuarially determined present value of anticipated future benefit payments based on accepted claims and payment rate assumptions.

IBNR - Provisions are raised for claims incurred but not yet submitted or certified, measured at the actuarially determined present value of anticipated future benefit payments for workers estimated to have contracted a compensable disease based on risk-shift data, disease incidence rates and payment rate assumptions.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

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

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.10 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.

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

Levy Revenue

Levy revenue is recognised when:

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

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 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.

Mines and Works Compensation Fund

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6.8 Significant Accounting Policies

1.11 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 arises 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.

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.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.11 Revenue from non-exchange transactions (continued)

Gifts and donations, including 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

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 disclose the nature and type of services in-kind received during the reporting period.

1.12 Investment income

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

1.13 Comparative figures

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

1.14 Fruitless and wasteful expenditure

Fruitless and wasteful 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.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.15 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.

1.16 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 a accrual basis and presented by economic classification.

The approved budget covers the fiscal period from 2025/04/01 to 2026/03/31.

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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.8 Significant Accounting Policies

1.17 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.

1.18 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.

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6.9 Notes to the Annual Financial Statements

2026 2025

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standard effective for the current financial year that is relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 104 (as revised): Financial Instruments	01 April 2025	The impact is set out in note 3 Changes in accounting policy.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2026 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Improvements to the Standards of GRAP 2023	To be determined*	Impact is currently being assessed
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined*	Impact is currently being assessed

* This standard will be effective on the date announced by the Minister of Finance.

3. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standard:

- GRAP 104 (Revised 2019) - Financial Instruments

Financial Instruments (GRAP 104, revised 2019)

Nature of change

During the current reporting period, the entity applied the revised Standard of GRAP on Financial Instruments (GRAP 104, revised 2019) for the first time.

The revised Standard introduces, inter alia:

- A new classification model for financial assets and financial liabilities, based on the entity's management model for managing financial assets and on the characteristics of the contractual cash flows (SPPI condition).
- A new expected credit loss (ECL) model for the impairment of financial assets measured at amortised cost.

The revised Standard became effective for the entity on 1 April 2025.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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3. Changes in accounting policy (continued)

Transitional provisions

The entity applied the Standard of GRAP on Financial Instruments (GRAP 104) (Revised 2019) retrospectively, in accordance with GRAP 3, except as specified otherwise in the transitional provisions. GRAP 104 (Revised 2019) was not applied to items that have already been derecognised at the date of initial adoption.

Despite the requirement to apply the Standard of GRAP on Financial Instruments (GRAP104) (2019) retrospectively, the entity was not required to restate prior periods.

The entity did not restate prior periods, and recognised any difference between the previous carrying amount and the carrying amount at the beginning of the reporting period that includes the date of initial adoption in the opening accumulated surplus of the annual reporting period that includes the date of initial adoption.

Classification and measurement – transitional elections

At the date of initial adoption, the entity:

- Assessed whether a financial asset meets the condition in paragraph 4.2(a) of GRAP 104 (2019) on the basis of the facts and circumstances that exist at that date. The resulting classification was applied retrospectively irrespective of the entity's management model in prior reporting periods.
- Determined whether the objective of the entity's management model for managing any of its financial assets met the condition in paragraph 4.2(a) of GRAP 104 (2019). For that purpose, the entity determined whether financial assets met the definition of held for trading as if the entity has purchased the assets at the date of initial adoption.

Impairment – Expected credit losses (ECL)

The entity applied the impairment requirements in paragraphs 5.17 to 5.36 of GRAP 104 (2019) retrospectively in accordance with GRAP 3.

As entities are not required to restate comparative information, applying the impairment requirements retrospectively means that the entity measured impairment losses using expected credit losses on the date of adoption.

At the date of initial adoption, the entity used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognised.

On transition, the entity sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that was available without undue cost and effort. The entity is not required to undertake an exhaustive search for information when determining, at the date of transition, whether there have been significant increases in credit risk since initial recognition.

When determining whether there has been a significant increase in credit risk since initial recognition, the entity applied:

- (a) the requirements in paragraphs 5.25 and Appendix A paragraphs AG5.81 to AG5.83 of GRAP 104 (2019);
- (b) the rebuttable presumption in paragraph 5.26 of GRAP 104 (2019) for contractual payments that are more than 30 days past due if the entity applied the impairment requirements by identifying significant increases in credit risk since initial recognition for those financial instruments on the basis of past due information.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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3. Changes in accounting policy (continued)

Impact on the financial statements

Reconciliation of measurement categories and carrying amounts – at the date of initial adoption

1 April 2025

ECL Allowance	Notes	Carrying amount (old) - Line Item/Class	GRAP 104 (2009) category	GRAP 104 (2019) category	Carrying amount (new) - FI	Change in carrying amount (new - old) - FI	Of which: change arising from change in measurement attribute
Investments	4	5 919 154 354	Amortised cost	Amortised cost	5 913 948 781	(5 205 573)	(5 205 573)
Cash and cash equivalents	6	63 483 689	Amortised cost	Amortised cost	63 483 689	-	-
		5 982 638 043			5 977 432 470	(5 205 573)	(5 205 573)

The change in carrying amount under GRAP 104 (2019) resulted from the ECL calculation on 1 April 2025.

Reconciliation of impairment allowances to opening loss allowances – at the date of initial adoption

1 April 2025

Class of instrument	Notes	GRAP 104 (2009) category	GRAP 104 (2019) category	Closing impairment allowance / provision under GRAP 104 (2009) and GRAP 19 (immediately before adoption)	Other adjustments	Difference recognised in opening accumulated surplus	Opening loss allowance under revised GRAP 104 at date of initial adoption
Investments	4	Amortised cost	Amortised cost	-	5 205 573	5 205 573	5 205 573

Other adjustments included above consists of the recognition of the ECL allowance on initial adoption.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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3. Changes in accounting policy (continued)

Summary of effect on accumulated surplus/net assets

As a result of applying GRAP 104 (revised 2019), the entity recognised a net decrease of R5 205 573 in opening accumulated surplus on the date of initial adoption, from applying the expected-credit-loss impairment requirements rather than the previous incurred-loss model.

General

See Note 24 Financial Instruments – Risk Management and Other Disclosures, for Financial Instruments detailed disclosures.

4. Investments

Corporation for Public Deposits (CPD)	3 063 463 118	3 051 289 780
Funds are invested with the CPD bearing interest at 6.75% per annum (2025: 7.50% per annum)		
Call deposit - Mines	317 905 735	109 476 931
Funds are invested in a financial instrument bearing interest at 6.25% per annum (2025: 6.95% per annum)		
Fixed deposit - Mines	2 341 094 455	2 509 808 360
Funds are invested in financial instruments bearing interest between 7.05% and 7.25% per annum (2025: between 8.10% and 8.30% per annum)		
Fixed deposit - Works	263 116 278	244 166 589
Funds are invested in financial instruments bearing interest between 7.05% and 7.20% per annum (2025: between 8.20% and 8.30% per annum)		
Fixed deposit - Research	11 893 624	4 412 694
Funds are invested in a financial instrument bearing interest at 7.05% per annum (2025: 8.30% per annum)		
Total Investments	5 997 473 210	5 919 154 354

Split between financial instruments and non-financial instruments

Carrying amount of financial instruments	5 997 473 210	5 919 154 354
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Split of carrying amount of financial instruments into categories

Financial assets measured at amortised cost	5 997 473 210	5 919 154 354
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Financial instrument disclosure

Additional information on the financial instrument components of this note, as required by GRAP 104, is provided in note 24 Financial Instruments - Risk Management and Other Disclosures.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

	2026	2025
5. Receivables from exchange transactions		
Levy receivables	10 529 523	30 052 077
Other receivables	-	880 642
Receivable from the NDOH	-	2 651 832
Total Receivables from exchange transactions	10 529 523	33 584 551

Split of non-financial instruments

Statutory related receivables	10 529 523	33 584 551
Carrying amount of non-financial instruments	10 529 523	33 584 551
Total non-financial instruments	10 529 523	33 584 551

Statutory receivable disclosure

Additional information on the statutory receivables components of this note, as required by GRAP 108, is provided in note 27 Statutory receivables disclosure.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	58 321 228	63 483 689
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Split between financial instruments and non-financial instruments

Carrying amount of financial instruments	58 321 228	63 483 689
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Split of carrying amount of financial instruments into categories

Financial assets measured at amortised cost	58 321 228	63 483 689
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Restricted cash balances

Included in cash and cash equivalents above is the State bank account of R34 766 047 (2025: R29 094 947) which 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 bank account will be transferred to the State Revenue Fund once all obligations have been extinguished.

Financial instrument disclosure

Additional information on the financial instrument components of this note, as required by GRAP 104, is provided in note 24 - Financial Instruments - Risk Management and Other Disclosures.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

	2026	2025
7. Provisions		
Provisions		
IBNR Provision	1 659 105 439	2 204 626 374
Benefits due	1 144 752 396	884 467 766
Pension liability	1 368 058	1 497 328
	2 805 225 893	3 090 591 468
Non-current liabilities	1 660 019 621	2 205 684 814
Current liabilities	1 145 206 272	884 906 654
	2 805 225 893	3 090 591 468

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

Figures in Rand

7. Provisions (continued)

Reconciliation of provisions - 2026

	Opening Balance	Additions (1)	Paid during the year (2)	Rejected claims reclassified to payables to claimants	Changes in methodology and assumptions/ unexpected increase /(decrease) (3)	Unwinding (4)	Transfer to benefits due	Total
IBNR - TB Loss of Earnings	1 602 568	14 653 516	-	-	(868 322)	122 400	(14 607 577)	902 585
IBNR - TB First Degree	755 014	6 265 829	-	-	(213 938)	58 140	(6 632 370)	232 675
IBNR - TB Second Degree	1 261 218	10 164 949	-	-	17 999	96 390	(10 927 837)	612 719
IBNR - Permanent First Degree	981 620 036	52 114 388	-	-	(625 878 324)	91 694 040	(38 345 804)	461 204 336
IBNR - Permanent Second Degree	1 219 387 538	143 306 136	-	-	(164 699 858)	113 824 688	(115 665 380)	1 196 153 124
Benefits Due - TB Loss of Earnings	37 719 573	-	(9 293 890)	(116 882)	(7 038 024)	3 147 936	14 607 577	39 026 290
Benefits Due - TB First Degree	16 063 523	-	(3 421 446)	98 378	(2 807 865)	1 399 546	6 632 370	17 964 506
Benefits Due - TB Second Degree	97 937 986	-	(15 753 929)	(87 510)	2 947 470	8 167 775	10 927 837	104 139 629
Benefits Due - Permanent First Degree	220 180 562	-	(113 213 901)	(2 668 885)	104 523 030	12 889 679	38 345 804	260 056 289
Benefits Due - Permanent Second Degree	512 566 122	-	(324 130 700)	(6 373 005)	396 148 644	29 689 241	115 665 380	723 565 682
Pensioner Liability	1 497 328	-	(217 067)	-	(26 801)	114 598	-	1 368 058
	3 090 591 468	226 504 818	(466 030 933)	(9 147 904)	(297 895 989)	261 204 433	-	2 805 225 893

1. Additions represent the expected new claims during the 12 month inter-valuation period.

2. Payments for the year.

3. 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 2025 for the 12-month inter-valuation period.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

Figures in Rand

7. 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 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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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7. Provisions (continued)

The total claims liability, including the provisions for claims incurred but not yet reported (IBNR), benefits due and pensions as at 31 March 2026, was estimated to be R2 805 225 893 (2025: R3 090 591 468). This represents the expected monetary amount, that together with investment income, would be sufficient to cover future payments in respect of risk shifts worked up to 31 March 2026.

Benefits Due represents a liability of uncertain timing. Therefore, the valuation amount relating to Benefits Due is classified as a Provision for Benefits Due and is recognised as such. The provision recognised as at 31 March 2026 amounted to R1 144 752 396 (2025: 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 as at 31 March 2026 amounted to R1 659 105 439 (2025: R2 204 626 374).

Pensions are currently paid to those who previously received pensions before the ODMWA changed in 1993 (both ex-workers and spouses). The pensions are paid from the State Bank Account. The provision recognised in the Statement of Financial Position as at 31 March 2026 amounted to R1 368 058 (2025: R1 497 328).

Valuation methodology and actuarial assumptions - 31 March 2026

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 2026:

- The number of claims reported, certified and not yet paid per claims year was multiplied by the average cost 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 IBNR Provision at 31 March 2026.
- The Provision for Benefits Due equals to the sum of these future claim payments.

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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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7. Provisions (continued)

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 to the 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 claim future payments.

The following methodology was applied to determine the TB Liability as at 31 March 2026:

- The ultimate number of claims were projected for last risk years up to the end of 31 March 2026 by applying a development pattern to the cumulative proportion of claims observed to have been reported to 31 March 2026. This process was repeated to determine incremental claims per development year for each applicable last risk year. To allow for the complete claims experience, current certification guidelines and based on an analysis of the data, a 7-year development period was used.
- 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 Act 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 Act.

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.

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Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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7. 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 years were discounted to 31 March 2026 using the BEASSA nominal zero coupon yield curve as at 31 March 2026.
- 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 CCOD 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.

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
- 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.

The following methodology was applied to determine the Permanent Disease Liability as at 31 March 2026:

- The ultimate number of claims were projected for last risk years up to the end of 31 March 2026 by applying a development pattern to the cumulative proportion of claims observed to have been reported to 31 March 2026. 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, the development patterns have been allowed for over the following number of years:
 - Asbestos-related diseases : 55 years
 - Silicosis: 45 years
 - OAD: 10 years

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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7. Provisions (continued)

- Other: 45 years

The ultimate number of claims expected to arise for all applicable risk years up to 31 March 2026 was determined applying this method.

- 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 Act with regard to the way in which award amounts are calculated:

- Permanent Disease First Degree
- Permanent Disease Second Degree

The mean of the distributions for both First and Second degree diseases were used. For future years an inflation rate of 5% is applied to years after 31 March 2026, in line with previously approved increases.

- 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.
- Expected future claim amounts to be paid per settlement year for each claim year were discounted to 31 March 2026 using the BEASSA nominal zero coupon yield curve as at 31 March 2026.
- The number of under-reported claims was estimated as follows:
 - Explicit adjustments are made to development patterns (heavier development in later years for under-reported years between 1960 and 1990) and a synthetic runoff table is created.
 - That runoff table is used to recreate the 'outstanding' claims using the higher runoff to allow for under-reported claims. Some allowance is made for under-reported claims to be submitted but these are historic so the impact is expected to be low.
- Expected future claim amounts to be paid per settlement year for each claim years were discounted to 31 March 2026 using the BEASSA nominal zero coupon yield curve as at 31 March 2026.
- 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 (31 March 2026)

The following were the principal assumptions at the reporting date:

Economic assumptions

Annual cash flows have been discounted at the rate implied by the BEASSA nominal zero coupon bond curve as at 31 March 2026 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 2026. An inflation risk premium of 0.5% has been applied.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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7. Provisions (continued)

Other Assumptions

	2026
Future 'inflation rate' for TB Loss of Earnings	9 %
Proportion of TB Loss of Earnings claims that result in no loss	8 %
TB Liability - percentage future claims that will be paid	80 %
Permanent Disease Liability - percentage future claims that will be paid	85 %
Permanent Disease Liability - percentage of under-reported claims that will be paid	85 %

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:

2026	Benefits due	IBNR provision	Impact on surplus / accumulated surplus
Base scenario	1 144 752 396	1 659 105 439	-
Scenario 1: 90% TB payment, 95% Other Permanent payment	1 253 233 737	1 854 307 168	(303 683 070)
Scenario 2: 70% TB payment, 75% Other Permanent payment	1 036 271 053	1 463 903 712	303 683 070

The effective date of the actuarial valuation was 31 March 2026. The actuarial valuation was performed independently by NMG Consultants and Actuaries (Pty) Ltd.

Valuation methodology and actuarial assumptions - 31 March 2025

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:

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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7. Provisions (continued)

- 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.

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.

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6.9 Notes to the Annual Financial Statements

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7. Provisions (continued)

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.
- 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.

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7. Provisions (continued)

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.
- 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

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7. Provisions (continued)

- 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.
 - 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.

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6.9 Notes to the Annual Financial Statements

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7. Provisions (continued)

- 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 (31 March 2025)

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

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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

	2026	2025
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7. Provisions (continued)

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

2025	Benefits due	IBNR provision	Impact on deficit / accumulated surplus
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

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

8. Payables from exchange transactions

Payables to claimants	72 837 013	62 098 050
Other payables from exchange transactions	13 350 087	22 730 014
	86 187 100	84 828 064

Payables to claimants relate to approved claims where claimants bank accounts were closed or inactive after the award was approved for payment. In addition, interest has been accrued in terms of section 94 of the ODMWA.

Other payables from exchange transactions mainly comprises receipts from unregistered mines to the Fund.

The split in payables from exchange transaction has been changed in the current year to reflect payables to claimants and other payables. The prior period information has been reclassified. Refer note 32.

Split of non-financial instruments

Statutory related	72 837 013	62 098 050
Other non-financial instruments related	13 350 087	22 730 014
Carrying amount of non-financial instruments	86 187 100	84 828 064
Total split of non-financial instruments	86 187 100	84 828 064

In the prior period payables from exchange transactions were classified as financial instruments. The prior period information has been reclassified. Refer to note 31.

9. Payables from non-exchange transactions

National Treasury	33 397 989	30 250 450
Other payables from non-exchange transactions	380 000	380 000
	33 777 989	30 630 450

The payable to National Treasury represents the amount which per section 69(4) of the ODMWA is repayable to the State Revenue Fund once all obligations on the State account have been extinguished.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

	2026	2025
9. Payables from non-exchange transactions (continued)		
Split between non-financial instruments		
Statutory related	33 397 989	30 250 450
Other non-financial instruments	380 000	380 000
Carrying amount of non-financial instruments	33 777 989	30 630 450
Total split between non-financial instruments	33 777 989	30 630 450

In the prior period payables from non-exchange transactions were classified as financial instruments. The prior period information has been reclassified. Refer to note 31.

10. Revenue

Levy income	102 549 795	107 033 021
Movement in provisions	71 391 172	-
Debt impairment - Statutory Receivables	-	30 953 359
Debt Impairment - Financial Instruments	302 970	-
Other income	5 611 508	3 315 615
Interest received	435 842 748	486 090 411
Goods and services in-kind from the NDOH	64 678 725	61 587 769
Pensions - Non-exchange revenue	87 797	1 904 254
	680 464 715	690 884 429

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

Levy income	102 549 795	107 033 021
Movement in provisions	71 391 172	-
Debt Impairment - Statutory Receivables	-	30 953 359
Debt impairment - Financial Instruments	302 970	-
Other income	5 611 508	3 315 615
Interest received	435 842 748	486 090 411
	615 698 193	627 392 406

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

Transfer revenue

Goods and services in-kind from the NDOH	64 678 725	61 587 769
Pensions - Non-exchange revenue	87 797	1 904 254
	64 766 522	63 492 023

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.
Pensions - Non-exchange revenue	Measured at the fair value of the movement in the provision for pensioner liability through the statement of financial performance.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

	2026	2025
10. 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.	
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 37 for additional information on the assistance from the Minerals Council South Africa.	
11. Levy income		
Section 62 levies	100 505 141	104 901 653
Section 63 research levies	1 633 246	1 469 260
Section 65 penalties	411 408	662 108
	102 549 795	107 033 021
The amount included in levy income arising from section 62 and 63 levies transactions amounted to R102 138 387 (2025: R106 370 913).		
The amount included in levy income arising from penalties levied in terms of section 65 of the ODMWA amounted to R 411 408 (2025: R662 108).		
12. Movement in provisions		
Disease in the First Degree - Section 80(1)	469 240 906	30 719 824
Disease in the Second Degree - Section 80(3)	(374 754 922)	(330 605 300)
Tuberculosis at 75% - Section 80(1)	(6 747 169)	(11 251 490)
Tuberculosis in the First Degree - Section 80(4)	(3 244 026)	(2 293 342)
Tuberculosis in the Second Degree - Section 80(2)(b)	(13 130 418)	(1 659 931)
Pensioner liability	26 801	(1 739 682)
	71 391 172	(316 829 921)
The table above shows the split of the net movement in provisions (excluding unwinding costs, claims paid and rejected claims reclassified to payables to claimants). If the net movement in provisions above is a reduction in provisions then the amount is shown in revenue from exchange transactions. If the net movement in provisions above results in an increase to provisions then the amount is shown in expenditure.		
Refer to Note 7 for additional information on the movement in provisions.		

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

	2026	2025
13. Debt impairment - Statutory Receivables		
Movement in debt impairment provision	9 329 620	(30 953 359)

The table above shows the movement in the provision for debt impairment. If the movement above results in a reduction to provisions then the amount is disclosed in revenue from exchange transactions. If the movement results in an increase to provisions then the amount is shown as an expenditure.

Statutory receivable disclosure

Additional information on the statutory receivables components of this note, as required by GRAP 108, is provided in Note 27 Statutory receivables disclosure.

14. Debt impairment – Financial Instruments

Decrease in ECL allowance	302 970	-
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15. Other income

Recovery from NDOH - Section 74(a)	4 307 163	2 651 832
Payables from exchange release	1 304 345	663 783
	5 611 508	3 315 615

16. Interest received

Interest received

Interest on investments	431 221 546	480 091 464
Interest on cash and cash equivalents	2 088 529	2 143 526
Interest charged on levy receivables	2 532 673	3 855 421
	435 842 748	486 090 411

The amount included in Interest received arising from exchange transactions amounted to R435 842 748 (2025: R486 090 411).

Total interest revenue included above, calculated using the effective interest method for financial assets that are measured at amortised cost, amounted to R433 310 075 (2025: R482 234 990).

17. Goods and services in-kind from the NDOH

Goods and services in-kind from the NDOH	64 678 725	61 587 769
Goods and services in-kind from the NDOH comprise:		
Non-exchange - services in-kind - employee related expenses	36 136 808	36 005 420
Non-exchange - goods and services in-kind	28 541 917	25 582 349
	64 678 725	61 587 769

The prior period information has been updated for additional information on rent paid on behalf of the CCOD by the NDOH. Refer to note 31.

Mines and Works Compensation Fund

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6.9 Notes to the Annual Financial Statements

	2026	2025
18. Pensions - Non-exchange revenue		
Pensions - Non-exchange revenue	87 797	1 904 254

The table below shows the split of the related expenditure for the pensions non-exchange revenue.

Pension liability expenditure split:

Finance costs - Provisions - Unwinding adjustment (Refer note 19)	114 598	164 572
Movement in provisions (Refer note 12)	(26 801)	1 739 682
	87 797	1 904 254

19. Finance costs

Provisions - Unwinding adjustment	261 204 433	291 828 474
Payables to claimants	6 820 161	5 156 584
Interest - State account	-	4 745 507
	268 024 594	301 730 565

The interest charge on the State account of R4 745 507 in the prior period represents historical interest earned on funds in the State bank account which are due to the National Revenue Fund once all obligations under the ODMWA have been fulfilled. Refer to note 6 for restrictions disclosed on the State Bank Account.

20. Bad debts written-off - Statutory Receivables

Bad debts written-off	323 028	17 100 722
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Bad debts are written-off in accordance with the debt write-off policy adopted by the Fund and relate to long outstanding balances.

21. General expenses

Actuarial valuation expenses	1 885 802	1 885 802
Bank charges	57 006	575 675
	1 942 808	2 461 477

22. Cash used in operations

Surplus (deficit)	336 165 940	(8 826 025)
Adjustments for:		
Interest income	(432 071 744)	(480 091 464)
Finance costs	266 561 399	301 241 152
Debt impairment - Financial Instruments	(302 970)	-
Debt impairment - Statutory Receivables	9 329 620	(30 953 359)
Bad debts written-off - Statutory Receivables	323 028	17 100 722
Net movement in provisions (excluding unwinding adjustment)	(546 570 008)	(90 449 256)
Other non-cash item	86	-
Changes in working capital:		
Receivables from exchange transactions	14 252 578	(4 489 832)
Payables from exchange transactions	(3 997 929)	1 190 451
Payables from non-exchange transactions	3 147 539	1 360 231
	(353 162 461)	(293 917 380)

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6.9 Notes to the Annual Financial Statements

	2026	2025
23. Claims paid		
Claims paid		
Claims paid (Refer note 7)	466 030 933	407 279 177
Claims paid - payables from exchange	2 293 956	-
	468 324 889	407 279 177

24. Financial Instruments - Risk Management and Other Disclosures

Statement of financial position

2026 - Categories of financial assets

Carrying amount by class of financial assets

	Note(s)	At amortised cost	Total
Investments	4	5 997 473 210	5 997 473 210
Cash and cash equivalents	6	58 321 228	58 321 228
Total carrying amounts		6 055 794 438	6 055 794 438

Statement of financial performance

2026 - Items of revenue

	Note(s)	At amortised cost	Total
Interest on investments	16	431 221 546	431 221 546
Interest on cash and cash equivalents	16	2 088 529	2 088 529
		433 310 075	433 310 075

Calculated using the effective interest method for financial assets that are measured at amortised cost.

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6.9 Notes to the Annual Financial Statements

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24. Financial Instruments - Risk Management and Other Disclosures (continued)

Nature and extent of risks arising from financial instruments

Qualitative & Quantitative disclosures

Overview

The Fund's activities expose it to the following financial risks: market risk (cash flow interest rate risk) and credit risk.

The Accounting Authority has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund's Audit & Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit & Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

The Fund's overall financial risk management program focuses on managing financial risks to ensure that returns match the liability profiles of the Fund and avoiding the risk of changes in financial assets due to the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance.

The Fund's principal financial assets include interest bearing investment with the CPD, short-term fixed and call deposits and cash and cash equivalents.

The management of financial risks is the responsibility of the Accounting Authority and is performed in accordance the adopted Cash and Investments policy with the Fund monitoring the management of the identified financial risks.

Credit risk

The credit risk management practice

Credit risk is the risk that the Fund will incur a financial loss as a result of a counterparty to a financial instrument failing to discharge an obligation.

Credit risk arises from the Fund making deposits, necessary to meet current and future obligations to claimants, with the CPD and rated financial institutions. Deposits placed with the CPD, FNB and Absa give rise to credit risk. The entity deposits cash and investments with major banks with high quality credit standing and limits exposure to any one counter-party. Funds are also deposited with the CPD, which is a subsidiary of the South African Reserve Bank. Funds can be deposited with financial institutions in line with the founding legislation of the Fund.

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.

The Fund writes-off financial assets when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery, after appropriate legal action has been undertaken.

Definition of 'default'

The Fund defines "default" and "credit-impaired" as when the instrument meets one or more of the following criteria:

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24. Financial Instruments - Risk Management and Other Disclosures (continued)

Quantitative criteria

The counterparty is more than 30 days past due on its contractual payments.

Qualitative criteria

The counterparty is considered to be in default in the following instances:

- The borrower has indicated that they will not be able to discharge their obligations
- The borrower has entered business rescue or liquidation proceedings

Grouping of financial assets

For the assessment of credit risk and the ECL calculation financial assets have been grouped into the following categories:

- Investments - CPD
- Investments - FNB and Absa
- Cash and cash equivalents - FNB and Absa

The grouping above were based on the class of the financial assets and the grouping of credit ratings of the relevant counterparties.

Significant increase in credit risk

Factors that would contribute to a significant increase in credit risk on financial assets include:

- The counterparty is past due on its contractual payments or giving notice that contractual obligations potentially cannot be met
- External credit ratings have dropped by 2 or more notches since last assessment
- Significant deterioration in the South African Macro-economic outlook

The following financial instruments are considered to have low credit risk

All financial assets held by the Fund are considered to have low credit risk including:

Financial instrument

Investments - CPD

Investments - FNB and Absa

Bank accounts - FNB and Absa

Class

Investments

Investments

Cash and cash equivalents

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6.9 Notes to the Annual Financial Statements

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24. Financial Instruments - Risk Management and Other Disclosures (continued)

Investments and cash equivalents held by the Fund are deemed to have a low credit risk at the reporting date and as such 12-month expected credit loss measurement using an explicit "probability of default" approach is calculated. No significant increase in credit risk since initial recognition is deemed to have taken place. Factors contributing to the assessment of low credit risk include:

- Funds are deposited with the CPD, FNB and Absa
- The CPD is a wholly owned subsidiary of the South African Reserve Bank (SARB)
- The Short-term Issuer Default Rating for South Africa is B per Fitch ratings
- The outlook for South Africa is stable as affirmed by Fitch in September 2025
- The national short-term rating for Absa and FNB is F1+ per Fitch and there has been no deterioration in rating since February 2004
- The National budget highlights for 2025/2026 show real GDP Growth of 1.9% forecast for 2025 from an estimate of 0.8% in 2024 so no forecast of macro-economic decline
- No instances identified of investment balance redemptions or interest payments being more than 30 days past due with contractual obligations have been met by the corresponding parties

Inputs, assumptions and estimation techniques

Credit risk measurement

Assessing credit risk involves assessing the likelihood of a default occurring, the associated loss ratios and the default correlations. The Fund makes use of an expected credit loss (ECL) allowance to measure credit risk. An expected credit loss allowance model has been developed using the probability of default (PD), exposure at default (EAD) and loss given default (LGD) as key inputs into the model. In addition the ECL model allows for judgemental inputs.

The Fund uses external credit risk ratings to assess the PD of counterparties.

ECL allowance

The ECL calculation is based on the following key components:

Probability of Default (PD)

This is an estimate of the likelihood of default over a given time horizon. The PD is derived from published default rates associated with the credit rating.

Exposure at Default (EAD)

This is an estimate of the exposure at a future default, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

Loss given default (LGD)

This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. It is usually expressed as percentage of the EAD.

Discounting

The 12 month ECL is to be used and as such the impact of discounting is not considered to be significant.

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24. Financial Instruments - Risk Management and Other Disclosures (continued)

Quantitative and qualitative information about amounts arising from expected credit losses

Changes in loss allowance and gross carrying amount

Investments - CPD

Reconciliation of loss allowance

	12-month ECL
Loss allowance at the beginning of the year	
Initial adoption of GRAP 104 (revised) - 1 April 2025	(1 967 706)
Changes in models, assumptions and risk parameters	102 853
Loss allowance at the end of the year	(1 864 853)

Significant changes in the gross carrying amount that contributed to changes in the loss allowance were:

The decrease in the ECL allowance was driven by the decrease in the default rate for Sovereign debt, which per information obtained from Fitch ratings, decreased from 0.20% to 0.19% for sovereign entities.

There were no significant movements in gross carrying amounts for the respective financial asset which impacted on the ECL allowance.

Refer to the "Reconciliation of gross carrying amount" below, for the relating significant changes in the gross carrying amount.

Reconciliation of gross carrying amount

	12-month ECL
Gross carrying amount at the beginning of the year	3 051 289 780
Financial instruments originated or acquired	14 038 191
Gross carrying amount at the end of the year	3 065 327 971

Refer to the "Reconciliation of loss allowance" above, for the relating loss allowance reconciliation.

Net carrying amount determination

Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	3 065 327 971
Loss allowance at the end of the year as disclosed in the "Reconciliation of loss allowance" above	(1 864 853)
Net carrying amount	3 063 463 118

Mines and Works Compensation Fund

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6.9 Notes to the Annual Financial Statements

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24. Financial Instruments - Risk Management and Other Disclosures (continued)

Investments - FNB and ABSA

Reconciliation of loss allowance

	12-month ECL
Loss allowance at the beginning of the year	
Initial adoption of GRAP 104 (revised) - 1 April 2025	(3 237 867)
Changes in models, assumptions and risk parameters	200 117
Loss allowance at the end of the year	(3 037 750)

Significant changes in the gross carrying amount that contributed to changes in the loss allowance were: The decrease in the ECL allowance was driven by the decrease in the default rate, which per information obtained from Fitch ratings, decreased from 0.36% to 0.33% for corporate entities.

There were no significant movements in gross carrying amounts for the respective financial asset which impacted on the ECL allowance.

Refer to the "Reconciliation of gross carrying amount" below, for the relating significant changes in the gross carrying amount.

Reconciliation of gross carrying amount

	12-month ECL
Gross carrying amount at the beginning of the year	2 867 864 574
Financial instruments originated or acquired	69 183 268
Gross carrying amount at the end of the year	2 937 047 842

Refer to the "Reconciliation of loss allowance" above, for the relating loss allowance reconciliation.

Net carrying amount determination

Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	2 937 047 842
Loss allowance at the end of the year as disclosed in the "Reconciliation of loss allowance" above	(3 037 750)
Net carrying amount	2 934 010 092

Cash and cash equivalents - FNB and Absa

Reconciliation of loss allowance

	12-month ECL
Loss allowance at the beginning of the year	
Initial adoption of GRAP 104 (revised) - 1 April 2025	-
Loss allowance at the end of the year	-

Refer to the "Reconciliation of gross carrying amount" below, for the relating significant changes in the gross carrying amount.

Reconciliation of gross carrying amount

	12-month ECL
Gross carrying amount at the beginning of the year	63 483 689
Cash utilised during the year	(5 162 461)
Gross carrying amount at the end of the year	58 321 228

Refer to the "Reconciliation of loss allowance" above, for the relating loss allowance reconciliation.

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6.9 Notes to the Annual Financial Statements

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24. Financial Instruments - Risk Management and Other Disclosures (continued)		
Net carrying amount determination		
Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	58 321 228	
Loss allowance at the end of the year as disclosed in the "Reconciliation of loss allowance" above	-	
Net carrying amount	58 321 228	

Credit risk exposure

Credit quality of investments and cash and cash equivalents.

For purposes of determining the credit loss allowances, management determine the credit rating grades of each financial asset at the end of the reporting period. These ratings are determined externally by the Fitch ratings agency.

2026

Gross carrying amount by credit risk rating grades of financial assets

	Rating agency	Rating category	Rating	12-month ECL
Investments - CPD	Fitch ratings	Short Term Issuer Default Rating	B	3 065 327 971
Investments - FNB and Absa	Fitch ratings	National Short Term Rating	F1+	2 937 047 842
Cash and cash equivalents - FNB and Absa	Fitch ratings	National Short Term Rating	F1+	58 321 228
				6 060 697 041

The Fund makes use of the Fitch Ratings, a global credit rating agency, to assess creditworthiness of Financial Assets in terms of the Cash and Investments policy adopted by the Fund. Concentration of Credit risk for financial assets is managed i.t.o. the Cash and Investments policy whereby a limit is placed on the amounts that may be placed with a particular counterparty. No credit limits were exceeded during the reporting period.

Financial instruments within the scope of GRAP 104 (revised 2019), but to which the impairment requirements are not applied

The maximum exposure to credit risk of such financial instruments is presented in the table below:

The following table summarises the entity's maximum exposure to credit risk for financial instruments within the scope of GRAP 104 for which no ECL is recognised. The maximum exposure is generally the carrying amount, without taking account of collateral or other credit enhancements.

2026

Financial instrument class		Carrying amount exposed to credit risk	Maximum exposure to credit risk
Cash and cash equivalents	6	58 321 228	58 321 228

Market risk

Sensitivity analysis

Interest rate risk

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

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

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24. Financial Instruments - Risk Management and Other Disclosures (continued)

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.

The entity's interest rate risk arises from interest earned on investment balances.

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 short-term fixed rate instruments for investment balances held.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Average effective 2026	Carrying amount 2026
Variable rate instruments:		
Assets		
Interest bearing investment - CPD	6,75 %	3 063 463 118
Short term call deposit - Mines	6,25 %	317 905 735
Cash and cash equivalents	3,99 %	58 321 228
		3 439 690 081
Fixed rate instruments:		
Assets		
Short term fixed deposit - Mines	7,15 %	505 735 300
Short term fixed deposit - Mines	7,25 %	1 465 019 213
Short term fixed deposit - Mines	7,05 %	370 339 942
Short term fixed deposit - Works	7,20 %	239 020 786
Short term fixed deposit - Works	7,05 %	24 095 492
Short term fixed deposit - Research	7,05 %	11 893 624
		2 616 104 357

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

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24. Financial Instruments - Risk Management and Other Disclosures (continued)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

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.

Sensitivity analysis

	2026 Increase	2026 Decrease
Increase or decrease in rate:		
Impact on surplus:		
Interest bearing investments - CPD	30 794 165	(30 513 175)
Short-term deposits - FNB and Absa	29 505 468	(29 236 237)
Cash and cash equivalents	585 893	(580 547)
Total impact on surplus	60 885 526	(60 329 959)

25. Financial instruments disclosure – pre-revised GRAP 104

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

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6.9 Notes to the Annual Financial Statements

	2026	2025
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26. Risk management - pre-revised GRAP 104

Financial risk management

The Fund's activities expose it to a variety of financial risks: market risk (cash flow interest rate risk) and credit risk.

The Fund's principal financial assets include interest bearing investment with the CPD, short-term fixed and call deposit and cash and cash equivalents.

The Fund monitors the management of these risks.

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
Investments - CPD	3 051 289 780
Short-term call deposits - FNB	109 476 931
Short-term fixed deposits - Absa	370 208 489
Short-term fixed deposits - FNB	2 388 179 154
Cash and cash equivalents - Absa	61 759 712
Cash and cash equivalents - FNB	1 723 977

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.

The Fund is exposed to cash flow interest rate risk on various financial assets including 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)
	60 101 348	(59 552 936)

Mines and Works Compensation Fund

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6.9 Notes to the Annual Financial Statements

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26. Risk management - pre-revised GRAP 104 (continued)

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

27. Statutory receivables disclosure

Reconciliation of information presented in the notes to the line items presented in the financial statements

Line item containing statutory receivables, and relating receivable type	Notes		
Receivables from exchange transactions	5	10 529 523	33 584 551
Levy receivables		10 529 523	30 052 077
Other receivables		-	880 642
Receivable from the NDOH		-	2 651 832

Transaction(s) arising from statute

Levy 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.

The receivable from the NDOH in the prior period represents the receivable raised i.t.o. section 74 of the ODMWA.

Determination of transaction amount

Levy receivables arise from levies in accordance with section 62 and section 63 of the ODMWA. Levies payable in terms of section 62 and section 63 are based on the number of risk shifts worked multiplied by a rate per risk shift as published in the South African Government Gazette. Standard terms on trade receivables are 20 days following the month in which the risk shifts were worked. Penalties are levied in terms of section 65 of the ODMWA and are calculated in accordance with the revenue and receivables policy adopted by the Fund.

The receivable from the NDOH is calculated in terms of S74(a) of the ODMWA in which the Minister shall pay, from moneys appropriated by Parliament for that purpose, any amount which is due by an owner of a controlled mine or work which the CCOD is unable to recover from that owner. The amount payable from the Minister excludes any interest due under Section 64 or 66 or any penalty imposed under section 65.

Mines and Works Compensation Fund

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6.9 Notes to the Annual Financial Statements

2026 2025

27. Statutory receivables disclosure (continued)

Interest or other charges levied/charged

Interest is levied on overdue accounts in accordance with section 64 of the ODMWA, calculated on a simple interest basis, in accordance with interest rates as prescribed in guidelines issued by National Treasury.

The applicable rates per annum are as follows:

2026	Interest rate
1 April 2025 to 30 June 2025	11,00 %
1 July 2025 to 31 August 2025	10,75 %
1 September 2025 to 31 December 2025	10,50 %
1 January 2026 to 31 March 2026	10,25 %
2025	Interest rate
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 %

Basis used to assess and test whether a statutory receivable is impaired

The creation of provision for impaired receivables has been included in Expenditure. The release of the provision for impaired receivables has been included in Revenue from Exchange Transactions. Refer to note 13 - Debt impairment - Statutory Receivables.

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

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. Levy receivables comprises a large, widespread customer base.

Reconciliation of provision for impairment

Relating specifically to Statutory Receivables

Opening balance	38 906 064	69 859 423
Provision for impairment	9 329 620	(15 953 064)
Amounts written-off	-	(15 000 295)
	48 235 684	38 906 064

Main events and circumstances that led to the recognition or reversal of impairment losses on Statutory Receivables

Significant impairment losses recognised or reversed

The increase in the provision for impairment on statutory receivables was driven by lower collections on long outstanding debts which decreased to 5% in the 2025/2026 financial year from 24% in the 2024/2025 financial year. Recoverability rates on long outstanding debt forms the basis for the expected cash flows on outstanding balances.

Mines and Works Compensation Fund

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6.9 Notes to the Annual Financial Statements

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27. Statutory receivables disclosure (continued)

Key indicators and assumptions used to assess and calculate whether statutory receivables were impaired during the reporting period

Key indicators used to assess whether statutory receivables were impaired include:

- Liquidation of the controlled mines or works
- The entity being in business rescue and the date for the submission of claims has expired for long outstanding debt
- Settlement of debt via legal proceedings
- Whether debt is past due
- Historical collection rates of outstanding debts

Collectability of statutory receivables

Receivables past due but not impaired

Statutory receivables at 31 March 2026, R7 273 250 (2025: R10 577 078) were neither past due nor impaired.

At 31 March 2026, R3 256 273 (2025: 23 007 473) were past due but not impaired.

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

One month past due	546 801	596 910
Two months past due	674 382	490 345
Over three month past due	2 035 090	21 920 218
	3 256 273	23 007 473

Factors the entity considered in assessing statutory receivables past due but not impaired

Levies receivable are considered to be past due if they are not settled within 20 days after the month-end in which the risk shifts were worked. The provision for impairment is reduced for historical collection rates on long outstanding debt as a basis for estimated of future debt recovery. Statutory receivables where the debtor has confirmed that settlement will be made or where settlement has been made after year-end are not considered to be impaired.

Receivables impaired

Relating specifically to Statutory Receivables

As of 31 March 2026, statutory receivables of R48 235 684 (2025: R38 906 064) were impaired and provided for.

The amount of the provision was R48 235 684 (2025: R38 906 064).

The ageing of these receivables is as follows:

Current	1 487 380	1 418 615
One month past due	-	2 766
Two months past due	12	5 254
Over three months past due	46 748 292	37 479 429
	48 235 684	38 906 064

Mines and Works Compensation Fund

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28. Related parties

Relationships	NDOH
Controlling entity	Advisory Committee
Committee with significant influence	Dr MB Kistnasamy (Compensation Commissioner for Occupational Diseases and Accounting Authority)
Members of key management	Ms T Mama (Deputy Compensation Commissioner for Occupational Diseases)
	Mr GA van Heerden (Acting Chief Financial Officer appointed on secondment from 1 April 2026)

Related party balances

Amounts included in Receivables from exchange transactions

NDOH	-	2 651 832
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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

Transfer payments for pension payments

NDOH	1 894 000	1 813 000
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Goods and services in-kind from the NDOH

NDOH	64 678 725	61 587 769
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Recovery from the NDOH - Section 74

NDOH	4 307 163	2 651 832
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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.

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.

Mines and Works Compensation Fund

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6.9 Notes to the Annual Financial Statements

2026 2025

28. Related parties (continued)

Acting Chief Financial Officer (CFO)	Mr GA van Heerden	CFO for a schedule 3A listed entity under the requirements of the PFMA. Acting CFO appointed on secondment effective from 1 April 2026.
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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 17. The fees for the CFO appointed on secondment from 1 April 2026 are included in the assistance from social partners. Refer note 37.

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 17.

29. 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 R Nil (2025: R4 307 163).

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 (2025: R470 232).

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 R339 510 (2025: R269 166).

30. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

1 April 2025

	Note	As previously reported	Change in accounting policy	Restated
Investments	4	5 919 154 354	(5 205 573)	5 913 948 781
Accumulated surplus		(2 810 172 612)	5 205 573	(2 804 967 039)
		3 108 981 742	-	3 108 981 742

Mines and Works Compensation Fund

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6.9 Notes to the Annual Financial Statements

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30. Prior-year adjustments (continued)

Statement of financial performance

2025

	Note	As previously reported	Correction of error	Restated
Transfer revenue				
Goods and services in-kind from the NDOH		56 224 982	5 362 787	61 587 769
Expenditure				
Goods and services in-kind from the NDOH		(56 224 982)	(5 362 787)	(61 587 769)
Deficit for the year			-	-

Cash flow statement

2025

	Note	As previously reported	Correction of error	Re-classification	Restated
Cash flow from operating activities					
Interest received		512 741 558	(505 291 125)	-	7 450 433
Claimants and payables from exchange transactions		(407 886 421)	-	407 886 421	-
Claims paid		-	-	(407 279 177)	(407 279 177)
Other payables from exchange		-	-	(607 244)	(607 244)
		104 855 137	(505 291 125)	-	(400 435 988)
Cash flow from investing activities					
Increase in investments		(505 291 125)	505 291 125	-	-

Errors

Refer to note 31 for further information on prior period errors.

Change in accounting policy

Refer to note 3 for further information on change in accounting policy due to the adoption of GRAP 104 (revised) which was effective from 1 April 2025.

Reclassifications

Refer to note 32 for further information on reclassifications.

31. Prior period errors

Classification of financial liabilities

During the current year, it was discovered that the Fund had incorrectly classified Payables from exchange transactions and Payables from non-exchange transactions as financial liabilities and as a result the Financial Instruments disclosure note and Risk Management note in the 2024/2025 financial year Annual Financial Statements was incorrectly stated. The error was due to the incorrect application of the definition for financial liabilities. The implementation review of the revised GRAP 104 - Financial Instruments, clarified that these liabilities did not arise as a result of contractual obligations and as such do not meet the definition of financial liabilities. The comparative figures for 2024/2025 have been restated to reflect the correct information. The impact of this correction is limited to the disclosure note and does not affect the Statement of Financial Performance nor the Statement of Financial Position.

The correction of the error(s) results in adjustments as follows:

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6.9 Notes to the Annual Financial Statements

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31. Prior period errors (continued)

There is no impact on the Statement of Financial Position as at 31 March 2025 and the Statement of Financial Performance for the period ended 31 March 2025. All references to "financial liabilities", "payables from exchange transactions", "payables from non-exchange transactions", "trade and other payables" and "liquidity risk" were removed from the Financial Instruments disclosure note and Risk Management note relating to the comparative period as follows:

Financial instruments disclosure

Categories of financial instruments	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

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

Market risk

Interest rate risk

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

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
Trade and other payables	(699 449)	693 066

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year
Trade payables	11,00 %	69 624 870

Cashflow statement - Interest received on investments

In the prior period the Fund included the cash interest earned on investments as interest received of R505 291 125 as part of cash flows from operating activities, with a corresponding increase in investments of R505 291 125. Management disclosed the interest received on the face of the cash flow statement on the basis of the application of substance over form in order to present to the users of the financial statements of the Fund the overall cash generation of the Fund. However, in terms of the requirements of GRAP 2 Cash Flow Statements the purpose of the cash flow statement is to provide information about the historical changes in cash and cash equivalents, classifying them into operating, investing, and financing activities. The movements in Investment balances do not flow through the bank accounts making up cash and cash equivalents and so the movements in Investments balances which do not flow through cash and cash equivalents will not be included in the Cash Flow Statement going forward.

Mines and Works Compensation Fund

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6.9 Notes to the Annual Financial Statements

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31. Prior period errors (continued)

This change in presentation has required that the comparative information for the cash flow statement is restated as follows:

Cash flow statement impact	2025 As previously disclosed	2025 Restated
Interest received	512 741 558	7 450 433
Increase in investments	(505 291 125)	-
	7 450 433	7 450 433

Goods and services in-kind from the NDOH

In the prior period the following disclosure was included in the Nature and type of goods in-kind for 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." The rental paid for the building at 144 De Korte Street was obtained from the NDOH and the prior period information has been adjusted by R5 362 787 as an increase to both the Goods and services in-kind expense and the related transfer revenue.

This change in presentation has required that the comparative information for the cash flow statement is restated as follows:

Statement of Financial Performance	2025 As previously disclosed	2025 Restated
Transfer revenue		
Goods and services in-kind from the NDOH	56 224 982	61 587 769
Expenditure		
Goods and services in-kind from the NDOH	(56 224 982)	(61 587 769)
	-	-

Contingent assets

In the prior period the Fund disclosed as R12 143 655 for 2025 as the amount which is potentially recoverable from the Minister in terms of section 74(a) of the ODMWA, in the event that the Fund is unable to recover from the owner. The estimated contingent assets were based on what statutory receivables balances were impaired and not only balances which were written-off as irrecoverable. GRAP 19 states that "a contingent asset is disclosed, where an inflow of economic benefits or service potential is probable". The inflow of economic benefits from the minister is only probable once the commissioner has exhausted all the recoverable measures and the debt is approved for write-off. Therefore the amount disclosed as a contingent asset under S74(a) will be amended to R4 307 163 for the 2024/2025 financial year.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

2026 2025

32. Comparative figures

Certain comparative figures have been reclassified.

Payables from exchange transactions note split

The split of Payables from exchange transactions has been reclassified into Payables to claimants and Other Payables from exchange transactions to better reflect the nature of the underlying payables balance. Comparative information for the 2024/2025 financial has been reclassified to ensure consistency.

The effect of the reclassification is as follows:

As previously disclosed	2025
Trade payables	69 624 870
Other payables from exchange transactions	15 203 194
Payables from exchange transactions	84 828 064

Revised reclassification	2025
Payables to claimants	62 098 050
Other payables from exchange transactions	22 730 014
Payables from exchange transactions	84 828 064

Cash flow statement - Claimants and payables from exchange transactions

Payments relating to "Claimants and payables from exchange transactions" have been split on the face of the cash flow statements for the 2025/2026 to reflect claims paid separately from cash flows relating to other payables from exchange transactions. Comparative information has been restated to reflect the change. The effect of the reclassification is to split "Claimants and payables from exchange transactions" into "Claims paid" and "Other payables from exchange" on the face of the cash flow statement. No change in cash generated from operating activities resulted from the change.

The effect of the reclassification on the cash flow statement is as follows:

As previously disclosed	2025
Claimants and payables from exchange transactions	(407 886 421)

Revised reclassification	2025
Claims paid	(407 279 177)
Other payables from exchange transactions	(607 244)
	(407 886 421)

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

Figures in Rand

33. Change in estimate

Provisions methodology

During the year ended 31 March 2026 the Fund appointed NMG Consultants and Actuaries (Pty) Ltd ("NMG") as its actuary, replacing the previous actuary. As part of its first valuation of the claims liability, NMG reviewed and refined a number of the actuarial methodologies, models and parameters used to estimate the outstanding claims liability. There has been no change in the measurement basis of the provision – it continues to be measured at the present value of the best estimate of expenditure required to settle the provision but new developments and the technique by which that estimate is constructed has changed.

Nature of the changes in estimate

The following refinements have been made:

- Under-reporting of Silicosis and Other permanent diseases - the previous complex methodology comparing run-off patterns of white versus non-white workers and current versus ex-workers has been replaced by an explicit adjustment to the development factors for the affected reporting years, with a synthetic run-off table constructed to incorporate the under-reported claims.
- Asbestos-Related Diseases (ARD) – the chain-ladder methodology applied previously produced results inconsistent with the known cessation of asbestos mining in South Africa before 2005. ARD has been remodelled on an age-based development methodology.
- Payment-rate scenarios applied to under-reported claims – under-reported claims are now included in all payment-rate scenarios at the scenario percentage (75%, 85% or 95%), whereas previously they were fixed at 75% regardless of the scenario applied to reported claims.
- Adoption of a new actuarial model. The previous model is no longer accessible, and a formal model-by-model comparison is therefore not possible. The aggregate effect of the new model on the closing liability is reflected within the figures below.

Quantification of the change in estimate

The cumulative effect of the changes described above on the carrying amount of the provision for current and future periods at 31 March 2026, by component, is set out below.

	Methodology and model
Permanent disease IBNR	(791 642 443)
Benefits Due	493 773 255
Net	(297 869 188)

34. Going concern

We draw attention to the fact that at 31 March 2026, the entity had an accumulated surplus R3 141 132 979 and that the entity's total assets exceed its liabilities by R 3 141 132 979.

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 066 323 961 exceed current liabilities R1 265 171 361 by R 4 801 152 600 as at 31 March 2026.

35. Events after the reporting date

No material events have taken place between the statement of financial position date and the authorisation of the Annual Financial Statements.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

Figures in Rand

36. Budget differences

Material differences between budget and actual amounts

Material differences can be explained as follows:

Movement from Approved Budget to Final Budget

Statement of Financial Performance

Levy income

The approved budget of R111 335 229 was reduced by R8 054 393 to R103 280 836 in the final budget to adjust for the lower levy rates gazetted, effective 1 August 2025, which were calculated in terms of the 2025 actuarial levy report.

Other income

The approved budget of R2 654 832 was increased by R1 652 331 to R4 307 163 in the final budget. The budget for the S74(a) recovery was updated for the actual submission to the Minister of the NDOH based on allowable recoveries.

Interest received

The final budget of R416 654 057 was R46 145 879 lower than the approved budget of R462 799 936. The final budget was adjusted downwards to account for the further reduction in the interest rates earned on the Fund's investments.

Pensions - Non-exchange revenue

The approved budget of R133 955 was increased by R90 645 for the final budget as the rate of natural attrition was lower than expected.

Bad debts written off - Statutory Receivables

An adjustment of R3 084 483 was made to the approved budget for write-offs of Statutory receivables after a revised analysis of long outstanding debts for possible write-off was completed.

Debt Impairment - Statutory Receivables

The approved budget of R4 035 155 was reduced by R1 721 902 in the final budget to R2 313 253. During the final budget process, management forecast that debt impairments for statutory receivables would decrease based on the focus to resolve long outstanding debtors.

Movement in provisions

The approved budget of R111 469 184 was reduced by R8 085 929 to R103 383 255 in the final budget in line with the expected decrease in levy revenue as the levy projections are viewed as a proxy for the future liability of the Fund for budgeting purposes.

General expenses

There was a reduction of R546 311 from the approved budget of R2 672 111 to the final budget of R2 125 800 because of a reduction in the budget for bank charges subsequent to a fee review being performed by the financial institution.

Statement of Financial Position

Investments

The approved budget of R6 228 310 361 was reduced by R144 815 202 to R6 083 495 159 in the final budget. The Investment balance was forecast to reduce in the final budget as a higher value of expected claim payments and lower interest rates on investments were taken into consideration.

Receivables from exchange transactions

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6.9 Notes to the Annual Financial Statements

Figures in Rand

36. Budget differences (continued)

The final budget was R4 142 210 higher than the approved budget of R13 386 238. This was because the provision for debt impairment was reduced following the focus to resolve long outstanding debtors through collections and the settlement agreement reached with a long outstanding debtor which improved historical collection ratios.

Cash and cash equivalents

The approved budget of R69 109 750 was reduced by R6 319 425 to R62 790 325 in the final budget. The operational bank balances fluctuate in the normal course of business.

Payables from non-exchange transactions

The final budget was R5 991 513 higher than the approved budget of R27 930 314. The final budget considered the change in accounting methodology that affected the liability to National Treasury regarding excess funds received for pension payments. This resulted in a higher final budget for payables from non-exchange of R33 921 827.

Provisions

The approved budget for current provisions of R757 411 862 was increased by R54 339 416 to R811 751 278 in the final budget, and the final budget for non-current provision of R2 261 772 550 was R59 113 548 higher than the approved budget of R2 202 659 002. The final budget was forecasted to be higher than the approved budget as the finalised actuarial valuation of 31 March 2025 reflected a higher opening liability.

Movement from Final Budget to Actual Amounts

Statement of Financial Performance

Movement in provisions

The budget for movement in provisions expense amounting to R103 383 255 anticipated that the increase in the provision for benefits due and IBNR would be in line with the risk shifts worked in the year. The actuarial valuation of the provision at 31 March 2026 reflected a decrease in the provision (net of unwinding costs and claims paid) and therefore an income of R71 391 172 was recognised.

Other income

The actual other income of R5 611 508 is R1 304 345 higher than the final budget of R4 307 163. Other income includes a write-off of other payables from exchange transactions in line with the Fund's policy that occurred in the year that was not budgeted for.

Debt Impairment – Financial Instruments

The Debt Impairment – Financial Instruments income of R302 970 was not included in the budget. This income relates to an assessment of the movement in the expected credit loss allowance, in terms of GRAP 104 (Revised 2019), for financial assets for the 2025/2026 financial year. The adoption of GRAP 104 (Revised 2019) was not included in the budget process.

Interest received

The final budget of R416 654 057 was exceeded by R19 188 691, with actual interest received of R435 842 748. Higher interest rates were earned on Investments placed with commercial banks than anticipated in the final budget.

Goods and services in-kind from the NDOH

Goods and services in kind revenue from non-exchange transactions amounting to R64 678 725 was not included in the budget process as accounting entries relating to GRAP 23 have no net impact on the Annual financial statements of the Fund.

Pensions – non-exchange revenue

The actual non-exchange revenue for pensions of R87 797 was R136 803 lower than the final budget of R224 600. The actuarial valuation of the pension provision as at 31 March 2026 indicated that the pension provision decreased less than anticipated in the budget process resulting in a lower adjustment against the liability to National Treasury.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

Figures in Rand

36. Budget differences (continued)

Debt Impairment – Statutory Receivables

The Debt impairment of R9 329 620 was R7 016 367 higher than budget because there was a reduction in the collection rate of long outstanding debt in the 2025/2026 financial year which drove a higher than budgeted provision for debt impairment calculation per the debt impairment methodology adopted by Fund.

Bad debts written-off – Statutory Receivables

The actual bad debts written-off in the year of R323 028 was lower than the final budget of R3 084 483 due to unforeseen delays in the process to clear and recover long outstanding debts.

General expenses

General expenses of R1 942 808 were R182 992 lower than budget due to lower than anticipated bank charges. The lower bank charge expense for the year resulted from a change in the fees levied by the operational banks during the year.

Statement of Financial Position

Investments

Investments of R5 997 473 210 were R86 021 949 lower than budget mainly due to a higher than budgeted value of claims paid which were required to funded by redemptions from investments.

Receivables from exchange transactions

The receivables from exchange amounting to R10 529 523 was R6 998 925 lower than the budget of R17 528 448. The lower balance is directly attributable to the increase in the debt impairment provision in the year as a result of lower than anticipated collection rates of long outstanding debt.

Cash and cash equivalents

Actual cash and cash equivalents of R58 321 228 are lower than budget of R62 790 325 due to fluctuations of cash balances in the normal course of business of the Fund.

Provisions

The current portion of the provision amounting to R1 145 206 272 was higher than the budget of R811 751 278 and non-current provisions of R1 660 019 621 was lower than budget of R2 261 772 550.

The budget for provisions anticipated that there would be a marginal decrease in the provision for benefits due (current provisions) as a result of higher anticipated payments forecasted for the year.

For IBNR (non-current provisions) the budget anticipated a slight increase in line with a higher number of risk shifts worked compared to prior years. The actuarial valuation of the provision as at 31 March 2026 indicated higher benefits due and a lower IBNR compared to the budget as a result in the change in assumptions and methodology.

The actuarial valuation methodology and assumptions are disclosed in note 7. The change in estimate note and related disclosures is included in note 33.

37. 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.

Mines and Works Compensation Fund

Annual Financial Statements for the year ended 31 March 2026

6.9 Notes to the Annual Financial Statements

Figures in Rand

37. Assistance from Social Partners (continued)

A signed memorandum of understanding entered into between the Minerals Council South Africa and the NDOH governs the funding and technical support for the operational enhancement projects at the MBOD and CCOD.

The budgeted support for the 12 month period, 1 April 2025 to 31 March 2026, was R71 452 037 compared to R68 659 085 for the 15 month period from 1 January 2024 to 31 March 2025.

38. Fruitless and wasteful expenditure

Opening balance as previously reported	630 141	630 141
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Current year:

No fruitless and wasteful expenditure in the current financial year.

Prior period:

No fruitless and wasteful expenditure in the current financial year.

The historical fruitless and wasteful expenditure relates to overpayments made to claimants and unauthorised debit orders processed against the State bank account.

Disciplinary steps taken/criminal proceedings

Fruitless and Wasteful expenditure relating to previous years was submitted to the loss control function at the NDOH for assessment. The investigation and assessment by the loss control function was in progress as at 31 March 2026. To date no disciplinary steps have been taken.

39. Irregular expenditure

Opening balance as previously reported	31 440	31 440
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Current year:

No irregular expenditure in the current financial year.

Prior period:

No irregular expenditure in the current financial year.

The historical irregular expenditure relates to an instance where a benefit was paid on the basis of a fraudulent letter of authority purportedly issued by a magistrate's court. The South African Police Service investigation confirmed that the letter of authority had fraudulently been obtained.

Disciplinary steps taken/criminal proceedings

Irregular 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 2026. To date no disciplinary steps have been taken.