MHSC

Mine Health and Safety Council

ANNUAL REPORT 2024|25

MHSC

Mine Health and Safety Council

MINE HEALTH AND SAFETY COUNCIL

ANNUAL REPORT

2024/2025 FINANCIAL YEAR

CONTENTS

PART A

GENERAL INFORMATION

1.1 GENERAL **INFORMATION**

REGISTERED NAME	Mine Health and Safety Council
PHYSICAL ADDRESS	145 Western Service Road Western Wood Office Park, B7 Maple Place, Woodmead, 2090 Gauteng, South Africa
POSTAL ADDRESS	Private Bag X11 Wendywood 2144
TELEPHONE NUMBER/S	+27 11 070 4200 +27 11 656 1797
EMAIL ADDRESS	communications@mhsc.org.za
WEBSITE ADDRESS	www.mhsc.org.za
EXTERNAL AUDITORS	Auditor-General South Africa 4 Daventry Street, Lynnwood Bridge Office Park, Lynnwood Manor, Pretoria, 0001
BANKERS	First National Bank (FNB) 2 First Place, 6 Floor, Cnr Jeppe & Simmonds Street, Bank City Johannesburg

1.2 LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General South Africa
AIDS	Acquired Immune Deficiency Syndrome
ARC	Audit and Risk Committee
ASB	Accounting Standards Board
ASPASA	Aggregate and Sand Producers Association of Southern Africa
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officer
CSIR	Council for Scientific and Industrial Research
CIoM	Chief Inspector of Mines
CoE	Centre of Excellence
CoP	Code of Practice
CROO	Chief Research Operations Officer
CTAC	Culture Transformation Advisory Committee
DMPR	Department of Minerals and Petroleum Resources
DoH	Department of Health
DEL	Department of Employment and Labour
FoG	Falls of Ground
GBVF	Gender-Based Violence and Femicide
GRAP	Generally Recognised Accounting Practice
HIV	Human Immunodeficiency Virus
HRRAC	Human Resources and Remuneration Advisory Committee
MHS	Mine Health and Safety (previously indicated as OHS – Occupational Health and Safety)
MHSA	Mine Health and Safety Act (Act No. 29 of 1996) as amended
MHSC	Mine Health and Safety Council
MHSI	Mine Health and Safety Inspectorate
MITHAC	Mining Industry TB, HIV and AIDS Advisory Committee
MoA	Memorandum of Agreement
MOHAC	Mining Occupational Health Advisory Committee
MOSH	Mining Industry Occupational Safety and Health
MOSAC	Mining Occupational Safety Advisory Committee
MoU	Memorandum of Understanding
MQA	Mining Qualifications Authority

MRAC	Mining Regulations Advisory Committee
MTEF	Medium-Term Expenditure Framework
NCD	Non-Communicable Diseases
NDP	National Development Plan
NIHL	Noise-Induced Hearing Loss
OHS	Occupational Health and Safety (also referred to as MHS – Mine Health and Safety)
PDTC	Programme Delivery Technical Committee
PFMA	Public Finance Management Act (No. 1 of 1999) as amended
PPC	Parliamentary Portfolio Committee
PPE	Protective Personnel Equipment
RDTC	Research Determination Technical Committee
RODTC	Research Outcome Dissemination Technical Committee
TR	Treasury Regulations
SAMI	South African Mining Industry
SCM	Supply Chain Management
SIMRAC	Safety in Mines Research Advisory Committee
SMME	Small, Medium, and Micro-Enterprises
TB	Tuberculosis
TTK	Technology Transfer and Knowledge
WAD	World AIDS Day
UP	University of Pretoria
WiM	Women in Mining
WIMAC	Women in Mining Advisory Committee
WITS	University of the Witwatersrand

1.3 TERMS AND DEFINITIONS

CHIEF INSPECTOR OF MINES means the officer appointed in terms of section 48(1) of the Mine Health and Safety Act No. 29 of 1996 as amended and includes any officer acting in that capacity.

MHSC BOARD (COUNCIL) means the Accounting Authority of the Mine Health and Safety Council established in terms of section 41(1) of the Mine Health and Safety Act No. 29 of 1996 as amended.

HAZARD means a source of/or exposure to danger.

HEALTH means occupational health at mines.

HEALTH HAZARD means any physical, chemical or biological hazard to health including anything declared to be a health hazard by the Minister.

MINES means any excavation and activity where mineral deposits are mine: all buildings, structures, machinery, dumps, roads or objects used during the winning, exploitation, and processing of a mineral.

MINISTER means the South African Minister of Mineral and Petroleum Resources.

OCCUPATIONAL HEALTH means occupational hygiene and occupational medicine.

OCCUPATIONAL HYGIENE means the anticipation, recognition, evaluation and control of conditions at a mine that may cause illness or adverse health effects to persons.

OCCUPATIONAL MEDICINE means the prevention, diagnosis and treatment of illness, injury and adverse health effects associated with a particular type of work.

RESEARCH THRUST AREAS means research focus areas.

RISK means the likelihood that occupational injury or harm to persons will occur.

1.4 FOREWORD BY THE CHAIRPERSON

It is my privilege, as Chairperson of the MHSC Board, to present the Annual Report for the 2024/25 financial year on behalf of the governing MHSC Board.

The South African Mining Industry (SAMI) has made significant strides towards the improvement of mine health and safety of the employees and other persons affected by mining. In 2024, the mining industry recorded a twenty-four percent (24%) reduction in fatalities — the lowest in recent years — with a marked improvements across gold, platinum, and coal sectors. The overall injuries declined by sixteen percent (16%) and there were no disaster-type accidents reported. Encouragingly, occupational disease cases fell by seventeen percent (17%), including major reductions in silicosis, TB and coal workers' pneumoconiosis. These outcomes reflect the collective efforts of all stakeholders and the sector's commitment to safe and healthy workplaces. While this progress is commendable, our resolve remains firm — no loss of life is acceptable, and we must continue working together to eliminate harm in the mining industry.

Beyond the welcome reduction in fatalities, injuries and occupational diseases, the MHSC completed and gazetted several critical regulations and legislation following extensive consultation and technical input of all tripartite stakeholders. These are aimed at closing longstanding gaps in health, safety and social protection within the mining sector. Notably, the *Chapter 8: Shafts and Winders Regulations* were revised and finalised following the fatal incident at Impala No. 11 Shaft, introducing clearer requirements for the safe design, inspection and operation of shaft systems and winding equipment. Similarly, the revised *Chapter 16: Rescue, First Aid and Emergency Preparedness and Response Regulations* now better reflect modern mining conditions, including enhanced emergency protocols, updated mine rescue training and the integration of new technologies such as missing persons locator systems. The *Guideline for the Compilation of a Mandatory Code of Practice for Minimum Standards on Ground Vibration, Noise, Airblast and Flyrock near Surface Structures and Communities to be Protected* was also gazetted, addressing long-standing complaints from communities affected by surface blasting and setting out minimum safety thresholds for monitoring and control.

The MHSC also made meaningful progress in strengthening occupational health. The *Chapter 22.9(a) Regulations* were comprehensively updated for the first time since 2006, setting revised occupational exposure limits for forty-nine (49) airborne pollutants, including diesel particulate matter and chromium compounds. These changes are expected to strengthen the industry's ability to prevent exposure- related diseases. Complementing this, a *Mandatory Guideline for a Quality Assurance Programme for Occupational Hygiene and Ventilation Engineering Measurements* was finalised to improve the accuracy and reliability of data that informs health controls at mines. The Guidance *Note for the Management of Latent Tuberculosis Infection in the South African Mining Industry* provides a framework to prevent progression to active TB disease. Lastly, *the Guidance Note for the Management of Gender-Based Violence and Femicide, Safety and Security Challenges for Women in the South African Mining Industry* offers structured support for mines to respond to GBVF in both workplaces and surrounding communities. Taken together, these outputs reflect practical, well-considered steps to strengthen protections, close policy gaps and improve conditions for all mineworkers.

The MHSC held two (2) significant events that reaffirmed the value of collaborative, inclusive engagement in driving meaningful improvements in health, safety and dignity for all mineworkers. The *2024 Mine Health and Safety Tripartite Summit*, brought together stakeholders across the industry under the theme "*Innovate and Elevate: Breaking Boundaries to Achieve Zero Harm*." The summit served as a critical reflection point — recognising progress made since the 2014 milestones while confronting the ongoing risks that continue to impact mineworkers. Through focused breakaway sessions, participants engaged in honest dialogue, exchanged lessons and identified practical solutions. For the first time, new milestones related to Women in Mining and Non-Communicable diseases including mental health were agreed upon. The milestone pledge signed at the summit

"The MHSC continues to appreciate the important contribution made by the tripartite stakeholders, i.e State, Organised Labour, Employers and other relevant stakeholders on implementing the necessary measures to ensure that there is sustainable improvement on health and safety in the mining sector."

marked a renewed and collective commitment to Zero Harm, with responsibilities clearly assigned and progress to be reviewed biennial.

The 2024 *Women in Mining (WiM) Indaba*, held under the theme *"Nothing About Us, Without Us: Striving for Zero Harm in Our Lifetime*," provided a focused platform for women across the sector to raise concerns and propose solutions to persistent safety and equity challenges. The WiM Indaba highlighted the need to address systemic issues such as lack of appropriate PPE, unsafe sanitation facilities underground and exposure to GBVF. Through structured discussions, the event produced a clear implementation plan — including awareness campaigns, improved workplace infrastructure and support for diversity and leadership development.

From an institutional performance perspective, the MHSC concluded the 2024/25 financial year with an overall achievement of ninety-one percent (91%), while maintaining an unqualified audit opinion and a clean record on irregular, fruitless and wasteful expenditure. This strong performance reflects not only improved internal control systems and accountability, but also the collective effort to remain focused on the MHSC's core mandate — to provide sound advice to the Minister of Mineral and Petroleum Resources on matters of health and safety at mines, grounded in evidence and mining sector realities.

I wish to thank the MHSC Board and members of the governance committees for their oversight and guidance throughout the year. I also commend the members of the Technical Advisory Committees for their technical expertise and contributions across various programmes. My appreciation extends to organised labour, employers and the state for their continued collaboration and active participation in stakeholder engagements. Finally, my sincere gratitude goes to MHSC management and employees for their dedication and professionalism in advancing the MHSC's work. The collective effort of all stakeholders remains central to the progress we have made and to our continued journey towards achieving Zero Harm.

Mr. David Msiza
Chairperson of the MHSC Board
31 July 2025

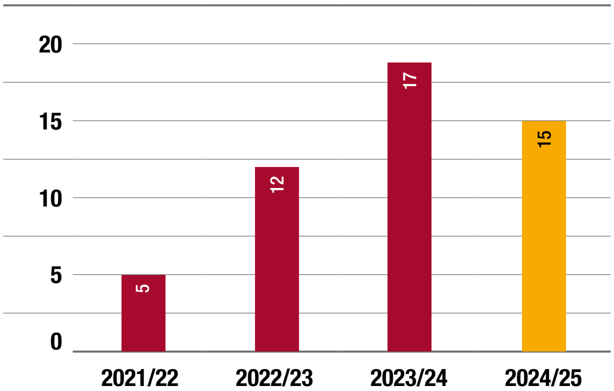
1.5 OVERVIEW OF THE CHIEF EXECUTIVE OFFICER

I am pleased to present the performance overview of the MHSC for the period from 01 April 2024 to 31 March 2025 to our stakeholders, partners, collaborators and the governing bodies.

I am also proud to report that the MHSC has achieved an impressive overall performance score of ninety-one percent (91%) for the 2024/25 financial year. This success is a testament to the exceptional guidance and consistent support from our management team, advisory committees, the MHSC Board and the entire MHSC office staff.

The MHSC continued to submit the advisory notes to DMPR, rising from five (5) in the 2021/22 financial year to fourteen (14) in 2024/25. This increase reflects our enhanced research efforts, strengthened stakeholder collaboration and internal improvements. These efforts underscore our dedication to delivering timely and robust advice to advance mine health and safety standards in the South African Mining Industry (SAMI). The MHSC remains a relevant platform to address emerging and relevant health and safety risks facing the SAMI. The MHSC has the flexibility and agility to deal with any health and safety challenges that may arise.

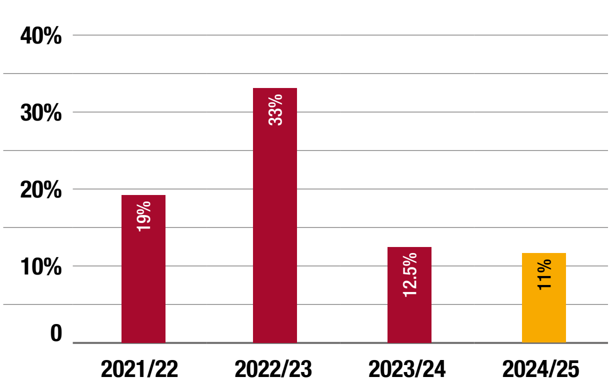
NUMBER OF ADVISORY NOTES



Our stakeholder management engagements and participation & attendance of both local and international conferences have been substantial. Collaborations with strategic partners such as the MQA and MOSH have further strengthened our health and safety practices. We have also participated in Regional Tripartite Forums (RTFs) and health and safety tripartite activities with the likes of Anglo and Harmony mining companies. These includes Visible Felt Leadership participation in various health and safety days across the SAMI players.

The vacancy rate at the MHSC decreased significantly from thirty-three percent (33%) in the 2022/23 financial year to eleven percent (11%) in the 2024/25 financial year.

VACANCY RATE

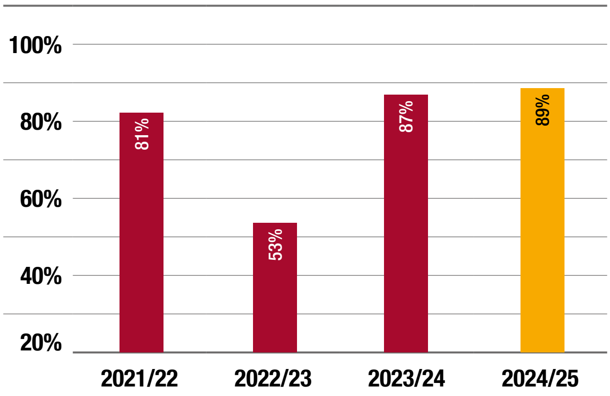


The MHSC has migrated from VIP system to Sage 300. This has assisted the MHSC to have a full- fledged Human Capital system which seamlessly intertwines with the Integrated Financial Management System (IFMS).

The MHSC implemented a Revenue Generation Strategy, which resulted in an increase in revenue collection from fifty-three percent (53%) in the 2022/23 financial year to eighty-nine percent (89%) in the 2024/25 financial year. The MHSC has reduced the historical debts by forty-five percent (45%) during the current financial year. The debts was reduced from R40 million in April 2024 to R22 million in March 2025.

The MHSC successfully hosted the 2024 Mine Health and Safety Tripartite Summit in October 2024. The Tripartite Summit aims to tackle ongoing and emerging challenges in mining health and safety by providing a platform for tripartite stakeholders to reflect on progress and milestones achieved since 2014. The Tripartite Summit also assessed the current state of health and safety in the industry and set new milestones and initiatives for the coming years. The goal is to advance the mining industry's journey towards Zero Harm in our lifetime.

REVENUE COLLECTION



The MHSC has embarked on a journey "Good2Great". The journey will be reached through successful implementation of three (3) pillars namely: consistently achieving annual performance plan targets, consistently achieving clean audit and consistently reducing the fatalities within the SAMI.

I would like to thank the MHSC Board members together with its advisory and governance committees, under the capable leadership of the Chairperson, Mr. David Msiza, for their support and guidance throughout the year. Special appreciation goes to the Parliamentary Portfolio Committee on Mineral and Petroleum Resources for their continued support, commitment, oversight and guidance, the Honourable Minister of Mineral and Petroleum Resources, Mr. Gwede Samson Mantashe and the officials of the DMPR.

I would like to applaud the individuals and collective contributions of MHSC staff and management for their continual commitment to the MHSC to ensure the successful delivery of the MHSC mandate. We salute all mining industry employees who lost their lives in the line of duty. May their souls rest in perfect peace. Zero harm in our lifetime!

Mr. David Mamphitha
Chief Executive Officer
31 July 2025

1.6 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY **FOR 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.
- The annual report is complete, accurate and is free from any 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 GRAP standards applicable to the public entity.
- 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, which 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 our opinion, the Annual Report fairly reflects the Operations, the Performance Information, the Human Resources information and the Financial Affairs of the entity for the financial year ended 31 March 2025.

Yours faithfully

Mr. David Mamphitha
Chief Executive Officer
31 July 2025

Mr. David Msiza
Chairperson of the MHSC Board
31 July 2025

1.7 STRATEGIC **OVERVIEW**

1.7.1 VISION STATEMENT

Zero Harm to mine employees and communities affected by mining activities.

1.7.2 MISSION

To respond timeously to current and emerging MHS needs of the SAMI through tripartite relationship

1.7.3 VALUES

The MHSC prides itself on a set of shared values that inform and guide the interaction between employees, stakeholders and the mining industry at large. The acronym "**CIRA**" represents MHSC core values.

Care	We are empathetic to each other and our stakeholders. We display kindness and concern to others. We create an enabling and safe environment.
Integrity	We conduct our business in a transparent and honest manner to positively impact our stakeholders. We are credible.
Respect	We treat our stakeholders with dignity and consideration. We acknowledge our differences and promote diversity. We live by the principles of ubuntu.
Accountability	We take ownership in all we do. We take responsibility for our behaviour and performance.

1.7.4 GOALS

(a) *To facilitate Zero Harm for mine workers and communities affected by mining activities.*

(b) *To provide knowledge leadership in mine health and safety in the South African Mining Industry.*

1.7.5 SLOGAN

Every mine worker returning from work unharmed every day. Striving for Zero Harm in our lifetime.

1.8 LEGISLATIVE AND OTHER MANDATES

The MHSC was established in terms section 41, read with Schedule 6 of the Mine Health and Safety Act No. 29 of 1996 as amended. The MHSC is listed as a schedule 3A Public Entity in terms of the Public Finance Management Act (Act No. 1 of 1999) as amended.

The mandate of the Mine Health and Safety Council is derived from section 43 of the Mine Health and Safety Act No. 29 of 1996 as amended, which states that the MHSC must:

(a) advise the Minister on health and safety at mines including, but not limited to, any legislation on mine rehabilitation in so far as it concerns health and safety;

(b) co-ordinate the activities of its committees, receive reports from the committees and liaise with the Mining Qualifications Authority on matters relating to health and safety;

(c) liaise with any other statutory bodies concerned with matters relating to health and safety;

(d) promote a culture of health and safety in the mining industry;

(e) at least once every two years arrange and co-ordinate a tripartite summit to review the state of health and safety at mines; and

(f) annually advise the Minister on relevant research relating to health and safety, at mines.

1.9 ORGANISATIONAL **STRUCTURE**

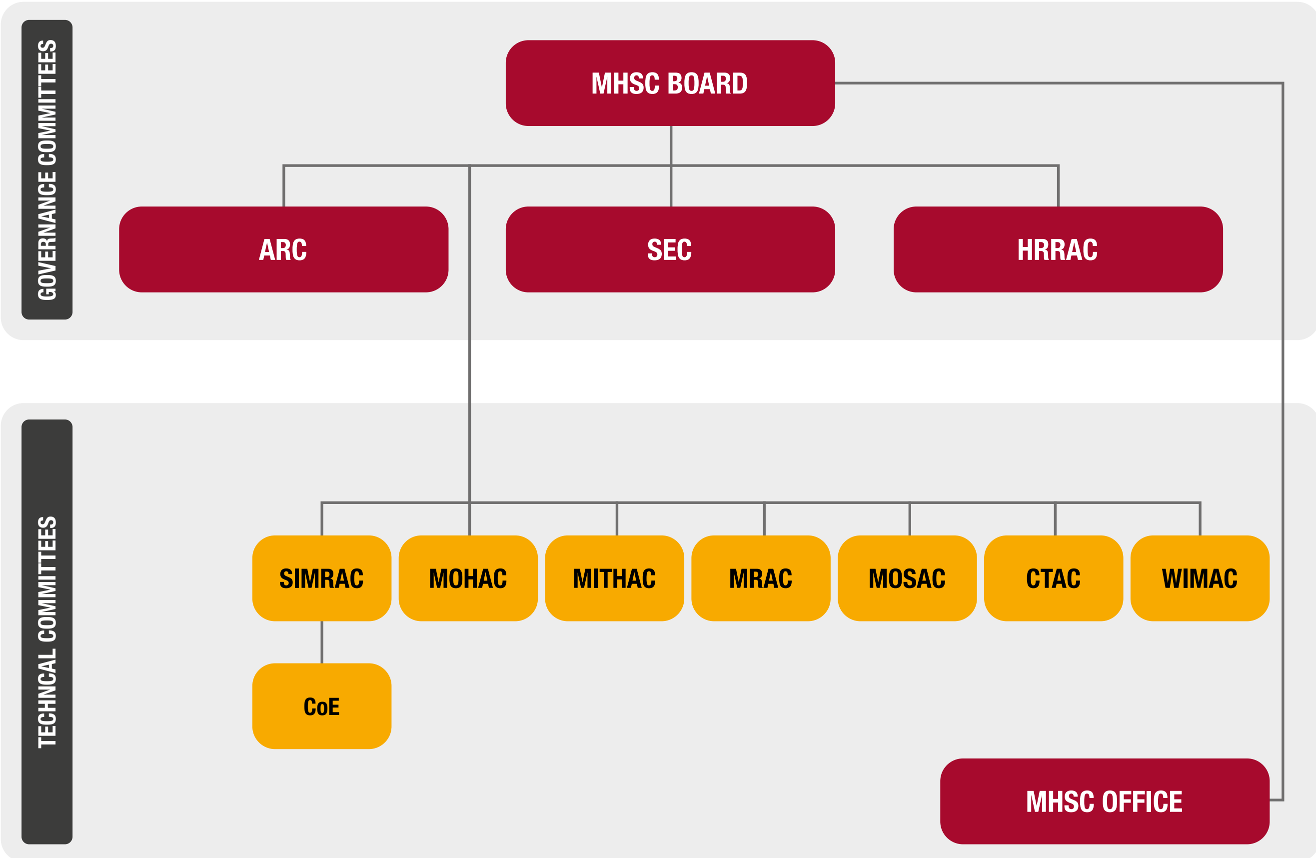
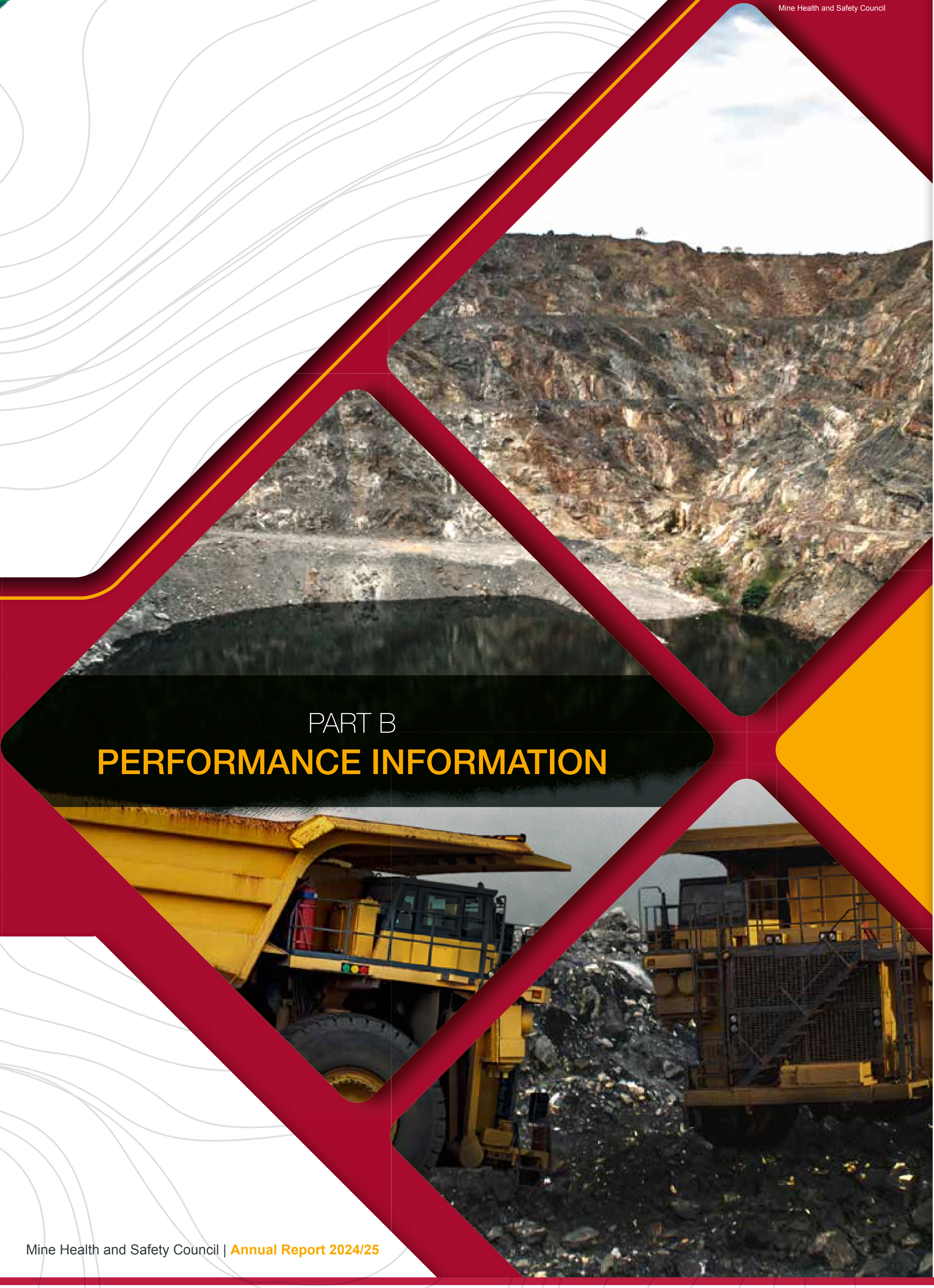


Figure 1: MHSC Structure

Figure 2: MHSC Executive Team



PART B

PERFORMANCE INFORMATION

2.1 AUDITOR-GENERAL'S REPORT: **PREDETERMINED OBJECTIVES**

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

Refer to page 72 of the Report of the Auditor's Report, published as Part F: Financial Information.

2.2 SERVICE DELIVERY **ENVIRONMENT**

The MHSC has completed various research projects, which will assist the SAMI to achieve the goal of zero harm. The following advisory notes were submitted to the Minister during the current financial year:

(a) Advisory Note on the 6th Occupational Health Dialogue Report.

(b) Revised DMRE 164 reporting form.

(c) Revised Chapter 16 Regulations on Rescue, First Aid, Emergency Preparedness, Response and Missing Persons Locator System.

(d) CoE 190202 "Does the level of education contribute to mine accidents?".

(e) CoE 190604 "What financial model, requirements and resources can be used in developing an analytical laboratory for verifying the exposure to hazardous occupational airborne pollutants by mine employees?"

(f) Migrated and revised Chapter 8 Regulations on Shafts and Winders.

(g) The process document for Occupational Exposure Limits (OELs) and the reviewed airborne pollutants OELs.

(h) Advisory Note of the Review of Occupational Safety Statistics of Women in the South African Mining Industry.

(i) Advisory Note for project CoE 200903 "Assess the implementation of the culture transformation framework (CTF) by the South African Mining Industry".

(j) Advisory Note for CoE 190301 "Determine best/leading preconditioning practices applicable for shallow, intermediate, deep and ultra-deep mining taking cognisance of rock strength and type and mining method".

(k) Advisory Note on MHSC Occupational Health and Safety Research (OHS) Programme for the 2026/2027 financial year.

(l) Advisory Note for the MHSC Legislative Programme 2025/26.

(m) Advisory Note for 2024 – Mine Health and Safety (MHS) Tripartite Summit.

(n) Advisory Note of the 2024 Mine Health and Safety Women in Mining Indaba outcomes.

In addition to the advisory notes submitted, the following legislations were promulgated during the current financial year:

(a) MHSA Schedule 22.9.2a – Revised Airborne Pollutants OELs;

(b) MHSA Chapter 8 Regulations – Shafts and Winders; MHSA Chapter 16.6.1b Annex. MRS MMC02-2020 Mobile Rescue Chambers Rev; and

(c) MHSA Chapter 16 Regulations – Rescue, First Aid, Emergency Preparedness and Response.

2.3 OVERVIEW OF THE **MHSC'S PERFORMANCE**

The MHSC held various events in line with the mandate to promote a culture of health and safety within the SAMI.

2.3.1 EMPOWERING WOMEN IN MINING: OUTCOMES OF THE 2024 WIM INDABA

The MHSC, in collaboration with the Women in Mining Advisory Committee (WIMAC), hosted the 2024 Women in Mining (WIM) Indaba on 22nd to 23rd of August 2024 under the theme *"Nothing About Us, Without Us: Striving for Zero Harm in Our Lifetime."* The WIM Indaba served as a critical platform for women employed in the SAMI to engage on Mine Health and Safety (MHS) issues directly impacting them.

Historically, South Africa's mining industry excluded women from underground roles due to social and legal barriers, with women confined to surface-based administrative or auxiliary work. Although significant strides have been made in increasing women's participation — rising from twelve percent (12%) in 2018 to just below sixteen percent (~15.8%) by 2024 — women continue to face systemic challenges. These include limited access to suitable personal protective equipment (PPE), inadequate sanitary facilities underground, gender-based violence and harassment and a lack of representation in leadership roles.

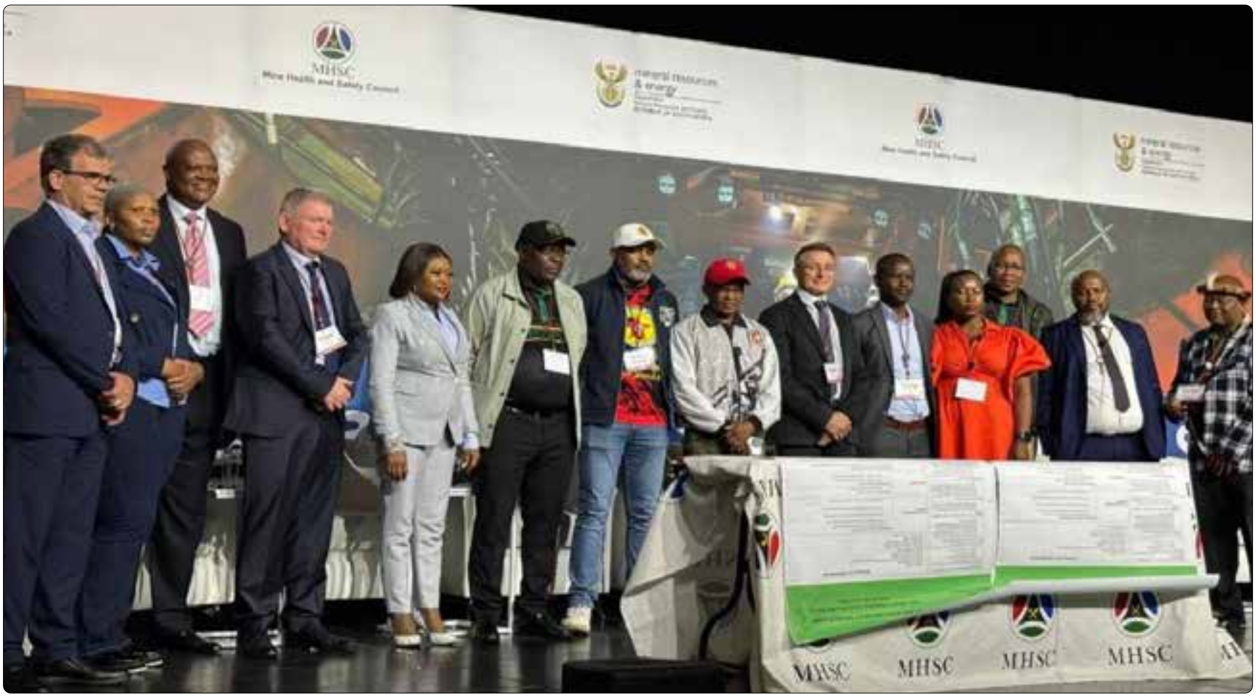
The 2024 WIM Indaba addressed these persistent challenges through high-level discussions, expert presentations, and structured breakaway sessions. Stakeholders from government, organised labour, and industry shared experiences, raised concerns, and proposed solutions to promote a safer, more inclusive work environment for women in mining.

The event resulted in a detailed implementation plan, which includes the following key focus areas:

- Continued roll-out of awareness campaigns on PPE guidelines tailored for women;
- Advocacy around gender-based violence and femicide (GBVF), particularly in remote mine sites;
- Promotion of leadership and diversity management initiatives for women in mining;
- Awareness around the need for proper sanitary facilities underground; and
- Dissemination of educational materials, including posters, DVDs, and booklets, focusing on workplace harassment and gender equity.

To ensure wide-reaching impact, the MHSC recommended that future WIM Indabas adopt hybrid formats to increase stakeholder participation and that lessons learned be discussed within regional and national WIM platforms. The outcomes of the Indaba also informed deliberations at the 2024 Mine Health and Safety Tripartite Summit, where new milestones for advancing women's health and safety in mining beyond 2024 was finalised.

By empowering women and addressing systemic barriers, the MHSC remains committed to achieving Zero Harm and fostering a mining sector that is safe, equitable, and inclusive for all.



2.3.2 THE 2024 MINE HEALTH AND SAFETY TRIPARTITE SUMMIT

The 2024 Mine Health and Safety Tripartite Summit, themed *"Innovate and Elevate: Breaking Boundaries to Achieve Zero Harm"* was held to reflect on progress, identify ongoing challenges and establish actionable steps towards the continued improvement of health and safety in the SAMI. The Tripartite Summit reviewed performance against milestones previously set in 2014, noting significant achievements, including substantial reductions in fatalities, occupational diseases and workplace injuries. However, it was recognised that despite these advancements, serious challenges persist that must be addressed collectively to fully achieve the vision of Zero Harm.

Key presentations from industry leaders underscored successful industry initiatives related to safety culture transformation, targeted fatality elimination strategy and advancements in automation and ergonomic innovations. Zimbabwe's experience of health and safety highlighted effective strategies such as robust legislative frameworks, rigorous health and safety training programmes and mobile health interventions in mining communities.

A significant portion of the Tripartite Summit was dedicated to interactive breakaway sessions. These sessions facilitated extensive dialogue on critical areas including Falls of Ground, Trackless Mobile Machinery, Women in Mining, Culture Transformation Framework, HIV, AIDS and TB, Mental Health, Non-Communicable Diseases (NCDs) and the Elimination of Occupational Lung Diseases and Noise-Induced Hearing Loss. Participants identified existing challenges, exchanged best practices, and proposed practical, achievable interventions aimed at enhancing health and safety outcomes. Specific recommendations included better monitoring and real-time reporting systems for hazards, comprehensive training improvements, effective supervision, integration of mental health and NCD management services, targeted research collaborations, and addressing the unique needs of female mining employees. The Tripartite Summit Initiatives from all the breakaway sessions were evaluated by all MHSC committees, and the approved initiatives were added to the MHSC Tripartite Summit Action Plan to be monitored quarterly by the MHSC.

The Tripartite Summit culminated in stakeholders collectively committing to newly defined milestones for 2024 and beyond. These milestones are clearly structured, SMART and will be reviewed biennially. Each milestone was allocated to clearly identified lead and supporting stakeholders to ensure accountability, efficient implementation and continuous progress evaluation.

The official signing of the milestone pledge at the Tripartite Summit was a significant event, symbolising unified industry commitment from government representatives, employers, organised labour and all other stakeholders involved. This pledge reinforces the shared goal of achieving Zero Harm, emphasising safety as a non-negotiable value and placing the health and well-being of all mineworkers at the forefront of industry objectives.

Overall, the 2024 MHS Tripartite Summit reinforced the critical role of ongoing stakeholder collaboration, transparent communication, rigorous implementation of safety standards and proactive investment in technology and health initiatives. Through the initiatives identified in the breakaway sessions and formalised in the signed milestone agreements, the SAMI remains firmly committed to its Zero Harm vision, focused on achieving tangible improvements in mine health, safety and overall well-being for all mineworkers.

2.3.3 WORLD AIDS DAY 2024: PROMOTING EQUAL HEALTH CARE IN THE MINING SECTOR

In alignment with its Zero Harm vision and commitment to employee wellness, the MHSC led the 2024 World AIDS Day (WAD) Commemoration Campaign under the theme *"Equal Rights, Equal Health Care in the SAMI"*. The campaign focused on raising awareness of HIV, AIDS and TB within the SAMI, reinforcing the importance of equal access to health care and combating stigma and discrimination in the workplace.

Throughout December 2024, the MHSC disseminated HIV, AIDS and TB awareness materials — including posters, pamphlets, videos, and guidance notes — across mining operations and Regional Tripartite Forums (RTFs). These efforts aimed to strengthen understanding of HIV, AIDS, and TB prevention and treatment, support employee wellness, and highlight the industry's HIV, AIDS, and TB targets, including hundred percent (100%) HIV counselling and annual testing and the reduction of the TB incidence rate across all commodities to below the national TB incidence rate.

Two (2) key commemorative events were held in Mpumalanga, the province with the highest HIV prevalence in the country, surpassing Kwazulu-Natal. On the 5th of December 2024, the MHSC partnered with Canyon Coal at Khanye Colliery for a site-based commemoration attended by

company leadership, organised labour and representatives from the Departments of Mineral and Petroleum Resources (DMPR) and Health (DOH). On the 09th of December 2024, a second commemoration was held at Exxaro's Leeuwpan mine, showcasing strong leadership support and health advocacy. In both events, employees were encouraged to undergo HIV counselling and testing (HCT) and to embrace wellness as a core aspect of safety culture.

The campaign featured candlelight ceremonies to honour those lost to HIV, AIDS and TB, and keynote messages encouraged employees to seek early testing and adhere to treatment, emphasising that HIV, AIDS, and TB are manageable with the right care. The MHSC highlighted the progress made in fighting HIV, AIDS, and TB and called on the sector to strengthen efforts towards universal access to care, mental health screening, and removing stigma from the workplace.

The MHSC remains committed to supporting the SAMI in achieving its HIV, AIDS, and TB milestones through continued education, stakeholder collaboration and on-site initiatives that elevate issues related to health in the SAMI.

2.3.4 REGIONAL TRIPARTITE FORUMS: STRENGTHENING HEALTH AND SAFETY DIALOGUE IN THE SAMI

The MHSC continues to play a pivotal role in facilitating Regional Tripartite Forums (RTFs), which serve as collaborative platforms for engaging stakeholders in the SAMI on health and safety matters. Established in 2015, there are currently sixteen (16) active RTFs across the country, enabling ongoing dialogue, feedback and knowledge-sharing between government, organised labour and employers.

RTFs also serve as vital dissemination platforms for MHSC research outputs, policy guidance, and health and safety initiatives. Key discussions in the reporting period included the right to refuse dangerous work under Section 23 of the Mine Health and Safety Act, with emphasis placed by stakeholders in the Northern Cape on addressing victimisation concerns.

Challenges noted during the year included postponed or cancelled meetings due to procurement delays, catering service issues, and limited mine participation in certain regions like Ukhozi. To improve attendance, a request was made for the Gauteng Principal Inspector to formally encourage participation from mining companies.

A notable highlight was the commitment secured from various RTFs to establish task teams aimed at tracking the implementation of the newly adopted 2024 Milestones. The MHSC is currently awaiting feedback on progress from these task teams and remains committed to supporting the SAMI in achieving measurable improvements in mine health and safety.

2.4 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The MHSC is on track to achieve the strategic goals and continues to make a positive impact in the SAMI through informed decision support based on research outcomes and legislative reviews.

The MHSC has completed several legislative reviews and research projects with the following outcomes:

2.4.1 MIGRATED AND REVISED CHAPTER 8 REGULATIONS ON SHAFTS AND WINDERS

The Shafts and Winders Regulations have been revised and migrated from Chapter 16 of the Minerals Act 50 of 1991 to form part of the Chapter 8 Regulations of the Mine Health and Safety Act 29 of 1996 (MHSA). The importance of these regulations extends beyond safety, as they also influence operational productivity and compliance with broader legislative frameworks in the mining sector. By setting standards for the design, installation, inspection, and maintenance of shaft systems and winding equipment, the regulations help maintain the integrity of mining operations while protecting mine employees and minimizing downtime. Adherence to these regulations not only safeguards lives but also enhances the overall sustainability of the mining industry.

In the development and review of the regulations, consideration was made of the preliminary findings from the Impala Platinum Ltd fatal incident which occurred at No. 11 Shaft on Monday 27th of November 2023. The review of the Section 11(5) Report culminated in the development of the “Winder and Shaft Safety” section of the regulations (8.13.31 to 8.13.35) which is envisioned to improve the operation, inspection, and maintenance of shaft systems and winding equipment, thus safeguarding mine employees.

2.4.2 REVISED CHAPTER 16 REGULATIONS ON RESCUE, FIRST AID, EMERGENCY PREPAREDNESS, RESPONSE AND MISSING PERSONS LOCATOR SYSTEM

The South African Mining Industry (SAMI) remains inherently hazardous due to the nature of mining operations, including both surface and underground activities, use of heavy machinery, and exposure to toxic environments. Since the last regulatory update, significant advancements have occurred in mining technologies, safety protocols, and emergency response systems, necessitating a revision of the regulatory framework to address emerging risks.

Chapter 16 of the Mine Health and Safety Act (Act 29 of 1996), which addresses Rescue, First Aid, Emergency Preparedness and Response, has been revised to reflect these changes. The updated chapter aims to strengthen mine worker protection during emergencies by enhancing preparedness and response measures, improving training standards, and integrating modern technologies.

Key revisions include:

- Enhanced emergency response protocols, particularly for high-risk scenarios such as underground fires, rockfalls, and airborne pollutant exposure.
- Updated training requirements for mines rescue teams to ensure advanced first aid and rescue capabilities.
- Integration of a missing persons locator system and related data analytics to improve emergency response efficiency.
- Alignment with international best practices to ensure continued leadership in mining safety and relevance to evolving industry demands.

These updates aim to ensure a more effective, coordinated, and technologically advanced response to mining emergencies.

2.4.3 THE PROCESS DOCUMENT FOR OCCUPATIONAL EXPOSURE LIMITS (OELS) AND THE REVIEWED AIRBORNE POLLUTANTS OELS

Chapter 9.2 (1) of the Mine Health and Safety Act (29 of 1996) (MHSA) requires the employer to ensure that the occupational exposure to health hazards of employees is maintained below the limits set out in Schedule 22.9(2)(a) and Schedule 22.9 (b) of the Mine Health and Safety Act. When adhered to, these limits can assist in ensuring that employees are not repeatedly exposed to levels that can cause adverse health effects on them.

These Occupational exposure limits (OELs) for airborne pollutants in schedule 22.9(a) of the MHSA were last updated in 2006. Since then, the implementation of health programmes and other key initiatives have contributed to lowering over

exposures to airborne pollutants and occupational lung diseases in SAMI. However, the number of occupational diseases (linked to exposure to airborne pollutants) in SAMI reported annually are still relatively high, some of which are compensable cases, while some unfortunately lead to death. Research evidence has shown that some of the pollutants cause adverse health effects (some of which are carcinogenic) and therefore require stricter OELs.

In addition, due to developments in SAMI in terms of mining and processing, technology used and changes in materials introduced; the OELs of pollutants in schedule 22.9(a) needed to be reviewed. The Mine Health and Safety Council conducted research project CoE 180707 to "Review the Current Airborne Exposure Limits as Listed in Schedule 22.9(A)". Outcomes of the project together with other existing literature, guided the development of the process document for the development/review of OELs as well as the development of a priority list of OELs reviewed in 2024. The priority list consists of 49 Airborne Pollutants OELs, four of which are new pollutants with OELs added to the list. These are Diesel Particulate Matter (DPM)-elemental carbon, DPM-total carbon, Chromium water soluble compounds and Metallic chromium. Notations for the revised and new airborne pollutants were added to further guide the SAMI.

It is envisaged that through the implementation of the revised OELs in schedule 22.9 (a), mines working together with OEMs for controls of airborne pollutants, will put stricter measures in place to ensure employees are not overexposed to these hazardous airborne pollutants. In turn, it is envisaged that the number of cases of occupational diseases due to over-exposure to airborne pollutants will reduce.

2.4.4 GUIDANCE NOTE FOR THE MANAGEMENT OF GBVF, SAFETY AND SECURITY CHALLENGES FOR WOMEN IN THE SOUTH AFRICAN MINING INDUSTRY

Gender-Based Violence and Femicide (GBVF) remains a serious and systemic issue in South Africa, with the mining industry reflecting broader societal challenges. In response to persistent safety, security and discrimination concerns affecting Women in Mining (WIM), MHSC commissioned Research Project SIM 130903, which confirmed that violence, harassment and negative workplace attitudes are significant barriers to women's full participation in the sector.

Based on these findings, a Guidance Note on the Management of GBVF, Safety and Security Challenges for Women in the South African Mining Industry was developed. The guidance note aims to provide structured, practical interventions for addressing GBVF and related challenges both in mines and surrounding communities. It draws

on the National Strategic Plan (NSP) on GBVF, launched in 2019, and aligns with broader government efforts to combat gender-based violence across sectors.

The guidance note outlines a multi-level prevention and response framework, encouraging mines to adopt comprehensive workplace policies, update or establish effective procedures, and enforce accountability mechanisms. Key focus areas include:

- Primary prevention through awareness-raising and training initiatives, including the involvement of men as champions of change.
- Secondary and tertiary prevention strategies for managing incidents, supporting victims, and ensuring legal and disciplinary recourse.
- Implementation of the NSP on GBVF within the mining sector, with a clear emphasis on reporting, monitoring, and stakeholder participation.

This guidance serves as a foundational tool to help mining operations adopt a proactive, gender-responsive approach to workplace safety, ensuring the protection and empowerment of women across the sector.

2.4.5 GUIDANCE NOTE FOR THE MANAGEMENT OF LATENT TUBERCULOSIS INFECTION IN THE SOUTH AFRICAN MINING INDUSTRY (SAMI).

The SAMI has historically carried the triple burden of TB, TB and HIV co-infections (TB/HIV) and multi-drug-resistant TB (MDR). The industry continues to improve in the prevention and management of both TB and HIV and has even recently reviewed (in October 2024) milestone

targets to accelerate this improvement. The management of latent TB infections has been globally recognised by United Nations members (of which South Africa is part), as part of the efforts to minimize TB disease infections and deaths.

It is for this reason that the Mine Health and Safety Council (MHSC), through its Mining Industry TB, HIV, and AIDS Advisory Committee (MITHAC), developed a guidance note for the management of latent Tuberculosis infection specifically for the SAMI. The guidance note provides a framework to assist mines in reducing the progression of latent TB infections to TB disease among employees and peri-mining communities. Furthermore, this Guidance Note is meant to upscale and further enhance TB preventive programs in the SAMI, (which have been affected by the COVID-19 pandemic) through a focused approach on the management of LTBI. It is envisaged that this will further lower the TB incidence rate in the SAMI.

2.4.6 COE 200903 "ASSESS THE IMPLEMENTATION OF THE CULTURE TRANSFORMATION FRAMEWORK (CTF) BY THE SOUTH AFRICAN MINING INDUSTRY".

Over the past two (2) decades, there has been a notable reduction in the number of injuries, fatalities and occupational diseases in the SAMI. However, there is sufficient research evidence confirming that investing in health and safety culture improvement initiatives at workplaces could further improve the reduction. In recognition of the importance and need to cultivate and sustain a strong MHS culture at mining operations, in pursuit of the industry goal of zero harm, the MHSC developed the Culture Transformation Framework (CTF) for the mining sector in 2011. The CTF identified eleven (11) pillars and aimed to assist the SAMI to improve the health and safety culture. The requirement to implementation of the CTF pillars was part of the 2014 Mine Health and Safety Tripartite Summit milestones and is also part of the 2024 Mine Health and Safety Tripartite Summit milestones.

The MHSC contracted PriceWaterhouse Coopers (PwC) to execute research project CoE 200903 *"Assess the implementation of the CTF by the South African mining industry"*, and the project was completed in July 2024. Project CoE 200903 aimed to evaluate the adoption of five (5) prioritised CTF pillars within the SAMI, as outlined in the 2014 Mine Health and Safety Tripartite Summit milestones. The prioritised pillars were the **risk management, leading practice, elimination of discrimination, bonus and performance incentives, and leadership** pillars. The project assessed the integration of CTF standards in mining organisations and identify gaps in their implementation. The following methodology was used to achieve the project objectives:

- **PwC LISTEN Tool:** The PwC LISTEN tool was used to facilitate data collection for the study. This tool is a dynamic, enterprise-wide feedback system that allows efficient gathering, analysis, and interpretation of employee and stakeholder feedback in real time.
- **Interview Approach:** The study further included a Mining Health and Safety Culture Assessment through interviews conducted with key stakeholders from the tripartite forums.
- **Survey Approach:** In addition to interviews, a survey was administered to employees of the constituent mines to gauge the effectiveness of CTF implementation.

The project highlighted that the CTF has demonstrated potential benefits in improving health and safety in the SAMI, including reducing accidents and occupational diseases. Nonetheless, inconsistencies in the implementation of the CTF pillars across mines were identified. Whilst the project highlighted significant outcomes regarding awareness and opportunities for improvement in CTF adoption, several gaps in communication, implementation, and accountability

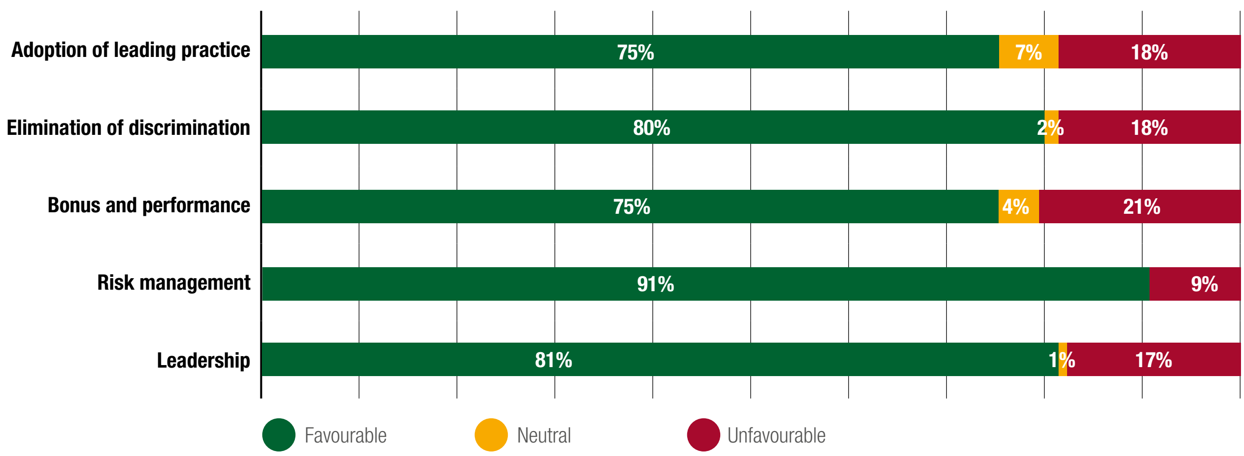


Figure 1: Overall Perception of CTF Implementation Effectiveness across all mines

were noted, particularly in the application of technology, leadership, and incentivising safety practices.

The study recommended that the industry *increase its focus on communication, change management, and leadership commitment* to ensure the successful implementation of the CTF. Addressing the root causes of accidents and fostering a culture of empowerment were also identified as crucial for long-term success that the CTF can strengthen. Additionally, the mining industry should prioritise health and safety over production and adopt more effective performance incentives. Finally, diversity and inclusion initiatives need to be strengthened to create a more equitable and inclusive workplace.

2.4.7 COE 190301 "DETERMINE BEST/LEADING PRECONDITIONING PRACTICES APPLICABLE FOR SHALLOW, INTERMEDIATE, DEEP AND ULTRA-DEEP MINING TAKING COGNISANCE OF ROCK STRENGTH AND TYPE AND MINING METHOD".

Falls of ground, caused by gravity or seismic activity, remain the leading cause of mining-related fatalities over the past 40 years. In high-stress environments, preconditioning has proven effective in mitigating strain burst risks. Preconditioning is a technique that is used to extend the fracture zone beyond the excavation surface, and the concept was introduced in the 1950s by East Rand Proprietary Mines (ERPM) and the Council for Scientific and Industrial Research (CSIR).

The MHSC contracted the CSIR to execute the research project CoE 190301 *"Determining Best/Leading Preconditioning Practices Applicable for Shallow, Intermediate, Deep, and Ultra-Deep Mining, Taking Cognisance of Rock Strength and Type of Mining Method"*. The project was completed in March 2025. The project CoE 190301 aimed to determine the best/leading preconditioning practices applicable to shallow, intermediate, deep, and ultra-deep mining environments within the SAMI, to reduce rockburst-related incidents and enhance mine safety.

The key project activities included a literature review, evaluation of existing preconditioning strategies, stakeholder consultations, mine visits, workshops with subject matter experts and development of the preconditioning guidelines and tool. The outcomes of the project included:

- **Best-Practice Guideline:** A comprehensive guideline was developed to standardise preconditioning practices across shallow, intermediate, deep, and ultra-deep mining environments, considering rock mass properties and mining methods.
- **Preconditioning Tool:** A user-friendly, flowchart-based decision-support tool was created to help mining personnel design effective, site-specific preconditioning strategies.

Hangingwall without preconditioning

Hangingwall with preconditioning

A comparison of hangingwall conditions in unpreconditioned and preconditioned parts of a panel

2.5 INSTITUTIONAL PROGRAMME
PERFORMANCE INFORMATION

2.5.1 OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMMES	OUTCOMES	OUTPUT INDICATORS	ANNUAL TARGET	ACTUAL ACHIEVEMENTS	STATUS
1. RESEARCH AND INNOVATION	1. Informed Decision Support	1.1. Number of advisory notes (research, non-legislative or legislative) submitted to the Minister.	**7** Advisory Notes	**14** Advisory Notes	**ACHIEVED**
	2. OHS driven mining culture	2.1. % Implementation of Dissemination plan to improve collective OHS knowledge.	**85%** implementation of dissemination plan	**100%** implementation of dissemination plan	**ACHIEVED**
		2.1. % Implementation of the comprehensive Stakeholder Engagement Plan that advocate for a strong safety culture and increased awareness of OHS issues within the SAMI.	**85%** implementation of stakeholder engagement plan	**96%** implementation of stakeholder engagement plan	**ACHIEVED**
2. PROCESS OPTIMISATION	3. An enabling environment to improve internal processes through technology	3.1 % of business processes are automated and efficient within the stated timeframe	**40%** of identified processes automated	**40%** of identified processes automated	**ACHIEVED**
3. HUMAN CAPITAL MANAGEMENT	4. Empowered and Capable MHSC	4.1 % in vacancy rate.	**13%** vacancy rate	**11%** vacancy rate	**ACHIEVED**
		4.2 % implementation of Talent Management Strategy, Retention & Employee Value Proposition	**70%** of Talent Management Strategy, Retention & Employee Value Proposition implemented	**75%** of Talent Management Strategy, Retention & Employee Value Proposition implemented	**ACHIEVED**
		4.3 % implementation of engagement metrics	**70%** of the engagement metrics on Values implemented	**90%** of the engagement metrics on Values implemented	**ACHIEVED**
4. FINANCIAL MANAGEMENT	5. Financially Stable MHSC	5.1 % collection of levies billed during 2024/25 financial year	**85%** revenue collection	**89%** revenue collection	**ACHIEVED**
5. EFFICIENT AND EFFECTIVE FINANCIAL MANAGEMENT	6. Sound Financial Control within MHSC	6.1 % spending (cumulative) on implementation of Capital Projects.	**95%** spend on capital projects	**6%** spend on capital projects	**NOT ACHIEVED**
		6.2 % spending (cumulative) on research expenditure against the budget.	**40%** spend on research expenditure	**43%** spend on research expenditure	**ACHIEVED**
		6.3 % reduction of legal costs / professional fees.	**20%** reduction from the baseline of R14 million (2021/22 actual expenditure)	**92%** reduction	**ACHIEVED**
TOTAL			11	10	**91%**

The MHSC had eleven (11) planned output indicators, ten (10) [91%] were achieved whilst one (1) [9%] was not achieved. The MHSC has also overachieved the targets for nine (9) of the planned output indicators.

The MHSC utilises the methodology below to interpret its organisational performance.

If the performance targets are achieved at 100%, then it is considered **ACHIEVED**	If the performance is less than 100%, then it is considered **NOT ACHIEVED**

PROGRAMME 1: RESEARCH AND INNOVATION								
PURPOSE:	TO DEVELOP INTERVENTIONS THAT WILL ADDRESS CURRENT AND EMERGING OHS RISKS AND ADVICE THE MINISTER ON OHS MATTERS IN THE SOUTH AFRICAN MINING INDUSTRY AND COMMUNITIES AFFECTED BY MINING.							
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE		PLANNED PERFORMANCE	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENTS	REASONS FOR DEVIATION
			2022/23	2023/24	2024/25			
1. Informed decision support	Inform Policy, Practice and Legislation	1.1. Number of advisory notes *(research, non-legislative or legislative)* submitted to the Minister.	12	14	7 advisory notes	14 advisory notes	7 advisory notes	• The overachievement was due to improved project management following recent role capacitation, enabling timely completion of additional research project advisory notes. • Additionally, the biennial occurrence of the MHS Tripartite Summit and the WIM Indaba provided strategic opportunities to submit extra advisory notes to the Minister, alongside the scheduled advisory notes, the annual Legislative and Research Programme.
2. OHS driven mining culture	Disseminate Knowledge	2.1. % Implementation of Dissemination plan to improve collective OHS knowledge.	100%	92%	85% implementation of dissemination plan	100% implementation of dissemination plan	15%	• The overachievement in the dissemination plan was due to increased MHSC participation in Regional Tripartite Forums (RTFs), and additional opportunities for engagement that arose through participation in several key industry events.
	Advocacy for OHS matters	2.2. % Implementation of the comprehensive Stakeholder	100%	87%	85% implementation of stakeholder plan	96% implementation of stakeholder plan	11%	• The overachievement in the stakeholder engagement plan was due to additional opportunities for participation in various key industry events, including increased invitations and collaborative platforms.

PROGRAMME 2: PROCESS OPTIMISATION								
PURPOSE:	TO REVIEW CURRENT MANUAL PROCESSES, STREAMLINE AND OPTIMIZE TO INCREASE EFFICIENCY USING TECHNOLOGY.							
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE		PLANNED PERFORMANCE	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENTS	REASONS FOR DEVIATION
			2022/23	2023/24	2024/25			
3. An enabling environment to improve internal processes through technology	Automated business processes	3.1 % of business processes are automated and efficient within the stated timeframe	-	-	40% of identified processes automated	40% of identified processes automated	-	N/A

PROGRAMME 3: HUMAN CAPITAL MANAGEMENT								
PURPOSE:	TO ATTRACT, BUILD AND RETAIN SKILLS THROUGH THE IMPLEMENTATION OF TALENT MANAGEMENT.							
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE		PLANNED PERFORMANCE	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENTS	REASONS FOR DEVIATION
			2022/23	2023/24	2024/25			
4. Empowered and Capable MHSC	Capacitated, Empowered and Agile MHSC	4.1 % in vacancy rate	33%	12.5%	13% vacancy rate	11% vacancy rate	(2%)	• The overachievement was due to successful implementation of the recruitment strategy.
	Talent Management	4.2. % implementation of Talent Management Strategy, Retention & Employee Value Proposition	-	-	70% of Talent Management Strategy, Retention & Employee Value Proposition implemented	75% of Talent Management Strategy, Retention & Employee Value Proposition implemented	5%	• The overachievement was due to teamwork and dedication to change the organisational culture.
	Building the organisational culture	4.3. % implementation of engagement metrics	-	-	70% of engagement Metrics on Values implemented	90% of engagement Metrics on Values implemented	20%	

PROGRAMME 4: FINANCIAL MANAGEMENT								
PURPOSE:	TO ATTRACT, BUILD AND RETAIN SKILLS THROUGH THE IMPLEMENTATION OF TALENT MANAGEMENT.							
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE		PLANNED PERFORMANCE	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENTS	REASONS FOR DEVIATION
			2022/23	2023/24	2024/25			
5. Financial Stable MHSC	Financial sustainability	5.1. % collection of levies billed during 2024/25 financial year	53%	87%	85% revenue collection	89% revenue collection	4%	• The overachievement is attributed to timely issuing of invoices, speedy resolution of queries and mine visits to engage with mines with outstanding debts.

PROGRAMME 5: EFFICIENT AND EFFECTIVE FINANCIAL MANAGEMENT								
PURPOSE:	TO ENSURE VALUE FOR MONEY THROUGH ZERO BUDGETING, STRATEGIC SOURCING, EXPENDITURE, PROPER CONTRACT MANAGEMENT AND COMPLIANCE WITH ACCOUNTING STANDARDS							
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE		PLANNED PERFORMANCE	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENTS	REASONS FOR DEVIATION
			2022/23	2023/24	2024/25			
6. Sound financial control within MHSC	Effective and efficient financial management	6.1. % spending (*cumulative*) on implementation of Capital Projects.	84%	101%	95% spend of Capital projects	6% spend of Capital projects	(89%)	The reasons for underachievement are due to the following: • The tender for the Office building was non-responsive on two (2) occasions. • The invoice for computers was not paid due incomplete delivery of the order which resulted in late receipt of invoice.
		6.2. % spending (*cumulative*) on research expenditure	21%	32%	40% spend on research expenditure	43% spend on research expenditure	3%	• The overachievement was due to submission of milestones which were reviewed and paid speedily.
		6.3. % reduction of legal costs / professional fees.	-	-	20% reduction from the baseline of R14 million (2021/22 actual expenditure)	92% reduction	(72%)	• The overachievement is attributed to reduction in legal cases against the MHSC.

2.5.2 LINKING PERFORMANCE WITH BUDGETS

NO.	PROGRAMME	2023/24			2024/25		
		BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000
1.	**Provide advice to the Minister**	28 222	8 900	19 322	63 047	45 401	17 646
2.	**Promote a culture of health and safety**	5 400	2 996	2 404	-	-	-
3.	**Collaboration with statutory bodies**	2 789	5 492	(2 703)	13 155	10 703	2 452
4.	**Human capital management**	71 725	51 982	19 744	15 676	10 956	4 720
5.	**Financial sustainability**	234	257	(23)	5 901	3 159	2 741
6.	**Efficient and effective financial management**	15 995	26 319	(10 324)	32 559	49 609	(17 050)
	Total	**124 366**	**966 833**	**27 533**	**130 336**	**120 240**	**10 125**

2.6 REVENUE **COLLECTION**

SOURCES OF REVENUE	2023/24			2024/25		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	VARIANCE R'000
Levies	118 592	103 349	(15 242)	124 521	123 984	(537)
Total	**118 592**	**103 349**	**(15 242)**	**124 521**	**123 984**	**(537)**

2.7 CAPITAL **INVESTMENT**

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The MHSC did not have any capital projects during the current financial year.

PART C
GOVERNANCE

MHSC
Mine Health and Safety Council

3.1 INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held accountable. In addition to legislative requirements based on a public entity's enabling legislation as well as the Companies Act, corporate governance regarding public entities is applied through the guidelines of the Public Finance Management Act (PFMA) and run together with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive, and the Accounting Authority of the public entity are responsible for corporate governance.

3.2 PORTFOLIO COMMITTEES

The MHSC met with the Parliamentary Portfolio Committee (PPC) on two (2) occasion during the current year to present the Annual Report for 2023/24 financial year and for induction and introduction to the new PPC members.

3.3 EXECUTIVE AUTHORITY

The MHSC Communication and Engagement Framework with the Ministry was implemented during the current financial year. The DMPR has shown tremendous support to the MHSC through the State representatives in the various governance structures of the MHSC. The MHSC has compiled and submitted all statutory reports to the DMPR.

3.4 MHSC BOARD

The MHSC Board's key purpose "is to ensure the MHSC's prosperity by collectively directing affairs of the MHSC, while meeting the interests of its stakeholders." The MHSC Board achieves this role through the law, relevant regulations, and commercial considerations. In pursuing this key purpose, MHSC Board faces a uniquely demanding set of responsibilities and challenges. It also faces a range of objectives that can sometimes seem contradictory.

3.4.1 THE ROLE OF THE MHSC BOARD IS DEFINED IN THE MHSC COUNCIL CHARTER AS FOLLOWS:

(a) approve the policies and performance of the MHSC, including its use of resources and the policy framework within which it operates.

(b) submit proposal changes to legislation and other initiatives to the Minister in respect of mine health and safety interventions, and advise the Minister on health and safety at mines including:

- approving and submitting occupational, health and safety guidelines, and codes of practice to the Minister for adoption.
- ensuring that a culture of health and safety in the mining industry is promoted.
- appointing advisory committees, groups, and panels whose members are appointed in accordance with an agreed membership and terms of reference, and in conformity with the principles set out in the Code of Ethics; and
- providing any services, within its mandate, facilities, or information required by the Department of Minerals and Petroleum Resources.

(c) The MHSC Board is also ultimately accountable for the governance of the organisation and has two (2) main functions:

- firstly, it is responsible for determining the organisation's strategic direction (and, consequently, its ultimate performance); and
- secondly, it is responsible for the control of the organisation. The MHSC Board requires management to execute strategic decisions effectively and according to the applicable laws and the legitimate interests and expectations of its stakeholders.

(d) The MHSC Board's role is to exercise leadership, integrity, and informed judgement in directing the affairs of the organisation in a sustainable manner.

(e) In managing and directing the affairs of the organisation, the PFMA allows the MHSC Board the power to perform any functions of the organisation to the extent that the MHSA, the Companies Act, the PFMA, and the MHSC's Constitution do not provide otherwise.

(f) The MHSC Board is responsible for exercising its powers responsibly and in the best interests of the MHSC.

(g) In the spirit of transparent leadership, the MHSC Board hereby affirms that MHSC Board members shall have unrestricted access to the organisation's information, records, documents, and property to properly perform their duties and fulfil their responsibilities.

3.4.2 MHSC BOARD CHARTER

The MHSC Board has an approved charter which outlines the roles and responsibility of the board. The charter is aligned to the MHSA.

3.4.3 COMPOSITION OF THE MHSC BOARD

During 2024/25 financial year, the MHSC Board held fifteen (15) meetings, including closed meetings as indicated in the table below:

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Mr. D. Msiza	Chairperson -State - DMPR	30 May 2023	N/A - 3 year membership until 29 May 2026	1. BSc. Mining Engineering Degree 2. Executive Development Programme 3. Mine Manager's Certificate of Competency	• Extensive mineral and mining sector knowledge. • Executive leadership. • Promotion of health and safety in the sector. • Research and Innovation (including on Mine Health and Safety and mineral value addition). • Policy and legislation development. • Strategic planning. • Skills development in mineral sector. • Corporate governance. • Sound financial governance. • Risk management. • Public sector including SoE relations. • Parliament, government, organised labour, community and business relations. • International relations.	MHSC, MQA and Mineral and Petroleum Boards and respective Committees	DMPR EXCO, MANCO, ARC and Finance Committees	10
Dr. L. Ndelu	Member - State - DMPR	Retired 28 February 2025	Retired	1. Medicine and Surgery (MBChB) degree 2. BSc 3. Diploma In Occupational Medicine 4. Higher Diploma in Education 5. Executive Development Certificate	• Health	Retired	Retired	10
Mr. X. Mbonambi	Convenors Member - State - DMPR	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Postgraduate with a Master of Engineering degree (Mining) 2. Bachelor of Science in Engineering honours degree (Mining) 3. Graduate Diploma in Engineering, majoring in mineral economics	• Mine Occupational Health and Safety	N/A	SIMRAC Chairperson	15
Mr. N. Mahwasane	Member - State - DMPR	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Mine Surveyors Certificate of Competency and NHD: Mineral Resources Management 2. Executive Development Programme	• Mining	N/A	1.CTAC 2.BAC of DMPR	13
Mr. M. Zondi	Member - State - DMPR	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Bachelor of Science in Electrical Engineering 2. Government Certificate of Competency for Electrical Engineer's (Mines and Works 3. Management Development Programme	• Occupational Health and Safety Management	Mining Qualifications Authority Board Member (Appointed by Minister of DHET) Mines Rescue Services – Board Member	Chairperson of Mining Regulations Advisory Committee and Mine Occupational Safety Advisory Committee	13
Mr. M. Naki	Member -Organised Labour - NUM	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Safety Officer Diploma 2. Computer Basics Certificate 3. Management Fundamentals Certificate 4. Use of CCMA and Labour Law Certificate 5. Labour Law and Advance Labour Certificate	• Mining Health and safety • Underground and Surface operation	N/A	N/A	1

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Adv. P. Mardon	Member -Organised Labour - Solidarity	30 May 2023	N/A - 3 year membership until 29 May 2026	1. B Juris (UNISA) and LLB (UP) 2. Certificate in Advanced Labour Law (UP) 3. Advanced Diploma: International Humanitarian Law (International Institute for Humanitarian Law)	• Occupational health and safety law, labour law, ciminal law, management	Minerals and Petroleum Board	1.LDC 2.REMDEC RCC	10
Ms. M. Roy	Member -Organised Labour - NUMSA	30 May 2023	N/A - 3 year membership until 29 May 2026	1. PhD Candidate Development 2. MA Development Studies 3. BA Honours 4. BTECH Economic & Management Science	• Strategic Leadership • Research & Policy • Planning & Strategy • Project Management • Finance • International Projects & Relations • Industrial Policy • Facilitation • Data Analysiso	N/A	N/A	12
Mr. W. N. van Rooyen	Member -Organised Labour - UASA	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Matric 2. SANDF 3. WED Certificate 4. UFS, Business school, Labour Relations 5. UCT, Management Essentials	• N/A	N/A	1.MQA 2.Rand Mutual	13
Mr. P. Manyathi	Member -Organised Labour - AMCU	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Master of Business Leadership 2. Honours Bachelor of Commerce in Business management (Human resources) 3. Bachelor of Commerce-Human resources (B.COM HR) 4. Postgraduate Diploma in the management of HIV/ AIDS in the world of work (PDM HIV/AIDS) 5. Bachelor of Arts (B.A) 6. Diploma in special education (DSE) 7. Diploma for educators of Adults (DIP ED ADULTS) 8. Secondary teachers diploma (STD)	• Labour Law	N/A	Mineworkers Provident Fund – Investment Committee Board member of Bridging Fund	1
Dr. T. Balfour	Employers - Minerals Council South Africa	30 May 2023	N/A - 3 year membership until 29 May 2026	1. MB ChB 2. Diploma in Tropical Medicine and Hygiene 3. Diploma in Public Health 4. Diploma in Health Service Management 5. Diploma in Occupational Health 6. Fellow of College of Public Health Medicine 7. MBA	• Public health and occupational health	COIDA Board member SANAC-PSF Board member OSHAFRICA Trustee	None	12
Mr. V. Nundlall	Member -Employers – Sibanye Stillwater	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Certificate in Mine Environmental Control 2. Master of Public Health (Occupational Hygiene) 3. SAMTRAC 4. Diploma in Mechanical Engineering 5. MSc. Mining Engineering	• Mining, Mine Occupational Health and Safety, Occupational Hygiene and Ventilation	N/A	Risk Committee for Mines and Works.	11
Mr. S. Sepetla	Member -Employers - Harmony	30 May 2023	N/A - 3 year membership until 29 May 2026	1. B-Tech Mining Engineering 2. Certificate in Occupational Health and Safety 3. Mine Managers Certificate of Competency-Metalliferous Mines and Chamber of Mines Comsoc 1 and 2 Course 4. MBA – Henley Business School	• Safety and Mining	None	None	9

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Mr. K. Mafoko	Member -Employers - Overlooked Group	30 May 2023	N/A - 3 year membership until 29 May 2026	1. B-Tech Mining Engineering 2. National Higher Diploma 3. MDP 4. MBA	• Mining	Uitkomst Colliery (Pty) Ltd Pan African Resources (Pty) Ltd Baobab Mining and Exploration (Pty) Ltd Kathlego Coal (Pty) Ltd Chapudi Coal (Pty) Ltd Kwezi Mining Exploration (Pty) Ltd Limpopo Coal Company (Pty) Ltd GVM Metals South Africa (Pty) Ltd Regulus Investment Holdings (Pty) Ltd Harrisia Investment Holdings (Pty) Ltd Fumaria Property Holdings (Pty) Ltd Mbeuyashu (Pty) Ltd	N/A	6
Ms. L. van den Berg	Member -Employers - ASPASA	30 May 2023	N/A - 3 year membership until 29 May 2026	1. N6 Secretarial and Management Diploma 2. NEBOSH Certificates 3. NEBOSH Diplomas	• Safety, Health, Environmental • Small Surface mining process flow in Quarrying and Sandmining	ASPASA Director CPIC	MHSC Advisory committees	8
Mr. T. Ngwenya	Alternate Member -State - DMPR	30 May 2023	N/A - 3 year membership until 29 May 2026	1. BTech Degree: Mining Engineering 2. Mine Manager's Certificate (Metalliferous) 3. National Diploma: Metal Mining	• Mine Health and Safety Management	N/A	N/A	0 (0 meetings required to attend as all State members were represented
Dr. D. Mokoboto (Alternate)	Alternate Member - State - DMPR	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Master of Philosopy in Medical Law and Ethic 2. DoH & M 3. MBCHB 4. Advanced Health Management	• Occupational Health and medicine • Medical Law • Medical Incapacity and fitness to work • TB & HIV	None	MOHAC MITHAC OMTTT RISK committee Tshiamiso technical task team	2
Ms. C. Kekana (Alternate)	Alternate Member - State - DMPR	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Mine Environmental Control Certificate 2. Master in business administration 3. Mine Environmental Control 4. Radiation Protection Officer 5. Executive Development Programme	• Occupational Hygiene • Mine Ventilation Engineer	Mine Ventilation Society of South Africa	MOHAC OHTTT	4

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Ms. N. Tsipane (Alternate)	Convenor and Alternate Member -Organised Labour - NUM	30 May 2023	N/A - 3 year membership until 29 May 2026	1. National N Diploma in Business Management 2. Intro – SAMTRAC Mining	• Health, Safety and Compensation	N/A	N/A	8
Mr. G. Nkosi	Alternate Member -Organised Labour - AMCU	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Chamber of Mine Safety Officer Certificate and Chamber of mine Safety Officer Diploma 2. Middle Management Development Programme (MMDP)	• Workplace Health and Safety	N/A	CTAC Labour Convenor	9
Mr. V. Radebe	Alternate Member -Organised Labour - NUMSA	30 May 2023	N/A - 3 year membership until 29 May 2026	International Diploma on Occupational Health & Safety Management (In Progress)	• Extensive knowledge on the Occupational Health and Safety which cut across on both of our Preventative laws which is OHSA and MHSA including the Compensatory laws like ODMWA and COIDA	N/A	MOHAC	3
Mr. J. White	Alternate Member -Organised Labour - UASA	30 May 2023	N/A - 3 year membership until 29 May 2026	1. N2, N3 Mining 2. NQF 5 – Mine Overseas Certificate 3. NQF 5 – Labour Relations UFS	• Mining	Mines Rescue Service Board	None	4
Mr. J. Du Toit Böning	Alternate Member -Organised Labour - Solidarity	30 May 2023	N/A - 3 year membership until 29 May 2026	1. Doctor of Philosophy in interdisciplinary studies (PhD) 2. Master of laws (LLM) 3. Certificate in Advance Labour Law 4. Bachelor of Laws (LLB) 5. Diploma Criminal Justice and Forensic Investigation 6. Certificate: Public Finance Management Act (PFMA) 2004 7. Certificate: HIV/AIDS Care, Counselling and Support (Psychology) 8. Bluris 9. B Tech (Policing) 10. B A (Police Science) 11. National Diploma Police Administration	• Law	Alternate board member – State Diamond Traders Director - Waterkloof Falls Homeowner Association	1. MOSAC - MHSC 2. RMA Advisory Forum 3. Harmony Tripartite steercom 4. Anglo Tripartite Steercom 5. Eskom National Health and Safety committee 6. Arcellor Mital Health and Safety Committee	5

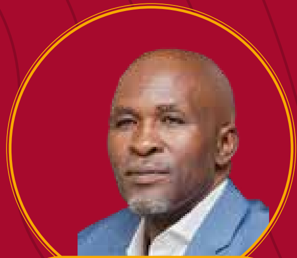
NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES OR TASK TEAMS	NO. OF MEETINGS ATTENDED
Mr. N. Phakathi	Alternate Member -Employers - Evander Gold Mines	30 May 2023	N/A - 3 year membership until 29 May 2026	1. National Higher Diploma in Coal Mining 2. Executive Development Programme 3. National Diploma in Safety Management 4. Advanced Diploma in Safety management 5. Busy with Post Graduate Diploma In Safety Management 6. Mine Manager's Certificate of Competency 7. Blasting certificates for Coal and Metalliferous Mines 8. Strata Control for Supervisors Certificate 9. Onsetter's, I-Cam Investigation 10.R-Cat 11.Flameproof 12.Gas Testing 13.Evidence Collecting Facilitator 14.Lead Auditor for OHS 15.AS 18001 and ISO 9001 16.Lead Auditor for ISO 45001 17.Bow Tie Analysis Master-Class 18.Global Minerals Industry Risk Management Programme Mining 19.Nebosh HSE Certificate in Process Safety Management	• Mining • Health and Safety	N/A	N/A	0 (no meetings required to attend as all State members were represented)
Dr. J. Matjila	Alternate Member -Employers - Impala Platinum	30 May 2023	30 June 2024	1. B. Sc(ed) University of Northwest 2. B.Sc. Hons (ed) University of Northwest 3. MBA University of Northwest 4. M.Sc University of Pretoria 5. PhD Rhodes University	• Mining	Retired	Retired	0
Mr. D. Naidoo	Convenor and Employers - Minerals Council South Africa	22 February 2024	N/A - 3 year membership until 29 May 2026	1. Bachelor of Science in Mechanical Engineering (BSc.Eng (Mech.)) 2. Master of Science in Mechanical Engineering (MSc.Eng (Mech.)) 3. Professional Engineering Certification 4. Programme in Management Development	• Mechanical Engineering • Project Manager • Co-ordinationg multi disciplinary teams • Financial Management • Bid Management • Change Leadership • Innovation • Technology Development • System Design	N/A	N/A	6

The MHSC Board is constituted of fifteen (15) members and alternates. The MHSC Board is a tripartite structure consisting of five (5) members from the state of which one (1) is the Chairperson who is also the Chief Inspector of Mines (CIOM), five (5) members from Organised Labour and five (5) members from employers. The Chief Executive Officer (CEO), the Chief Research Operations Officer (CROO), the Chief Human Capital Officer (CHCO) and the Chief Financial Officer (CFO) who are executives from the MHSC office are invited to the board meeting.

MEMBERS OF THE BOARD

STATE

MR. DAVID MSIZA
CHAIPERSON



MR. XOLILE MBONAMBI
DMRE
STATE MEMBER

DR. LINDIWE NDELU
DMRE
STATE MEMBER

MR. NDIVHUDZA VICTOR MAHWASANE
STATE MEMBER

MR. MTHOKOZISI ZONDI
DMRE
STATE MEMBER

ORGANISED LABOUR

MR. MASIBULELE NAKI
NUM
ORGANISED LABOUR MEMBER

MS. MELANIE ROY
NUMSA
ORGANISED LABOUR MEMBER

MR. NICO VAN ROOYEN
ORGANISED LABOUR MEMBER

ADV. PAUL MARDON
SOLIDARITY
ORGANISED LABOUR MEMBER

MR. PHUTHUMA MANYATHI
AMCU
ORGANISED LABOUR MEMBER

EMPLOYERS

DR. THUTHULA BALFOUR
EMPLOYER MEMBER

MR. VIJAY NUNDLALL
EMPLOYER MEMBER

MR. STUART SEPETLA
EMPLOYER MEMBER

MR. RONALDT MAFOKO
EMPLOYER MEMBER

MS. LETISHA VAN DEN BERG
EMPLOYER MEMBER

3.5 HUMAN RESOURCE AND REMUNERATION ADVISORY COMMITTEE (HRRAC) MEMBERSHIP AND ATTENDANCE

The HRRAC advises the MHSC Board on human resources matters in general, including the remuneration of employees. HRRAC is composed of three (3) independent members only.

During the 2024/25 financial year, the HRRAC held ten (10) meetings of which six (6) were special meetings. The Members' attendance of HRRAC and the number of meetings held during the financial year are shown in the table below:

MEMBER NAME	TOTAL NUMBER OF SCHEDULED MEETINGS (INCLUSIVE OF SPECIAL MEETINGS)	TOTAL MEETINGS ATTENDED
Mr. E. Moeng	10	9
Mr. V. Letshwiti	10	10
Mrs. N. Ali*	07	04

* The HRRAC Member was appointed on the 11th of November 2024.

3.6 SOCIAL AND ETHICS COMMITTEE (SEC) MEMBERSHIP AND ATTENDANCE

The Social and Ethics Committee ("SEC") was established in accordance with section 72(4), read with Regulation 43 of the Companies Act 71 of 2008, as amended.

The mandate of the SEC is to advise MHSC Board in discharging its oversight responsibilities relating to safety, security, health, environment, social, ethics and sustainable development matters, to ensure that the MHSC upholds the principles of good corporate citizenship and conducts its business in an ethical and sustainable manner, whilst developing government and stakeholder relationships.

The SEC is composed of three (3) independent members. During the 2024/25 financial year, the SEC held six (6) meetings of which one (1) was a special meeting. The Members' attendance of SEC and the number of meetings held during the financial year are shown in the table below:

MEMBER NAME	TOTAL NUMBER OF SCHEDULED MEETINGS (INCLUSIVE OF SPECIAL MEETINGS)	TOTAL MEETINGS ATTENDED
Mr. Z. Myeza (Chairperson)	6	6
Mr. R. Gallocher	6	4
Mrs. P. Mangoma	6	6

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3.7 SAFETY IN MINES RESEARCH ADVISORY COMMITTEE (SIMRAC) MEMBERSHIP AND ATTENDANCE

The SIMRAC is responsible for advising the MHSC Board on research programmes needed to improve MHS in the mining sector by reviewing MHS risks based on the statistics of prior years, evaluating research proposals, and monitoring and evaluating the implementation of MHSC research projects or programme. As per the approved Centre of Excellence (CoE) business plan, SIMRAC provides an oversight on the work of the CoE, which is executed through the three (3) CoE technical committees being the Research Determination Technical Committee (RDTC), Programme Delivery Technical Committee (PDTC), and Research Outcomes Dissemination Technical Committee (RODTC).

The RDTC utilises historical data on MHS statistics, predominantly as received from the DMPR and emerging trends in MHS, as a basis for developing research questions and defining research needs for the MHSC. The Tripartite Summit and Women in Mining indaba also contributed to come up with research topics. To ensure effectiveness of this phase of research process, the involvement and inclusion of various stakeholder (MHSC members, mining companies (research sites providers), original equipment manufacturers, technology innovation agency) inputs into determining research focus areas are also critical. The terms of reference (ToRs) for identified research topics are developed, and the MHSC procurement processes are then followed until service providers are contracted to conduct the relevant research.

The PDTC manages the actual research programme execution process and ensuring quality of the delivery of the research project by the service provider on brief, budget and time (BBT).

The RODTC ensures that the outcomes of completed research projects are appropriately packaged for the identified target audience using the best possible knowledge and technology transfer medium for high level impact to MHS performance in the SAMI.

During the 2024/25 financial year, SIMRAC held twelve (12) meetings of which eight (8) were a special meeting. Members' attendance of SIMRAC and the number of meetings held during the financial year are shown in the table below:

MEMBER NAME PER STAKEHOLDER GROUPING	TOTAL NUMBER OF SCHEDULED MEETINGS (INCLUSIVE OF SPECIAL MEETINGS)	TOTAL MEETINGS ATTENDED	COMMENTS ON MEMBERSHIP AND ATTENDANCE
STATE			
Mr. X. Mbonambi (Chairperson)	12	12	
Ms. N. Gogela	12	9	
Mr. B. Mongoma	12	4	
Ms. M. Hlapane	12	6	Alternate attended two meetings on behalf of the main member.
Mr. G. Mthombeni	12	8	
ORGANISED LABOUR			
Mr. De Wet Blaauw	12	5	Alternate attended one meeting on behalf of the main member.
Mr. D. Mohapi	12	7	Alternate attended three meetings on behalf of the main member.
Mr. T. Mpete	12	11	
Mr. L. Ndlangamandla	12	0	
EMPLOYER			
Mr. W. Deysel	12	11	
Mr. J. Van Staden	12	1	Alternate attended one meeting on behalf of the main member.
Mr. O. Rakumakoe	12	6	Alternate attended six meetings on behalf of the main member.
Dr. T. Sedibe	12	2	
Dr. N. Moyo	12	6	

3.8 CULTURE TRANSFORMATION ADVISORY COMMITTEE (CTAC) MEMBERSHIP AND ATTENDANCE

The CTAC's mandate is to provide an oversight role of the overall performance of culture transformation against pre-determined standards for the mining sector. In addition, its mandate is to advise the Council on communication and promotional campaigns required to raise awareness and facilitate implementation of the culture transformation framework as adopted by the mining sector.

During the 2024/25 financial year, the CTAC held four (4) meetings and no special meetings. Members' attendance of CTAC and the number of meetings held during the financial year are shown in the table below:

MEMBER NAME PER STAKEHOLDER GROUPING	TOTAL NUMBER OF SCHEDULED MEETINGS (INCLUSIVE OF SPECIAL MEETINGS)	TOTAL MEETINGS ATTENDED	COMMENTS ON MEMBERSHIP AND ATTENDANCE
STATE			
Mr. V. Mahwasane (Chairperson)	4	4	
Ms. B. Novolo	4	2	Alternate attended two meetings on behalf of the main member.
Ms. D. Mahlaba	4	1	Alternate attended three meeting on behalf of the main member.
Mr. M. Madubane	4	3	Alternate attended one meeting on behalf of the main member.
Mr. T. Lengolo	4	2	No Alternate
ORGANISED LABOUR			
Mr. G. Nkosi	4	3	No Alternate
Mr. H Sithole	4	1	No Alternate
Mr. J. E. Marshall	4	2	Alternate attended two meetings on behalf of the main member.
Mr. R. Seroke	4	0	No Alternate
EMPLOYER			
Mr. L. McMaster	4	3	
Ms. D. Venter	4	4	
Ms. L. van Den berg	4	0	Alternate attended four meetings on behalf of the main member.
Mr. W. Osae	4	1	Alternate attended three meetings on behalf of the main member.
Mr. D. W. Blaauw	4	0	No Attendance

3.9 MINING REGULATION ADVISORY COMMITTEE (MRAC) MEMBERSHIP AND ATTENDANCE

The MRAC advises the MHSC Board on reviewing, developing or amending legislation that impacts MHS in the SAMI. In addition, the committee also considers and develops guidelines for Mandatory Code of Practice. This is achieved by developing or reviewing regulations, guidelines and guidance notes regarding appropriate changes to regulatory mechanisms and guidance materials.

During the 2024/25 financial year, the MRAC held six (6) meetings of which two (2) were special meetings. Members' attendance of MRAC and the number of meetings held during the financial year are shown in the table below:

MEMBER NAME PER STAKEHOLDER GROUPING	TOTAL NUMBER OF SCHEDULED MEETINGS (INCLUSIVE OF SPECIAL MEETINGS)	TOTAL MEETINGS ATTENDED	COMMENTS ON MEMBERSHIP AND ATTENDANCE
STATE			
Mr. Mthokozisi Zondi (Chairperson)	6	3	
Mr. M. Ramabulana	6	4	
Mr. G. Mthombeni	6	3	
Mr. N. Mokhonoana	6	2	
Mr. L. Polley	6	1	
Ms. B. Novolo	6	0	
Adv. G. Masile	6	2	
Ms. M. Sebitloane	6	0	
ORGANISED LABOUR			
Mr. W. Dysel	6	2	
Mr. W. Odendaal	6	5	
Ms. L. Tsele	6	6	
Ms. U. Brown	6	0	
Ms. D. Masilea	6	1	
Ms. L. van Den Berg	6	1	
Mr. P. Coetzer	6	2	
Mr. S. Molawa	6	0	
EMPLOYER			
Mr. C. Smith	6	5	
Mr. D. Tsubella	6	0	
Mr. D. W. Blaauw	6	1	
Mr. O. Strydom	6	0	
Mr. S. Lukhuleni	6	1	

3.10 MINING OCCUPATIONAL HEALTH ADVISORY COMMITTEE (MOHAC) MEMBERSHIP AND ATTENDANCE

MOHAC advises MHSC Board on occupational health policies, standards, and research with the view to improving the occupational health of employees in the mining industry. MOHAC is also tasked with the responsibility of reviewing occupational health policies; regulatory mechanism; and standard systems and procedures for assessing, avoiding, controlling, and minimising occupational health risks to mine workers in South Africa.

During the 2024/25 financial year, the MOHAC held six (6) meetings of which two (2) were special meetings. Members' attendance of MOHAC and the number of meetings held during the financial year are shown in the table below:

MEMBER NAME PER STAKEHOLDER GROUPING	TOTAL NUMBER OF SCHEDULED MEETINGS (INCLUSIVE OF SPECIAL MEETINGS)	TOTAL MEETINGS ATTENDED	COMMENTS ON MEMBERSHIP AND ATTENDANCE
STATE			
Dr. L. Ndelu (Chairperson)	6	4	Retired, 28 February 2025
Ms. C. Kekana	6	5	
Dr. D. Mokoboto (Acting Chairperson)	6	4	
Ms. D. Mahlaba	6	2	Alternate attended meetings on behalf of the main member.
Mr. B. Mongoma	6	5	
ORGANISED LABOUR			
Mr. A. Hlakoana	6	0	Retired, to be replaced
Mr. V. Radebe	6	3	Alternate attended meetings on behalf of the main member.
Ms. N. M. Memela	6	0	Alternate attended meetings on behalf of the main member.
Mr. H. Strydom	6	6	
Adv. H. van Vuuren	6	1	Retired, 28 February 2025
EMPLOYER			
Mr. W. Deysel	6	6	
Mr. D. Labuschagne	6	1	
Dr. N. Moyo	6	6	
Dr. Thabo Njinga	6	2	
Ms. M. Melk	6	5	

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3.11 MINING INDUSTRY TB AND HIV/AIDS ADVISORY COMMITTEE (MITHAC) MEMBERSHIP AND ATTENDANCE

MITHAC advises Council on TB and HIV/AIDS related policies and regulations with a view of improving the health performance of the SAMI. MITHAC is also tasked with the responsibility of driving and monitoring the implementation of initiatives which focus on addressing HIV/AIDS and TB in the SAMI.

During the 2024/25 financial year, the MITHAC held five (5) meetings of which one (1) was a special meeting. Members' attendance of MITHAC, and the number of meetings held during the financial year are shown in the table below:

MEMBER NAME PER STAKEHOLDER GROUPING	TOTAL NUMBER OF SCHEDULED MEETINGS (INCLUSIVE OF SPECIAL MEETINGS)	TOTAL MEETINGS ATTENDED	COMMENTS ON MEMBERSHIP AND ATTENDANCE
STATE			
Dr. L. Ndelu (Chairperson)	5	0	Retired, 28 February 2025
Dr. D. Mokoboto (Convenor)	5	4	
Ms. M. Hlaphane	5	4	Alternate attended meetings on behalf of the main member.
Mr. N. Korie	5	5	
Ms. B. Senabe	5	4	Alternate attended meetings on behalf of the main member.
ORGANISED LABOUR			
Mr. C. Mkhumane	5	3	
Mr. P. Manyathi	5	0	
Mr. P. Siemens	5	3	
Mr. O. Strydom	5	1	
Mr. E. Nkosi	5	0	
Mr. P. Mminele	5	0	Retired
Mr. N. Prinsloo	5	0	
EMPLOYER			
Dr. N. Moyo	5	5	
Dr. T. Njinga	5	3	Alternate attended two meetings on behalf of the main member.
Mr. L. Gaseemeloe	5	5	
Dr. P. Mothapo	5	4	
Dr. K. Matseoane	5	0	Alternate attended one meeting on behalf of the main member.

3.12 WOMEN IN MINING ADVISORY COMMITTEE (WIMAC) MEMBERSHIP AND ATTENDANCE

The WIMAC provide advice on evidence-based information on Women's health and safety in the mining industry to the MHSC Board. WIMAC identifies focus areas in mine health and safety for women in the mining sector and contributes to the programme of research work to the Centre of Excellence (CoE) on an annual basis, as well as contributing to the MHSC legislative programme on an annual basis. Lastly, the committee advises Council regarding the communication and publication of Health and Safety information and statistics affecting women in the South African Mining Industry.

During the 2024/25 financial year, the WIMAC held four (4) meetings. Members' attendance of WIMAC and the number of meetings held in the year are shown in the table below:

MEMBER NAME PER STAKEHOLDER GROUPING	TOTAL NUMBER OF SCHEDULED MEETINGS (INCLUSIVE OF SPECIAL MEETINGS)	TOTAL MEETINGS ATTENDED	COMMENTS ON MEMBERSHIP AND ATTENDANCE
STATE			
Ms. B. Senabe (Chairperson)	4	4	
Ms. M. N. Mokwena	4	3	Alternate meetings on behalf of the main member.
Adv. G. Masilo	4	3	Alternate meetings on behalf of the main member.
Ms. M. Sebitloane	4	2	
Ms. L. Mokonyane	4	0	
ORGANISED LABOUR			
Ms. L. Mafulatha	4	1	
Adv. H. J. van Vuuren	4	1	Retired, 28 February 2025
Ms. B. Prinsloo	3	3	Replaced Adv. H. J. van Vuuren
Ms. C. van Aswegen -Pienaar	4	4	
Ms. C. T. Sejake	4	0	
Ms. G. M. Letsholo	4	0	
EMPLOYER			
Ms. L. Tsele	4	3	Alternate one meeting on behalf of the main member.
Ms. B. Nokomo	4	3	
Ms. Y. Chetty	4	3	
Ms. N. Molelekeng	4	2	
Ms. L. van Den Berg	4	3	

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3.13. MINING OCCUPATIONAL SAFETY ADVISORY COMMITTEE (MOSAC) MEMBERSHIP AND ATTENDANCE

MOSAC provides advice and evidence-based information on safety in the mining industry to the MHSC Board. The MOSAC identifies focus areas in occupational safety for the mining sector and contributes to the programme of research work to the Centre of Excellence (CoE) on an annual basis. MOSAC also contributes to the MHSC legislative programme on an annual basis. Lastly, the committee advises MHSC Board regarding the communication and publication of mine occupational safety information and statistics in the South African Mining Industry.

During the 2024/25 financial year, MOSAC held six (6) meetings of which two (2) were special meeting. Members' attendance of MOSAC and the number of meetings held during the financial year are shown in the table below:

MEMBER NAME PER STAKEHOLDER GROUPING	TOTAL NUMBER OF SCHEDULED MEETINGS (INCLUSIVE OF SPECIAL MEETINGS)	TOTAL MEETINGS ATTENDED	COMMENTS ON MEMBERSHIP AND ATTENDANCE
STATE			
Mr. M. Zondi (Chairperson)	6	3	
Mr. M. Ramabulana	6	4	Alternate meetings on behalf of the main member.
Mr. N. Mokhonoana	6	2	Alternate meetings on behalf of the main member.
Mr. Lindsay Polley	6	1	Alternate meetings on behalf of the main member.
ORGANISED LABOUR			
Mr. C. Smith	6	5	
Mr. D. Tsubella	6	0	
Mr. D. W. Blaauw	6	1	
Mr. O. Strydom	6	0	
Mr. S. Lukhuleni	6	1	
EMPLOYER			
Mr. W. Dysel	6	2	
Mr. W. Odendaal	6	5	
Ms. L. Tsele	6	6	
Ms. D. Masilea	6	1	
Mr. P. Coetzer	6	2	

3.14. REMUNERATION OF BOARD MEMBERS

Council members are appointed by the Minister of Minerals and Petroleum Resources based on nominations from MHSC stakeholders in terms of the MHSA. The members are remunerated by the organisations who have nominated them. The MHSC reimburses members of organised labour for travel and other miscellaneous expenses incurred in the process of executing duties on behalf of the MHSC.

NAME	REMUNERATION	OTHER ALLOWANCE R	OTHER DISBURSEMENTS R	TOTAL R
Mr. J. White	-	-	7 759,72	7 759,72
Mr. P. Manyathi	-	-	1 012,03	1 012,03
Mr. W. N. van Rooyen	-	-	15 965,17	15 965,17
Ms. N. Tsipane	-	-	35 091,18	35 091,18
Total				**59 828,10**

3.15. RISK MANAGEMENT

The MHSC has adopted a Risk Management Policy and a Risk Management Strategy to direct the management of risk within the MHSC. Risk assessments, both strategic and operational, were carried out for the year to identify new and emerging risks, along with effective strategies to mitigate these risks to an acceptable level.

The Risk and Compliance Management Committee (RCMC) and the Audit and Risk Committee (ARC) play a crucial oversight role in the comprehensive risk management processes of the MHSC. These committees receive and evaluate quarterly reports regarding the organisation's risk profile, as well as updates on risk mitigation and management efforts. The ARC provides guidance to the MHSC on risk management and conducts independent monitoring of the effectiveness of the risk management system.

The MHSC acknowledges that risks are an integral part of the core operations and to effectively manage and mitigate these risks to an acceptable level, the MHSC has implemented a Risk Appetite and Tolerance Framework which was approved by the MHSC Council.

Progress is being made on risk management processes, and an independent maturity assessment is currently underway to evaluate the impact of efforts aimed at integrating risk management into MHSC processes.

3.16. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

The role of internal audit is to provide independent assurance that an organisation's risk management, governance, and internal control processes are operating effectively. The following internal audit reviews were conducted during the financial year in line with the approved internal audit plan for the 2024/25 financial year:

- Annual Financial Statements (AFS) Review for 2023/24 financial year
- Annual Performance Report (APR) Review for 2023/24 financial year
- Audit of Performance Information (Quarter 1 – Quarter 4)
- Follow Up Review
- Project Governance Review – IT
- Management of Operations (Research Operations)
- Occupational Health and Safety
- Internal Financial Controls (including Asset Management)
- Supply Chain and Contract Management Review
- Stakeholder Engagement, Marketing and Communication
- Review of the Strategic and Annual Performance Plan 2025/2026

The ARC is constituted to review the internal control, governance and risk management within the MHSC in terms of section 77 of the PFMA. The ARC also provides an oversight on internal audit, Auditor-General, financial management and compliance management. During the 2024/25 financial year, the ARC held seven (7) meetings. Members' attendance of ARC and the number of meetings held in the year are shown in the table below:

MEMBER NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Mr. S. Gounden (Chairperson)	• B. Compt. • Post-graduate Diploma in Accountancy (CTA) • Chartered Accountant (SA) • Chartered Director (SA) • Certificate in Forensic Accounting & Fraud Examination • Graduate of the Chartered Secretaries South Africa (CSSA) • Executive Leadership Development Institute • Accredited Mediator	External	N/A	04 July 2022 as Member appointed as Chairperson as of 7 March 2024)	N/A	7 of 7
Ms. V. Ndlovu	• Chartered Accountant – CA (SA) • Master of Business Administration - Finance • Honours Bachelor of Accounting Science / CTA • Bachelor of Accountancy	External	N/A	01 November 2022	N/A	7 of 7
Ms. D. Dondur	• CA (SA) • MBA CD (SA) • Bachelor of Accounting • Honours B Compt • Certificate in the Theory of Accounting (CTA) • Honours in Business Administration • Master of Business Administration (MBA) • Certificate in Labour Relations • WITS International Executive Development Programme; in conjunction with the London Business School • Gaming Executive Development Program	External	N/A	01 November 2022	31 July 2024	5 of 5

3.17. COMPLIANCE WITH LAWS AND REGULATIONS

The Governance, Risk, and Compliance function has been assigned the responsibility of ensuring that compliance is effectively implemented throughout the MHSC. The function is also responsible for providing guidance, support, and advice to various business units within MHSC on how to fulfil their compliance responsibilities and obligations.

The Audit and Risk Committee is responsible for overseeing the implementation of the Compliance Policy and all compliance matters within the MHSC. The MHSC has conducted quarterly compliance verifications with the PFMA and Treasury Regulations.

3.18. FRAUD AND CORRUPTION

The MHSC has adopted zero-tolerance approach toward fraud and corruption. In this regard, an external service provider manages the confidential whistleblowing hotline that is accessible to all stakeholders. The MHSC has a Fraud and Corruption Prevention Policy, Fraud and Corruption Prevention Strategy, and Whistleblowing Policy that governs the operational approach to fraud, corruption, and ethics-related investigations.

A Fraud Prevention Plan for 2024/25 was developed and implemented and the Social and Ethics Committee (SEC) received a quarterly progress report as part of its oversight responsibilities.

3.19. MINIMISING CONFLICT OF INTEREST

The MHSC has and maintains a Conflict of Interest policy that guides the declaration of interests and the management of conflict of interest. The MHSC officials sign an annual declaration of interest for any business, commercial, and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest. Furthermore, SCM officials together with the appointed members of the Bid Committees sign a Code of Conduct for Supply Chain Management Practitioners.

Declaration of interest is also a standing agenda item at meetings and where Conflict of Interest has been identified, each member/official is recused from participating in the meeting where he/she is conflicted.

3.20. CODE OF CONDUCT

The MHSC's Code of Conduct and Ethics Policy fosters a culture of firmly established values and norms that direct the conduct of employees, business partners, and suppliers. If non-compliance is identified, the Social and Ethic Committee (SEC) is informed, and they subsequently advise the MHSC Council on the appropriate course of action.

3.21. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The MHSC has an established Internal Health and Safety Committee that engages on health and safety issues within the MHSC including the conducting of quarterly safety drills.

3.22. SOCIAL RESPONSIBILITY

The MHSC has visited and engaged an old age home where highly needed utensils were donated.

3.23. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

The Audit and Risk Committee consisted of the members listed hereunder and met not less than four (4) times per annum as per its approved terms of reference. During the current year, seven (7) meetings were attended as follows:

MEMBER NAME	TOTAL MEETINGS ATTENDED	DATE APPOINTED
Mr. S. Gounden (Chairperson)	7	04th of July 2022
Ms. V. Ndlovu	7	01st of November 2022
Ms. D. Dondur	5	Appointed on 01st of November 2022 and resigned 31st of July 2024

In addition to the above members, persons who attended the committee meetings by standing invitation include:

- Chief Executive Officer;
- Chief Financial Officer;
- Chief Human Capital Officer;
- Chief Research Operations Officer;
- Chairperson of the Risk and Compliance Management Committee;
- Chairperson of the Information Communication Technology Governance Committee;
- Representatives from the AGSA, and
- Representatives from the Internal Auditors.

AUDIT AND RISK COMMITTEE RESPONSIBILITIES

The Audit and Risk Committee reports that it had adopted appropriate formal terms of reference as its audit committee charter, had regulated its affairs in compliance with this charter and had discharged all its responsibilities as contained therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal controls was designed to provide cost-effective assurance that assets were safeguarded and that liabilities and working capital were effectively managed, in line with the PFMA and the King IV Report on Corporate Governance requirements. From the various Internal Auditors' reports, the Audit Report on the annual financial statements, and the management report of the AGSA, it was noted that the control environment was adequate and ineffective, which is mainly due to the level of skills in the finance department. Management has embarked on training to upskill the personnel.

INTERNAL AUDIT

Internal Audit provided the Audit and Risk Committee and management with assurance that the internal controls were appropriate and effective. This was achieved through a risk management process as well as the identification of corrective actions and suggested enhancements to the controls and processes. The Internal Auditors included the following areas in the Annual Internal Audit Coverage Plan:

- Annual Financial Statements (AFS) Review for 2023/24 financial year
- Annual Performance Report (APR) Review for 2023/24 financial year
- Audit of Performance Information (Quarter 1 – Quarter 4)
- Follow Up Review
- Project Governance Review – ICT
- Management of Operations (Research Operations)
- Occupational Health and Safety
- Internal Financial Controls (including Asset Management)
- Supply Chain and Contract Management Review
- Stakeholder Engagement, Marketing and Communication
- Review of the 2025-2030 MHSC Strategic Plan and Annual Performance Plan for 2025/26 financial year
- Irregular Expenditure – Compliance Review

The Committee was satisfied that Internal Audit had discharged its functions objectively and with independence in compliance with its Charter.

RISK MANAGEMENT

The Committee was responsible for the oversight of the entity's risk management activities. Strategic and operational risk assessments were conducted for the year under review. The Committee had reviewed the risk management process on a quarterly basis, made recommendations for the improvements thereof.

IN-YEAR REPORTS AND COMPLIANCE

The Committee had:

- Reviewed the quarterly financial management and performance reports submitted to the Department of Mineral and Petroleum Resources and National Treasury in terms of the PFMA and Treasury Regulations.
- Reviewed the policies and procedures to ensure compliance with applicable laws and regulations.

The Committee was satisfied with the compliance with legislation, regulations and policies as well as the quality of the in-year reports that were presented at the Committee meetings.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit and Risk Committee had:

- Reviewed and discussed the annual financial statements to be included in the annual report, with the AGSA and the Accounting Authority;
- Reviewed the AGSA's management report and management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the entities compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

AUDITOR-GENERAL SOUTH AFRICA (EXTERNAL AUDITORS)

The Committee had reviewed the entity's implementation plan for audit issues raised in the prior year and was satisfied that the matters had been adequately resolved.

The Committee was satisfied with the independence and objectivity of the Auditor-General South Africa. The Committee had met with AGSA separately to ensure that there were no unresolved issues.

The Committee also approved the audit strategy and acknowledged the contents of the engagement letter presented by the External Auditors.

CONCLUSION

The Committee concurred with and accepted the Auditor-General South Africa's report on the annual financial statements, reviewed significant adjustments resulting from the audit and believe the audited annual financial statements should be accepted and read together with the report of the Auditor-General South Africa.

Signed on behalf of the Audit and Risk Committee:

Mr S. Gounden
Chairperson of the Audit and Risk Committee
Mine Health and Safety Council
31 July 2025

3.24. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the public entity applied any relevant code of good practice (B-BBEE certificate levels 1 – 8) with regards to the following?

CRITERIA	RESPONSE YES / NO	DISCUSSION
(a) Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	N/A	Not relevant for the business activities of MHSC.
(b) Developing and implementing a preferential procurement policy?	Yes	The Supply Chain Management Policy has a section which deals with the Preferential Procurement Strategy where preferential points are allocated for meeting specific goals aligned with the B-BBEE code.
(c) Determining qualification criteria for the sale of state-owned enterprises?	N/A	Not relevant for the business activities of MHSC.
(d) Developing criteria for entering partnerships with the private sector?	N/A	Not relevant for the business activities of MHSC.
(e) Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	N/A	Not relevant for the business activities of MHSC.

PART D

HUMAN RESOURCE MANAGEMENT

4.1. HUMAN RESOURCES OVERVIEW

4.1.1 INTRODUCTION

The purpose of the Human Capital Business Unit (HCBU) is to attain and retain talent for the MHSC, thereby building talent for the MHSC to fulfil its mandate. Further, to influence the desired culture in terms of the values of the MHSC of Caring, Integrity, Respect and Accountability (CIRA). There were three (3) areas of focus determined by the Strategic Plan (SP) and filtering to the Annual Performance Plan (APP):

- Reducing the vacancy rate,
- Implementing seventy percent (70%) of the Talent Management Framework, Retention and Employee Value Proposition implemented (EVP), and
- Implementing seventy percent (70%) of the engagement metrics on culture and values.

The Human Capital Management Business Unit (HCMBU) was required to reduce the vacancy rate from a historical thirty-three percent (33%) to thirteen percent (13%). The high vacancy rate was identified as a key limitation to the MHSC achieving its mandate. Reducing the vacancy rate would enormously contribute to achieving the MHSC's mandate. A vacancy rate of eleven percent (11%) was achieved during the reporting year.

Several interventions were put in place towards implementing the Talent Management Framework, Retention and Employee Value Proposition (EVP) during the financial year. These included the appointment of the Talent Management Committee and culminating in the population of the 9-Box Grid, which classified employees based on their performance. Future training and development will be identified to capacitate employees for readiness for growth in their careers. Other notable achievements included executive medical tests, and various wellness talks and workshops covering the pillars of mental, social and physical health. A seventy-five percent (75%) achievement was realized herein.

The HCMBU initiated a culture and values climate survey during the reporting period. Sixty percent (60%) of the MHSC employees participated in the survey. An analysis of the results of the survey was conducted and culminated in several action plans. The implemented action plans included, amongst others, the understanding of culture, how employees contribute to the overall culture of the organisation, self-awareness and mastery, display of value posters and business units talks on value topics, understanding the MHSC mandate and the MHSC contribution in the SAMI, culminating in an achievement of ninety percent (90%) in this performance area.

Two (2) key projects were undertaken during the 2023/24 financial year aimed at achieving a capable, empowered, and capacitated MHSC.

- The Organisational Efficiency Study commenced in June 2023. The purpose of the project was to deliver a fit for purpose organisation to support the achievement of the MHSC's mandate. The key project components were the review of the operating model, organisational structure, job evaluation and process mapping. The project included a future focus, enabling the MHSC to meet its performance expectations and building towards the future.
- The Salary Benchmark exercise also commenced in the latter part of 2023. The purpose of the exercise was to align the MHSC's remuneration practices to similar organisations.

The two (2) projects were finalised by the respective service providers during the 2024/2025 financial year. The MHSC Council is considering the recommendations from the service providers and will provide final approval during the next financial year.

4.1.2 EMPLOYEE WELLNESS PROGRAMMES

The MHSC has an Employee Assistance Program (EAP) which has been outsourced to a service provider. The EAP offers a comprehensive range of preventative care and counselling services for employees. In addition, they provide training and development initiatives that build employee and organisational capabilities.

During the financial year, the Employee Wellness Programmes such as Cancer Awareness; HIV and AIDS; Gender based Violence Awareness were held. In addition, brain health talk and an annual wellness day session to promote mental and physical wellness were held.

4.1.3 POLICY DEVELOPMENT

The MHSC has reviewed the human capital management policies relating to disciplinary, training and development, remuneration and reward, employment equity, job evaluation and sexual harassment. These policies were approved by MHSC Council.

4.1.4 FUTURE HR PLANS/GOALS

Whilst great strides were made and achievements attained in the focal human capital aspects contained in the Strategic Plan, the MHSC remains resolute in its efforts to:

- Further reduce the vacancy rate to less than ten percent (10%). It is envisaged that further reduction of the vacancy rate will help the MHSC achieve its mandate, reduce turnaround times and improve contribution to the SAMI to achieve the goal of Zero Harm.
- Complete the Talent Management Framework through complementing the 9-Box Grid by identifying training and development initiatives required for each grid. Further develop the Strategy and EVP, by workshopping it with all employees, who are directly affected, and concretizing the value proposition.
- Complete the engagement metrics on culture and values by implementing the leadership coaching and mentorship framework. Leadership coaching will assist in identifying areas of growth and continuous improvement to ensure that the MHSC has well-rounded leadership fit to drive the organisation to new performance heights.

4.2. HUMAN RESOURCES OVERSIGHT STATISTICS

PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

PROGRAMME/ACTIVITY /OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A PERCENTAGE (%) OF TOTAL EXPENDITURE	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Office of the CEO	19 121	11 273	16%	11	1 025
Research	57 232	21 901	48%	23	952
Finance	31 912	17 815	27%	15	1 188
Human Capital	11 975	8 290	10%	8	1 036
Total	**120 240**	**59 279**	**49%**	**57**	**1 040**

PERSONNEL COST BY SALARY BAND

The table below depicts the personnel cost by salary band detailing the salaries paid during the financial year within the occupational levels aligned to Employment Equity Reporting principles. In addition, it represents all employees employed during the financial year including terminations.

LEVELS	PERSONNEL EXPENDITURE (R'000)	PERCENTAGE (%) OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top management	7 630	13%	4	1 908
Senior management	8 512	14%	6	1 419
Professional qualified	26 494	45%	23	1 152
Skilled	6 211	10%	8	776
Semi-skilled	10 061	17%	18	559
Unskilled	371	1%	1	371
Total	**59 279**	**100%**	***60**	**6 184**

*The MHSC personnel costs includes terminations and appointments made during the financial year

PERFORMANCE REWARDS

Performance rewards comprise the employee's total cost to company and bonuses based on the organisation's performance and remuneration policies during the year under review.

PROGRAMME/ACTIVITY/OBJECTIVE	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	PERCENTAGE (%) OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST
Top management	374	7 630	5%
Senior management	290	8 512	3%
Professional qualified	1 060	26 494	4%
Skilled	297	6 211	5%
Semi-skilled	515	10 061	5%
Unskilled	21	371	6%
Total	**2 557**	**59 279**	**4%**

TRAINING COSTS

The training costs expenditure is presented as expenditure against the personnel per business unit. The expenditure is budgeted and approved in line with the organisation's training and development policy, with a focus on developing skills for the long-term success of the MHSC.

PROGRAMME/ACTIVITY /OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A PERCENTAGE (%) OF PERSONNEL COSTS	NUMBER OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE (R'000)
Office of the CEO	11 273	106	0,94%	4	26
Research	21 901	320	1,46%	13	25
Finance	17 815	264	1,48%	10	26
Human Capital	8 290	51	0,62%	2	26
Total	**59 279**	**741**	**4,50%**	**29**	**26**

EMPLOYMENT AND VACANCIES

The table below depicts the number of approved positions as per the approved structure whilst also comparing the vacant positions between the period ended 31st of March 2024 and 31st of March 2025. The approved staff complement is sixty-four (64) with a headcount of fifty-seven (57) and seven (7) vacancies. The vacancy rate has improved from thirteen percent (13%) in the previous financial year to eleven percent (11%) in the current financial year.

PROGRAMME/ACTIVITY/ OBJECTIVE	2023/24 NUMBER OF EMPLOYEES	APPROVED POSTS	NUMBER OF EMPLOYEES	VACANCIES	PERCENTAGE (%) OF VACANCIES
Office of the CEO	11	14	11	3	21%
Research	20	24	21	3	13%
Finance	15	16	15	1	6%
Human Capital	10	10	10	0	0%
Total	**56**	**64**	**57**	**7**	**11%**

PROGRAMME/ACTIVITY/ OBJECTIVE	2023/24 NUMBER OF EMPLOYEES	2024/25			
		APPROVED POSTS	NUMBER OF EMPLOYEES	VACANCIES	PERCENTAGE (%) OF VACANCIES
Top management	3	4	4	0	0%
Senior management	6	6	5	1	17%
Professional qualified	21	27	22	5	19%
Skilled	11	8	8	0	0%
Semi-skilled	14	18	17	1	6%
Unskilled	1	1	1	0	0%
TOTAL	**56**	**64**	**57**	**7**	**11%**

The MHSC appointed seven (7) employees in the 2024/25 financial year. This included the appointment of the Chief Financial Officer (CFO), which is a strategic position, crucial to the success of the MHSC. The MHSC turnaround time for filling vacancies is 90 days aligned to the recruitment and selection policy. An Employee Value Proposition (EVP) is being developed to retain the employees.

EMPLOYMENT CHANGES

The MHSC experienced six (6) employee terminations and seven (7) new appointments which resulted in a headcount of fifty-seven (57).

SALARY BAND	EMPLOYMENT AT THE BEGINNING OF THE PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top management	3	1	0	4
Senior management	6	0	1	5
Professional qualified	21	3	2	22
Skilled	11	2	1	8
Semi-skilled	14	1	2	17
Unskilled	1	0	0	1
TOTAL	**56**	**7**	**6**	**57**

REASONS FOR STAFF LEAVING

The table below depicts the number of employees that have been terminated for the 2024/2025 financial year and the reasons for termination. Whilst it is encouraging that the MHSC did not dismiss employees, all the terminations were due to resignations due to better working conditions, opportunities and relocation closer to home.

REASON	NUMBER	PERCENTAGE OF TOTAL NUMBER OF STAFF LEAVING
Death	0	0%
Resignation	6	9%
Dismissal	0	0%
Retirement	0	0%
Ill-health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	**6**	**9%**

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

The table below depicts the number of employees that underwent disciplinary action. During the 2024/2025 financial year, the MHSC issued one written warning. This represents a fifty percent (50%) reduction compared to the previous financial year.

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	0
Written warning	1
Final written warning	0
Dismissal	0
TOTAL	**1**

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS (EE)

The MHSC has an established Employment Equity Committee that oversees the implementation of the employment equity plan as per the Employment Equity Act. The MHSC's staff compliment as at the end of 2024/2025 has a strong representation of previously disadvantaged individuals as reflected in the table below is as follows:

The MHSC has appointed twenty-two (22) males and thirty-five (35) females. Top management comprises two (2) females and two (2) males. The senior Management and professionally qualified occupational levels have thirteen (13) females and twelve (12) males. Finally, the MHSC has appointed one (1) individual with a disability.

LEVELS	MALE								TOTAL
	AFRICAN		COLOURED		INDIAN		WHITE		
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	
Top management	2	2	0	0	0	0	0	0	2
Senior management	3	5	0	0	0	0	0	0	5
Professional qualified	9	13	1	0	0	0	0	0	13
Skilled	5	2	0	0	0	0	0	0	2
Semi-skilled	2	2	0	0	0	0	0	0	2
Unskilled	0	0	0	0	0	0	0	0	0
TOTAL	**21**	**23**	**1**	**0**	**0**	**0**	**0**	**0**	**22**

LEVELS	FEMALE								TOTAL
	AFRICAN		COLOURED		INDIAN		WHITE		
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	
Top management	1	4	1	0	0	0	0	0	4
Senior management	1	5	0	0	1	2	0	0	7
Professional qualified	12	14	0	0	0	0	0	0	14
Skilled	2	11	0	0	1	1	0	0	12
Semi-skilled	14	2	0	0	1	0	0	0	2
Unskilled	1	0	0	0	0	0	0	0	0
TOTAL	**31**	**36**	**1**	**0**	**3**	**3**	**0**	**0**	**35**

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top management	0	0	0	0
Senior management	0	1	0	0
Professional qualified	0	1	0	0
Skilled	0	0	0	0
Semi-skilled	1	1	0	0
Unskilled	0	0	0	0
TOTAL	**1**	**3**	**0**	**0**

The MHSC encourages candidates per their employment equity target to apply for MHSC positions.

MHSC

Mine Health and Safety Council

PART E

PFMA COMPLIANCE REPORT

5.1. IRREGULAR EXPENDITURE

(A) RECONCILIATION OF IRREGULAR EXPENDITURE

DESCRIPTION	2023/24 R'000	2024/25 R'000
Opening balance	65,833	65,833
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	63,139
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
CLOSING BALANCE	**65,833**	**2,693**

The MHSC Council approved the removal of the irregular expenditure incurred from 2018/19 to 2020/21 financial years in line with paragraphs 5.7 and 5.8 of the PFMA Compliance and Reporting Framework Instruction No 4 of 2022/23.

RECONCILING NOTES

DESCRIPTION	2023/24 R'000	2024/25 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
TOTAL	**-**	**-**

(B) DETAILS OF IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

DESCRIPTION	2023/24 R'000	2024/25 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	2,693
Irregular expenditure under investigation	-	-
TOTAL	**-**	**2,693**

The Council approved the removal of the R2 693 055.48 irregular expenditure incurred in 2021/22 financial year on 29 April 2025.

(C) DETAILS OF IRREGULAR EXPENDITURE CONDONED

DESCRIPTION	2023/24 R'000	2024/25 R'000
Irregular expenditure condoned	-	-
TOTAL	**-**	**-**

(D) DETAILS OF IRREGULAR EXPENDITURE REMOVED – (NOT CONDONED)

DESCRIPTION	2023/24 R'000	2024/25 R'000
Irregular expenditure NOT condoned and removed	-	63,139
TOTAL	**-**	**63,139**

(E) DETAILS OF IRREGULAR EXPENDITURE RECOVERABLE

DESCRIPTION	2023/24 R'000	2024/25 R'000
Irregular expenditure recovered	-	-
Total	**-**	**-**

(F) DETAILS OF IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

DESCRIPTION	2023/24 R'000	2024/25 R'000
Irregular expenditure written off	-	-
Total	**-**	**-**

ADDITIONAL DISCLOSURE RELATING TO INTER-INSTITUTIONAL ARRANGEMENTS

(G) DETAILS OF NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS NOT RESPONSIBLE FOR THE NON-COMPLIANCE)

DESCRIPTION	2023/24 R'000	2024/25 R'000
	-	-
Total	**-**	**-**

(H) DETAILS OF NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS RESPONSIBLE FOR THE NON-COMPLIANCE)

DESCRIPTION	2023/24 R'000	2024/25 R'000
	-	-
Total	**-**	**-**

(I) DETAILS OF DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE

DISCIPLINARY STEPS TAKEN
Disciplinary steps were taken where feasible before the removal of the irregular expenditure by the Council.

5.2. FRUITLESS AND WASTEFUL EXPENDITURE

(A) RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

DESCRIPTION	2023/24 R'000	2024/25 R'000
Opening balance	1,148	1,203
Adjustment to opening balance	-	(529)
Opening balance as restated	-	674
Add: fruitless and wasteful confirmed	55	16
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	4
CLOSING BALANCE	**1,203**	**686**

RECONCILING NOTES

DESCRIPTION	2023/24 R'000	2024/25 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to prior year and identified in the current year	-	16
Fruitless and wasteful expenditure for the current year.	55	-
TOTAL	**55**	**16**

(B) DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

DESCRIPTION	2023/24 R'000	2024/25 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	1,203	-
Fruitless and wasteful expenditure under investigation	-	-
TOTAL	**1,203**	**-**

(C) DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE RECOVERABLE

DESCRIPTION	2023/24 R'000	2024/25 R'000
Fruitless and wasteful expenditure recovered	-	533
TOTAL	**-**	**533**

(D) DETAILS OF IRREGULAR EXPENDITURE NOT RECOVERED AND WRITTEN OFF

DESCRIPTION	2023/24 R'000	2024/25 R'000
Fruitless and wasteful expenditure written off	-	-
TOTAL	**-**	**-**

(E) DETAILS OF DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

DISCIPLINARY STEPS TAKEN
Written warning issued on finalised matter. Management is finalizing investigations on the remaining balance of the fruitless and wasteful expenditure

ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF SECTION 55(2)(B)(I) &(III) OF THE PFMA.

(A) DETAILS OF MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

DESCRIPTION	2023/24 R'000	2024/25 R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	533
Less: Not recovered and written off	-	-
TOTAL	**-**	**533**

(B) DETAILS OF OTHER MATERIAL LOSSES

NATURE OF OTHER MATERIAL LOSSES	2023/24 R'000	2024/25 R'000
	-	-
TOTAL	**-**	**-**

(C) OTHER MATERIAL LOSSES RECOVERABLE

NATURE OF LOSSES	2023/24 R'000	2024/25 R'000
None	-	-
TOTAL	**-**	**-**

(D) OTHER MATERIAL LOSSES NOT RECOVERABLE AND WRITTEN OFF

NATURE OF LOSSES	2023/24 R'000	2024/25 R'000
None	-	-
TOTAL	**-**	**-**

5.3. INFORMATION ON LATE AND / OR NON-PAYMENT OF SUPPLIERS

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE R'000
Valid invoices received	1 517	57 531
Invoices paid within 30 days or agreed period	1 303	53 438
Invoices paid after 30 days or agreed period	214	4 093
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

5.4. INFORMATION ON SUPPLY CHAIN MANAGEMENT

PROCUREMENT BY OTHER MEANS

NO.	PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R
1.	Request for approval to deviate from the normal procurement process using limited bidding procurement by “other means” (single source procurement) in appointing the Council for Scientific and Industrial Research (CSIR) to complete Milestones 7, 8 and 9 of the project CoE 190301 “Determine best/leading preconditioning practices applicable for shallow, intermediate, deep and ultra-deep mining taking cognisance of rock strength, rock type, and mining method”	Council for Scientific and Industrial Research (CSIR)	Limited Bidding: Single Source	CoE 190301	R 646 579,96
2.	Request for approval to deviate from the normal procurement process using limited bidding procurement by “other means” (single source procurement) in appointing Kudenga Investments Pty Ltd t/a Kudenga Consulting to complete Milestone 14 of the project CoE 190902 “Does the level of education contribute to mine accidents in the South African mining industry (SAMI)?”	Kudenga Investments Pty Ltd t/a Kudenga Consulting	Limited Bidding: Single Source	CoE 190902	R 92 915,40
3.	Request for approval to deviate from the normal procurement process using limited bidding procurement by “other means” (single source procurement) in appointing Price Waterhouse Coopers (PWC) to complete Milestones 6 and 7 of the project CoE 200903 “Assess the implementation of Culture Transformation Framework (CTF) by the South African mining industry (SAMI)”	Price Waterhouse Coopers (PWC)	Limited Bidding: Single Source	CoE 200903	R 136 815,80
4.	Request for approval to deviate from the normal procurement process using a limited bidding procurement by “other means” (single source) in the appointment of Cheadle Thompson and Hayson Inc. Attorneys for provision of legal services, in line with Treasury Instruction no.3 of 2021/22: enhancing compliance, transparency and accountability in SCM	Cheadle Thompson and Hayson Inc. Attorneys	Urgent Case	D/262	R 67 706,25
5.	Request for approval to deviate from the normal procurement process using procurement by other means in an emergency in appointing Altron to conduct an emergency forensic investigation, remediation and prevention of Microsoft Office 365 outlook e-mail account on behalf of CT unit	Altron Digital Business	Emergency procurement	N/A	R 21 390,00

NO.	PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R
6.	Approval to deviate from the normal procurement process using *"procurement by other means"* in appointing Altron Digital Business to supply the Microsoft Office 365 licenses to MHSC on a month-to-month basis up to three (3) months through a single source procurement process, in line with Treasury Instruction no.3 of 2021/22: enhancing compliance, transparency and accountability in SCM	Altron Digital Business	Limited Bidding: Single Source	N/A	R 188 798,16
7.	Request for approval to deviate from normal procurement process using limited bidding procurement by "other means" (sole source procurement) in the appointment of ADAPT IT for the renewal of CaseWare license for year 2025, in line with National Treasury Instruction Note 3 of 2021/2022: "enhancing compliance, transparency and accountability in supply chain management	Adapt IT	Limited Bidding: Sole Source	D/256	R 112 451,77
8.	Deviation from the normal procurement process using a limited bidding procurement by "other means" in the appointment of Internal Locus of Control (ILOC) on a single source procurement for the board presentation providing recommendations based on the Organisational Efficiency Study (OES), in line with Treasury Instruction no.3 of 2021/22: enhancing compliance, transparency and accountability in SCM	ILOC	Limited Bidding: Single Source	C/268	R 15 000,00
	TOTAL				**1 281 657,34**

CONTRACT VARIATIONS AND EXPANSIONS

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE R	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S R	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION R
1. Request for approval of a variation/ expansion of the PO Z/44 to Gallagher Convention Centre to accommodate additional conference requirements for the 2024 Mine Health and Safety Tripartite Summit, in line with the National Treasury SCM Instruction Note 03 of 2021/22 and MHSC delegation of authority	Gallagher Convention Centre	Variation	Z/44	R 7 101 341,00	N/A	R 110 420,13
2. Variation to extend the BCD Travel contract by five (05) months	BCD Travel	Expansion	MHSC008/ 2019-20	R 531 594,72	N/A	R 73 832,60
3. Extension of contract period of project CoE210501 "Investigations of the current use of winches and its accessories in cleaning operations and recommendations for possible future use of rope-less cleaning methods in underground mining operations" for a period of 7 months	CSIR	Expansion	MHSC003/ 2023-24	R 2 080 802,32	N/A	N/A

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE R	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S R	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION R
4. Extension of contract period of project CoE 210101 "Effects of cannabis on occupational health and safety in the South African mining industry (SAMI) and benchmark for a maximum allowable blood level of cannabis at the workplace"	Mundele Business Consultancy CC	Expansion	MHSC001/ 2023/24	R 1 990 000,00	N/A	N/A
5. Extension of contract period of project CoE 190702 "Is the Heat Tolerance Screening (HTS) test an adequate tool to assess if an employee is heat tolerant and are the methods used to determine heat tolerance valid?" for six (6) months, in line with SCM Instruction Note No. 3 of 2021/22: Enhancing Compliance, Transparency and Accountability in Supply Chain Management	Mundele Business Consultancy CC	Expansion	MHSC007/ 2023-24	R 1 350 000,00	N/A	N/A
6. Extension of contract period of project CoE 190301 "Determine best/leading Preconditioning practices applicable for shallow, intermediate, deep and ultra-deep mining taking cognisance of rock strength and type and mining method for three (3) months, in line with SCM Instruction Note No. 3 of 2021/22: Enhancing Compliance, Transparency and Accountability in Supply Chain Management	CSIR	Expansion	MHSC002/2019-20	R 646 579,96	N/A	N/A
7. Variation to extend the BCD Travel contract by five (05) months	BCD Travel	Expansion	MHSC008/ 2019-20	R 531 594,72	R 73 832,60	R 79 736,40
8. Approval for variation of an order to accommodate 35 additional attendees at the MHSC's hybrid Lamproom Guideline stakeholder workshop taking place in Muldersdrift Gauteng on 02 August 2024	Avianto	Variation	D/303	R 92 484,04	N/A	R 28 424,97
9. Extension and variation of a purchase order for provision of Microsoft office 365 licenses for a period of 3 months	Altron Digital Business	Expansion	D/351	R 188 798,16	N/A	R 180 383,11

MHSC
Mine Health and Safety Council

PART F
FINANCIAL INFORMATION

COUNCIL'S **RESPONSIBILITIES AND APPROVAL**

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the MHSC as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the MHSC and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the MHSC and all employees are required to maintain the highest ethical standards in ensuring the MHSC's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the MHSC is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the MHSC endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the MHSC has or has access to adequate resources to continue in operational existence for the foreseeable future.

The MHSC is wholly dependent on the levies for continued funding of operations. The annual financial statements are prepared on the basis that the MHSC is a going concern and that the MHSC has neither the intention nor the need to liquidate or curtail materially the scale of the MHSC.

Although the members are primarily responsible for the financial affairs of the MHSC, they are supported by the MHSC's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented from page 71 to page 76.

The annual financial statements set out from page 77 to page 117, which have been prepared on the going concern basis, were approved by the members on 31 July 2025 and were signed on its behalf by:

Mr. D. Msiza
Chairperson of the Mine Health and Safety Council

Report of the auditor-general to Parliament on the Mine Health and Safety Council

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mine Health and Safety Council set out on pages 77 to 117, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mine Health and Safety Council as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Statement of Generally Recognised Accounting Practice (Statement of 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 auditorgeneral 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.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material impairment – receivables from non-exchange transactions

7. As disclosed in note 5 to the financial statements, the allowance for impairment of the receivables from non-exchange transactions amounts to R19 709 805 (2024: R26 094 331) which represents 53% (2024:64%) of the total receivables from non-exchange transactions.

Restatement of corresponding figures

8. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2025.

Responsibilities of the council for the financial statements

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

10. In preparing the financial statements, the council 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

11. 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.

12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at pages 75 to 76, forms part of my auditor's report.

Report on the annual performance report

13. 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 output indicators presented in the annual performance report. The council is responsible for the preparation of the annual performance report.

14. I selected the following output indicators related to Research and Innovation presented in the annual performance report for the year ended 31 March 2025. I selected the indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Number of advisory notes (research, non-legislative or legislative) submitted to the Minister.
    - % Implementation of Dissemination plan to improve collective OHS knowledge.
    - % Implementation of the comprehensive Stakeholder Engagement Plan that advocate for a strong safety culture and increased awareness of OHS issues within the SAMI.

15. I evaluated the reported performance information for the selected material performance indicator 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.

16. 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.

17. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
18. I did not identify any material findings on the reported performance information for Programme 1: Research and Innovation.

Report on compliance with legislation

19. 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 council is responsible for the public entity's compliance with legislation.
20. 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.
21. 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.
22. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

23. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the Public Finance Management Act.
24. Material misstatement of disclosure notes identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Consequence management

25. Disciplinary steps were not taken against the officials who had permitted fruitless and wasteful expenditure, as required by section 51(1)(e)(iii) of the PFMA.

Revenue management

26. 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

27. The council is responsible for the other information included in the annual report which includes the chairperson of the council report, and the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

28. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. 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.

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

33. Management did not adequately review the financial statements to ensure that they are prepared in line with GRAP to ensure that they achieve fair presentation.

34. Management did not exercise sufficient oversight over financial reporting and compliance with laws and regulations and related internal controls.

Auditor-General

Pretoria

31 July 2025

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1. Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No.5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

STATEMENT OF **FINANCIAL POSITION**

AS AT 31 MARCH 2025

	NOTE(S)	2025 R	2024 RESTATED* R
ASSETS			
CURRENT ASSETS			
Inventories	3	89 644	131 879
Receivables from exchange transactions	4	7 666 078	7 732 110
Receivables from non-exchange transactions	5	17 543 177	14 785 893
Cash and cash equivalents	6	168 274 947	143 265 730
		193 573 846	**165 915 612**
NON-CURRENT ASSETS			
Property, plant and equipment	7	29 032 261	27 139 287
Intangible assets	8	1 865 345	2 521 942
		30 897 606	**29 661 229**
Total Assets		**224 471 452**	**195 576 841**
LIABILITIES			
CURRENT LIABILITIES			
Finance lease obligation	9	-	134 201
Payables from exchange transactions	10	12 734 148	13 457 290
Provisions	11	3 750 652	3 287 401
Bank overdraft	6	-	4 647
		16 484 800	**16 883 539**
NON-CURRENT LIABILITIES			
Employee benefit obligation	12	421 000	335 000
Admin fines liabilities	28	7 980 909	7 593 475
		8 401 909	**7 928 475**
Total Liabilities		**24 886 709**	**24 812 014**
Net Assets		**199 584 743**	**170 764 827**
Accumulated surplus		199 584 743	170 764 827
Total Net Assets		**199 584 743**	**170 764 827**

STATEMENT OF **FINANCIAL PERFORMANCE**

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE(S)	2025 R	2024 RESTATED* R
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Other income		216 733	133 060
Interest received	13	13 294 919	11 000 640
Total revenue from exchange transactions		**13 511 652**	**11 133 700**
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Mine levies	13	123 983 791	117 163 739
Promotion of health and safety		273 834	154 342
State funding	13	4 495 000	4 736 000
Service in-kind - Board fees	13	411 388	458 052
Debt impairment reversal	5	6 384 527	-
Total revenue from non-exchange transactions		**135 548 540**	**122 512 133**
Total revenue		**149 060 192**	**133 645 833**
EXPENDITURE			
Debt Impairment		-	(4 907 788)
Depreciation and amortisation	7&8	(2 379 070)	(3 011 983)
Employee related costs	14	(59 279 264)	(50 214 238)
Finance costs	15	(57 379)	(64 931)
General expenses	24	(46 395 602)	(27 588 179)
Lease rentals on operating lease	29	(2 280 825)	(2 145 901)
Loss on disposal of assets		(11 662)	-
Research and development	27	(9 836 472)	(8 900 295)
Total expenditure		**(120 240 274)**	**(96 833 315)**
Surplus for the year		**28 819 918**	**36 812 518**

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE(S)	Accumulated surplus R
Opening balance as previously reported		131 752 742
Adjustments		
Correction of prior period errors	31	2 199 564
Balance at 1 April 2023 as restated*		**133 952 309**
Surplus restated		36 812 518
Total changes		**36 812 518**
Balance at 1 April 2024 as restated		**170 764 825**
Surplus for the year		28 819 918
Total changes		**28 819 918**
Balance at 31 March 2025		**199 584 743**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE(S)	2025 R	2024 RESTATED* R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
State funding		4 495 000	4 736 000
Interest income		12 985 177	11 000 640
Receipts from Mine Levies		127 920 776	142 825 434
Other receipts		216 733	133 060
		145 617 686	**158 695 134**
PAYMENTS			
Employee costs		(58 573 658)	(48 379 086)
Suppliers and other service providers		(58 211 473)	(33 346 344)
Finance costs		(57 379)	(22 930)
		(116 842 510)	**(81 748 360)**
Net cash flows from operating activities	16	**28 775 176**	**76 946 774**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(3 524 646)	(3 212 275)
Proceeds from sale of property, plant and equipment	7	-	27 187
Purchase of intangible assets	8	(102 465)	(1 989 562)
Net cash flows from investing activities		**(3 627 111)**	**(5 174 650)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(134 201)	(156 538)
Net increase/(decrease) in cash and cash equivalents		**25 013 864**	**71 615 586**
Cash and cash equivalents at the beginning of the year		143 261 083	71 645 497
Cash and cash equivalents at the end of the year	6	**168 274 947**	**143 261 083**

MHSC
Mine Health and Safety Council

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Ref
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Other Income	450 000	-	450 000	216 733	(233 267)	23.1
Interest received	869 775	-	869 775	13 294 919	12 425 144	23.2
Total revenue from exchange transactions	**1 319 775**	**-**	**1 319 775**	**13 511 652**	**12 191 877**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Mine levies	124 521 441	-	124 521 441	123 983 791	(537 650)	23.4
Promotion of health and safety	-	-	-	273 834	273 834	23.17
State funding	4 495 000	-	4 495 000	4 495 000	-	
Service in-kind - Board fees	-	-	-	411 388	411 388	23.18
Debt impairment reversal	-	-	-	6 384 527	6 384 527	23.3
Total revenue from non-exchange transactions	**129 016 441**	**-**	**129 016 441**	**135 548 540**	**6 532 099**	
Total revenue	**130 336 216**	**-**	**130 336 216**	**149 060 192**	**18 723 976**	
EXPENDITURE						
Employee costs	(72 108 333)	-	(72 108 333)	(59 279 264)	12 829 069	23.5
Research and Development	(34 131 762)	-	(34 131 762)	(9 836 472)	24 295 290	23.6
Dissemination and RTF Costs	(3 222 814)	-	(3 222 814)	(24 751 863)	(21 529 049)	23.7
Administrative expenses	(6 712 651)	-	(6 712 651)	(13 434 834)	(6 722 183)	23.8
Depreciation and amortisation	(2 464 000)	-	(2 464 000)	(2 379 070)	84 930	23.9
Debt Impairment	(756 656)	-	(756 656)	-	756 656	23.10
Finance costs	(50 000)	-	(50 000)	(57 379)	(7 379)	
Lease rentals on operating lease	(1 120 000)	-	(1 120 000)	(2 280 825)	(1 160 825)	23.11
External audit fees	(2 560 000)	-	(2 560 000)	(2 755 535)	(195 535)	23.12
Corporate governance	(414 725)	-	(414 725)	(2 506 393)	(2 091 668)	23.13
Internation travel	(292 000)	-	(292 000)	(402 627)	(110 627)	23.14
Internal audit fees	(895 275)	-	(895 275)	(1 361 635)	(466 360)	23.15
Legal fees	(5 608 000)	-	(5 608 000)	(1 182 715)	4 425 285	23.16
Total expenditure	**(130 336 216)**	**-**	**(130 336 216)**	**(120 228 612)**	**10 107 604**	
Operating surplus	**-**	**-**	**-**	**28 831 580**	**28 831 580**	
Loss on disposal of assets and liabilities	-	-	-	(11 662)	(11 662)	
Surplus before taxation	**-**	**-**	**-**	**28 819 918**	**28 819 918**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**28 819 918**	**28 819 918**	

STATEMENT OF FINANCIAL POSITION AND CASH FLOW STATEMENT

The MHSC did not budget for the Statement of Financial Position and Cash Flow Statement in the 2024/25 financial year. It is impractical to disclose the statement of comparison of budget and actual for the Statement of Financial Position.

In addition it is also impractical to disclose the statement of comparison of budget and actual for net cash from (used) operating, net-cash from (used) investing, net cash from (used) financing, and net increase or decrease in cash held.

1. SIGNIFICANT ACCOUNTING POLICES

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

1.1 BASIS OF PREPARATION

The MHSC financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), as set out in the Accounting Standards Board (ASB) Directive 5 (Determining the GRAP Reporting Framework) and the Public Finance Management Act (PFMA) (as amended by Act No 29 of 1999).

The MHSC uses the accrual basis of accounting (except for cash flow information), transactions, other events and conditions are recognised when they occur and are recognised in the period to which they relate and not only recognised when cash is paid or received. This is in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

The financial statements contained therein are fully compliant with the South African Standards of Generally Recognised Accounting Practice. The financial statements includes faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 GOING CONCERN ASSUMPTION

At each reporting date, the MHSC Executive Management makes an assessment of the entity's ability to continue as a going concern for the next 12 months or more when preparing the financial statements. The assessment is approved by the Council and declares the going concern status in its report. Financial statements are prepared on a going concern basis, unless there is an intention to liquidate the entity.

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.

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. The use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include provision for doubtful debts, bonus provision; leave provision; useful lives and depreciation methods and asset impairment. Notes relating to the subject are included under the affected areas of the financial statements.

IMPAIRMENT OF RECEIVABLES

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

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

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

IMPAIRMENT TESTING

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including obsolescence and information technological advancements, together with economic factors such as inflation.

DEPRECIATION AND AMORTISATION

During each financial year, management reviews property, plant and equipment and intangible assets to assess whether the useful lives and residual values applicable to each asset are appropriate. At the end of each financial year management assesses whether there is any indication that the MHSC expectations about the residual value and the useful life of assets included in property, plant and equipment have changed since the preceding reporting date.

POST-RETIREMENT MEDICAL BENEFIT

The present value of the post-retirement medical benefit depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The MHSC determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the MHSC considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

EFFECTIVE INTEREST RATE

The MHSC used the prime interest rate to discount future cash flows.

1.6 PRE-PAID EXPENSES

Prepayments are payments made in advance for services or goods that have not been delivered for which the MHSC expects the delivery in the next financial period. Prepayments are recognised as current assets and are not discounted as the discounting effect thereof is considered immaterial.

1.7 ROUNDING

Unless otherwise stated all financial figures have been rounded off to the nearest one rand.

1.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

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

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

MHSC
Mine Health and Safety Council

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	20 years
Office equipment	Straight-line	5-10 years
Office furniture	Straight-line	10 years
Motor vehicles	Straight-line	5 years
Computer equipment	Straight-line	5 - 10 years
Leasehold improvements	Straight-line	Remainder of lease period
Research equipment	Straight-line	Duration of the contract and estimated useful life
Leased assets	Straight-line	The shorter of the lease period or the useful life of the asset

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

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

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

1.9 INTANGIBLE ASSETS

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Licenses and software acquired	Straight-line	1 - 8 years

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.10 FINANCIAL INSTRUMENTS

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

A financial asset is:

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

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

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

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

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

CLASSIFICATION

Financial instruments are measured at amortised cost using the effective interest rate method less any impairment losses. 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.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The entity measures all financial assets and financial liabilities after initial recognition using the following categories: All financial assets measured as amortised cost,or cost, are subject to an impairment review.

Class	Category
Receivables from exchange transactions	Financial assets measured at amortised cost

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

DERECOGNITION

The MHSC derecognises financial assets using trade date accounting. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

MHSC shall remove a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction.

1.11 STATUTORY RECEIVABLES

IDENTIFICATION

Statutory receivables are receivables that arise from levies charged and payable in term of section 89(1) of the Mine Health and Safety Act, 1996 (Act 29 of 1996).

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 used to charge outstanding account based on the rate determined by the National Treasury.

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.

DERECOGNITION

MHSC derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- MHSC transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- MHSC, 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.

1.12 TAX

CURRENT TAX ASSETS AND LIABILITIES

No provision for income tax has been made as the Mine Health and Safety Council (MHSC) is exempt in terms of section 10(1)(cA)(b)(ii) of the Income Tax Act of 1962, as amended.

1.13 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

FINANCE LEASES - LESSEE

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

OPERATING LEASES - LESSEE

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

1.14 INVENTORIES

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition. Inventory of the MHSC includes office consumable.

Subsequently inventories are measured at the lower of cost and net realisable value. Inventories are measured at the lower of cost and current replacement.;

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date. The cost of inventories comprises of all costs of purchase

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.15 CASH AND CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are carried at amortised cost.

1.16 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

The MHSC's non-financial assets consists only of non-cash generating assets. The MHSC assesses at each reporting date whether there is an indication that an asset may be impaired. If there is an indication that the asset may be impaired, the recoverable service amount is estimated for the individual asset. The recoverable service amount of an asset is the higher of its fair value less cost to sell and its value in use. If the recoverable service amount of an asset is less than its cost less accumulated depreciation or amortisation, the impairment loss is recognised immediately in surplus or deficit.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. The MHSC assesses at each reporting date whether there is an indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any indication exists, the recoverable service amounts of those assets are estimated. The increased carrying amount of assets attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for assets in the prior years. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

1.17 EMPLOYEE BENEFITS

EMPLOYEE BENEFITS

RECOGNITION

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

SHORT-TERM EMPLOYEE BENEFITS

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

DEFINED CONTRIBUTION PLAN

MHSC contributes to a defined contribution plan, and all contributions are charged against the statement of financial performance as incurred.

POST-EMPLOYMENT MEDICAL BENEFITS

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

ACTUARIAL ASSUMPTIONS

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in the statement of financial performance in the period in which they arise. The MHSC's actuarial service provider determines the appropriate discount rate at the year end. This is the interest that is used to determine the present value of estimated future cash out flows expected to settle the medical aid obligations. In determining the appropriate discount rate the MHSC actuarial service provider considers the interest rates of high-quality government bonds that are denominated in the currency in which benefits will be paid.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
    - those changes were enacted before the reporting date; or
    - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.18 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.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 18.

Performance Bonus is a short-term employee benefit which is expensed as the related services are provided. A liability is recognised for the amount expected to be paid if the entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. A provision for performance bonus is raised on the estimated amount payable in terms of the incentive scheme which is based on the business and employee's performance in the applicable year. Performance bonuses are expected to be settled within 12 months from the reporting date.

1.19 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. Commitments are not recognised in the statement of financial position but disclosed in the notes to the annual financial statements.

1.20 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 MHSC 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.

MEASUREMENT

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

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the MHSC, and specific criteria have been met as described below. Revenue from exchange transactions comprises of interest and other income as well as other recoveries.

1.21 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions comprises of levies, penalties and other income. All registered mines are required to pay annual levies for health and safety in accordance with the prescribed formula. Levies are raised in terms of the Mine Health and Safety Act, 1996 (Act 29 of 1996) and are accounted for on an accrual basis.

The MHSC is funded through levies charged to south African mining industry.

SERVICES IN-KIND

Services in-kind are recognised as assets and revenue when they are significant to operations and/or service delivery objectives, and it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets and revenue can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the nature and type of services in-kind received during the reporting period are disclosed in the notes to the annual financial statements.

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 MHSC 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 MHSC.

When, as a result of a non-exchange transaction, the MHSC 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.

1.22 COMPARATIVE FIGURES

Prior period comparative information is presented in the current financial year. Where necessary, comparative figures are adjusted.

Prior period adjustments involve correcting errors and omissions in previously issued financial statements. MHSC adjusts for these errors and omissions retrospectively which means that financial statements are restated to reflect the correction. Refer to 30 for the current financial year disclosure.

1.23 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure as defined in section 1 of the PFMA, means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance, in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including –

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

(c) any provincial legislation providing for procurement procedures in that provincial government.

All expenditure relating to irregular expenditure is recognised as an expense in the surplus or deficit in the period that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense and where recovered it is subsequently accounted for as revenue in the surplus or deficit.

1.25 RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research is recognised as an expense when it is incurred.

1.26 BUDGET INFORMATION

The annual financial statements and the budget are prepared on the same basis of accounting therefore, the comparison with the budgeted amounts for the reporting period is included in the Statement of Comparison of the annual financial statements. Refer to note 23.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

1.27 RELATED PARTIES

A 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. Management are those persons responsible for planning, directing and controlling the activities of the entity including those charged with governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

All payments to executive management, Council members and governance committee members of the MHSC are disclosed as related party transactions. Transactions and balances with National Departments of Government and State-controlled Entities which occur other than in accordance with the operating parameters established are disclosed separately in the notes to the financial statements.

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

The MHSC 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.

1.29 PRIOR PERIOD ERROR

Prior period adjustments involve correcting errors and omissions in previously issued financial statements. MHSC adjusts for these errors and omissions retrospectively which means that financial statements are restated to reflect the correction. Refer to note 31 for the current financial year disclosure.

1.30 PRINCIPLE AGENT: ADMINISTRATIVE FINES LIABILITY

These fines represent penalties imposed by the Mine Health Safety Inspectorate(MHSI) in terms of section 55B of the MHS Act for failing to comply with the provisions of the Act.

MHSC is the custodian of the bank account where these funds are deposited into.

Under the MHS Act the Inspectorate is legally entitled to the fines and as such MHSC recognises a liability accordingly.

The admin fine liability is a financial instrument recognised, measured and disclosed in line with the entities accounting policy on financial instruments.

1.31 OFFSETTING OF FINANCIAL TRANSACTIONS

The MHSC present separately each material class of similar items in the statement of financial performance and financial position.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 107 (as revised) Mergers	Not yet effective	Unlikely there will be a material impact
GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	Not yet effective	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	Not yet effective	Unlikely there will be a material impact
GRAP 2023 Improvements to the Standards of GRAP 2023	Not yet effective	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not yet effective	Unlikely there will be a material impact
iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	The impact will be on the classification of financial instruments and the impairment model

2.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE OR RELEVANT

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 103 (amended): Heritage Assets	Not yet effective	Unlikely there will be a material impact

3. INVENTORIES

	2025 R	2024 R
Consumable stores	89 644	131 879
Inventory recognised as expense during the year	257 183	168 275

PLEDGED AS SECURITY

No inventory disclosed above have been pledged as security.

4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Deposits	805 886	805 886
Sundry debtors	337 926	343 667
Prepaid expenses	6 522 266	6 582 557
	7 666 078	**7 732 110**

The significant portion in the pre-paid expense is an amount of R6,313,333 paid for the erection of a sculpture project. An asset will be raised on transfer to the MHSC.

The credit risk for the deposit and prepaid expenses is regarded as having low credit risk, hence, there is no indicator of impairment due to their nature. The receiving of goods and / or services is expected for the prepaid expenses.

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS - MINE LEVIES

	2025 R	2024 R
Levies	37 252 982	40 880 224
Allowance for impairment	(19 709 805)	(26 094 331)
	17 543 177	**14 785 893**

HOW THE TRANSACTION ARISES

Section 98 (1) of the Mine Health and Safety Act requires the MHSC to collect annual levies from the mines on the basis of health and safety risk for research and surveys regarding, and for the promotion of, health and safety at mines; The MHSC obtain data to bill all the active mines in order to fulfil its obligations in terms of its mandate.

HOW THE TRANSACTION AMOUNT IS DETERMINED

In terms of the council approved levy model, the mine levies are calculated on fixed and variable rate on health and safety based on previous year production and labour figures. The calculation also make provision for rebates based on zero fatalities and serious injuries in the mines. The calculation based on 45% fixed safety,5% variable safety,45% fixed health and 5% variable health.

INTEREST CHARGED INCLUDING THE BASIS AND RATE

The interest rate charged on statutory receivables is levied as per section 80 of Public Management Finance Act(Act No.1 of 1999 as amended by Act 29 of 1999). Interest is charged on all overdue accounts at the rate approved by the Minister of Finance by notice in the Government Gazette.

The basis used to assess and test whether the statutory receivable is impaired.

Individual debtors were assessed individually for indicators of impairment. A collective assessment of the amounts which are past due was made by categorising the outstanding amounts into the following two categories:

Current: no provision
30 days: 0 percent
60 days: 1 percent
90 days: 5 percent
More than 90 days: 100 percent

No discount rate was applied to the estimated future cash flows as the amounts which are past due are considered insignificant in relation to the overall statutory receivables balance.

The main events and circumstances that led to recognition of the impairment loss:

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

Indicators of impairment loss include, but are not limited to:

- Significant financial difficulties suffered by the debtor
- The probability of the debtor entering sequestration, liquidation or other financial re-organisation;
- A breach of the terms of the transactions such as default on payment of the principal amount or interest charged; and
- Adverse changes in international, national, or local economic conditions

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS - MINE LEVIES (CONTINUED)

	2025 R	2024 R

Receivables from non-exchange transactions - Mine levies past due but not impaired

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 31 March 2025, R 17 544 362 (2024: R 14 785 893) were past due but not impaired.

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

	2025	2024
Current	3 588 266	-
30 days past due	-	6 690
90 days past due	13 956 096	14 779 202

STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS - MINE LEVIES IMPAIRED

As of 31 March 2025, other receivables from non-exchange transactions of R19 709 805 (2024: R26 094 331) were impaired and provided for.

The amount of the provision was R 19 709 805 as of 31 March 2025 (2024: R26 094 331). All debts over two years old, under business rescue, mines with financial difficulties and with queries have been provided for.

	2025	2024
Provision for impairment of receivables from non-exchange	19 709 805	26 094 331

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2025	2024
Opening balance	(26 094 331)	(21 186 543)
Debt impairment reversal (Debt impairment)	6 384 527	(4 907 788)
	(19 709 804)	**(26 094 331)**

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2025	2024
Cash on hand	2 000	2 000
Bank balances	2 051 644	1 036 939
Short-term deposits	166 221 303	142 226 791
Bank overdraft	-	(4 647)
	168 274 947	**143 261 083**
Current assets	168 274 947	143 265 730
Current liabilities	-	(4 647)
	168 274 947	**143 261 083**

The Office Building funds to the amount of R46,6 million is not available for economic use. National Treasury has approved the retention of historic surplus funds for the purchase of a building.

CREDIT QUALITY OF CASH AT BANK AND SHORT-TERM DEPOSITS, EXCLUDING CASH ON HAND

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings.

CREDIT RATING

	2025	2024
Ba2	168 274 947	143 261 083

7. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost R	Accumulated depreciation and accumulated impairment R	Carrying value R
Land	5 480 291	-	5 480 291	5 480 291	-	5 480 291
Buildings - Under refurbishment	18 532 261	-	18 532 261	17 919 334	-	17 919 334
Furniture and fixtures	1 640 992	(1 382 786)	258 206	1 698 286	(1 334 976)	363 310
Motor vehicles	1 568 341	(1 502 960)	65 381	1 568 341	(1 486 614)	81 727
Office equipment	1 348 315	(1 241 588)	106 727	1 491 596	(1 350 825)	140 771
IT equipment	8 403 245	(4 536 133)	3 867 112	5 590 968	(4 130 776)	1 460 192
Leasehold improvements	4 892 997	(4 873 537)	19 460	4 892 997	(4 795 703)	97 294
Research Equipment	4 225 334	(3 522 511)	702 823	4 225 334	(2 770 301)	1 455 033
Leased Office Equipment	-	-	-	540 297	(398 962)	141 335
Total	**46 091 776**	**(17 059 515)**	**29 032 261**	**43 407 444**	**(16 268 157)**	**27 139 287**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 31 MARCH 2025	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land	5 480 291	-	-	-	5 480 291
Buildings - Under refurbishment	17 919 334	612 927	-	-	18 532 261
Furniture and fixtures	363 310	-	(8 614)	(96 490)	258 206
Motor vehicles	81 727	-	-	(16 346)	65 381
Office equipment	140 771	-	(3 047)	(30 997)	106 727
IT equipment	1 460 192	2 911 719	-	(504 799)	3 867 112
Leasehold improvements	97 294	-	-	(77 834)	19 460
Research Equipment	1 455 033	-	-	(752 210)	702 823
Leased Office Equipment	141 335	-	-	(141 335)	-
Total	**27 139 287**	**3 524 646**	**(11 661)**	**(1 620 011)**	**29 032 261**

There is no depreciation allocated to the building as the asset is not yet in the condition necessary for it to operate in the manner intended by management.

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 31 MARCH 2024	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land	-	5 480 291	-	-	5 480 291
Buildings - Under refurbishment	-	17 919 334	-	-	17 919 334
Furniture and fixtures	476 331	-	-	(113 021)	363 310
Motor vehicles	324 059	-	-	(242 332)	81 727
Office equipment	146 831	54 150	-	(60 210)	140 771
IT equipment	2 044 075	106 000	(27 188)	(662 695)	1 460 192
Leasehold improvements	178 574	-	-	(81 280)	97 294
Research Equipment	2 209 928	-	-	(754 895)	1 455 033
Leased Office Equipment	321 165	-	-	(179 830)	141 335
Total	**5 700 963**	**23 559 775**	**(27 188)**	**(2 094 263)**	**27 139 287**

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PLEDGED AS SECURITY

None of the assets disclosed above have been pledged as security for liabilities.

The useful lives and residual values of the various categories of property, plant and equipment were assessed during the current financial year and resulted in a change in accounting estimate. Refer to note 30.

8. INTANGIBLE ASSETS

	2025			2024		
	Cost R	Accumulated amortisation and accumulated impairment R	Carrying value R	Cost R	Accumulated amortisation and accumulated impairment R	Carrying value R
Licenses and software	5 687 511	(3 822 166)	1 865 345	5 585 046	(3 063 104)	2 521 942

RECONCILIATION OF INTANGIBLE ASSETS - 31 MARCH 2025	Opening balance R	Additions R	Amortisation R	Total R
Licenses and software	2 521 942	102 465	(759 062)	1 865 345

RECONCILIATION OF INTANGIBLE ASSETS - 31 MARCH 2025	Opening balance R	Additions R	Amortisation R	Total R
Licenses and software	1 450 096	1 989 562	(917 716)	2 521 942

PLEDGED AS SECURITY

None of the assets disclosed above have been pledged as security for liabilities

The useful lives and residual values of the various intangible assets were assessed during the current financial year and resulted in a change in accounting estimate. Refer to note 30.

9. FINANCE LEASE OBLIGATIONS	2025 R	2024 R
Minimum lease payments due		
- within one year	-	140 580
	-	140 580
less: future finance charges	-	(6 397)
Present value of minimum lease payments	**-**	**134 183**
Present value of minimum lease payments due		
- within one year	-	134 201

It is the entity's policy to lease certain office equipment under finance leases.

The average lease term was 3 years and the average effective borrowing rate was 10% (2024: 10%). The lease agreement expired during the financial year.

10. PAYABLES FROM EXCHANGE TRANSACTIONS

	2025 R	2024 R
Trade payables	6 626 107	6 160 439
Payments received in advanced - contract in process	3 082 382	4 703 811
Payroll creditors	24 879	507 988
Accrued leave pay	1 683 175	1 043 711
Accruals	1 317 605	1 041 341
	12 734 148	**13 457 290**

11. PROVISIONS

RECONCILIATION OF PROVISIONS - 2025	Opening balance R	Additions R	Utilised during the year R	Reversed during the year R	Total R
Provision for performance bonus	3 287 401	3 750 652	(2 557 702)	(729 699)	3 750 652

RECONCILIATION OF PROVISIONS - 2024	Opening balance R	Additions R	Utilised during the year R	Reversed during the year R	Total R
Provision for performance bonus	5 025 711	3 287 401	(2 454 387)	(2 571 324)	3 287 401

The MHSC pays performance bonuses to its employees on or before the end of December of each calendar year. The bonuses are based on the audited results of the preceding financial year, depending on how each employee performed in terms of their performance contract. At 31 March 2025, the MHSC has provided an average of 10% of the total cost to company of the employees in line with performance management policy.

12. EMPLOYEE BENEFIT OBLIGATIONS

DEFINED BENEFIT PLANS

POST-RETIREMENT MEDICAL AID PLAN

The MHSC has one member who has a benefit for post-retirement medical benefit. This was inherited by MHSC during its formation as some employees have post-retirement medical benefit liability for which MHSC committed to absorb.

The amounts recognised in the statement of financial position are as follows:

Carrying value	2025 R	2024 R
Present value of the defined benefit obligation	(421 000)	(335 000)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	335 000	307 000
Service cost	14 000	13 000
Interest cost	51 000	42 000
Remeasurements	21 000	(27 000)
	421 000	**335 000**

12. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

	2025 R	2024 R
Net expense recognised in the statement of financial performance are as follows:		
Service cost	14 000	13 000
Interest cost	51 000	42 000
Remeasurements	21 000	(27 000)
	86 000	**28 000**

CALCULATION OF ACTUARIAL GAINS AND LOSSES

	2025 R	2024 R
Actuarial (gains) losses – Obligation	21 000	(27 000)

KEY ASSUMPTIONS USED

Assumptions used at the reporting date:

	2025	2024
Discount rates used	12,88 %	15,23 %
Medical cost trend rates	8,90 %	11,06 %

SENSITIVITY ANALYSIS	Variation	Change in accrued liability	Change in annual expense
Post-retirement mortality	PA(90)-2	-2.2%	-2.2%
	PA(90)-4	+2.2%	+2.1%
Discount rate	+1%	-18.4%	-13.5%
	-1%	+23.5%	+16.0%
Healthcare cost inflation	+1%	+24.0%	+24.2%
	-1%	-19.00%	-19.1%

FINANCIAL ASSUMPTION

The MHSC have used the zero-coupon South African government bond yield curves to set the financial assumptions used to project future employee benefit payments. The graph below shows the nominal and real curves as at 31 March 2025.

The nominal yield curve is an estimate of the investment return that can be achieved from investing in South African government bonds.The real yield curve is the investment return that can be achieved in excess of CPI on inflation-linked South African government bonds. The difference between the nominal yields and real yields is therefore an estimate of future CPI. The discounted mean term of the accrued liabilities of MHSC was approximately 24.43 years as at 31 March 2024. We have therefore used the rates at a 24.43 -year term. The table below shows the nominal and real yields at a 24.43 -year term as at 31 March 2025.

YIELD	Rate p.a
Nominal yield (discount rate)	12.88%
Real yield	5.10%
Implied CPI	7.40%

13. REVENUE

	2025 R	2024 R
Other income	216 733	133 060
Interest received	13 294 919	11 000 640
Service in-kind - Board fees	411 388	458 052
Mine levies	123 983 791	117 163 739
Promotion of health and safety - admin fines	273 834	154 342
State funding	4 495 000	4 736 000
Debt impairment recoveries	6 384 527	-
	149 060 192	**133 645 833**

REVENUE FROM EXCHANGE TRANSACTIONS

Other income	216 733	133 060
Interest received	13 294 919	11 000 640
	13 511 652	**11 133 700**

Interest received comprises of interest earned from invested funds mainly through Corporation for Public Deposits amounting to R10,143,817 (2024: R8,159,280) and interest charged on outstanding levies amounting R3,151,102 (2024: R2,841,360).

Other income includes income received mainly from Summit exhibitions and recoveries from SETA.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Mine levies	123 983 791	117 163 739
Promotion of health and safety- admin fines	273 834	154 342
State funding	4 495 000	4 736 000
Services in-kind	411 388	458 052
Debt impairment reversal	6 384 527	-
	135 548 540	**122 512 133**

The MHSC levies all registered mines on an annual levies for health and safety in terms of the Mine Health and Safety Act, 1996 (Act 29 of 1996).

MHSC's nature and type of services in-kind are as follows:

MHSC recovered its services in-kind through the Tripartite Board members consisting of members from the state, members from employer and members from organised labour. Only travel claim is paid for members from organised labour for the attending of meetings.

14. EMPLOYEE RELATED COSTS

	2025 R	2024 R
Basic	46 766 967	40 068 442
Bonus	3 020 954	3 287 401
Medical aid - company contributions	526 500	128 035
UIF	118 671	106 332
SDL	457 081	411 128
Leave pay provision charge	1 210 209	889 958
Retirement benefit costs	35 000	13 000
Defined contribution plans	5 300 528	3 826 376
Cell-phone Allowance	723 727	594 869
Group Life Cover	1 119 627	888 697
	59 279 264	**50 214 238**

15. FINANCE COSTS

Finance leases	6 379	22 931
Post-retirement medical obligation	51 000	42 000
	57 379	**64 931**

16. CASH GENERATED FROM OPERATIONS

Surplus	28 819 918	36 812 518
Adjustments for:		
Depreciation and amortisation	2 379 070	3 011 983
Gain on sale of assets and liabilities	11 662	-
Finance costs	57 379	77 010
Debt impairment	-	4 907 788
Movements in retirement benefit assets and liabilities	86 000	28 000
Movements in provisions	463 251	(1 738 310)
Debt impairment reversal	(6 384 527)	-
Changes in working capital:		
Inventories	42 235	(41 341)
Receivables from exchange transactions	66 032	2 184 158
Receivables from non-exchange transactions	3 627 243	25 661 695
Payables from exchange transactions	(780 521)	5 146 265
Admin fines liabilities	387 434	897 008
	28 775 176	**76 946 774**

17. COMMITMENTS

	2025 R	2024 R
AUTHORISED CAPITAL EXPENDITURE		
Already contracted for but not provided for		
• Intangible assets	-	1 204 286
Total capital commitments		
• Already contracted for but not provided for	41 400	1 204 286
AUTHORISED OPERATIONAL EXPENDITURE		
Already contracted for but not provided for		
Rental services	11 781	789 011
Research projects	8 666 626	20 186 749
Seed funding	-	291 227
Internal audit services	422 855	1 784 490
ICT services	2 900 669	1 979 280
Organisation efficiency study	-	613 020
Recruitment services	-	605 916
Traveling	65 847	88 599
Whistle blowing	147 200	-
Risk management	252 713	-
Cleaning service	207 301	-
Consulting services	1 420 932	-
	14 095 924	**26 338 292**
Total operational commitments		
• Already contracted for but not provided for	14 095 924	26 338 292
TOTAL COMMITMENTS		
Total commitments		
Authorised capital expenditure	41 400	1 204 286
Authorised operational expenditure	14 095 924	26 338 292
	14 137 324	**27 542 578**
Operating leases - as lessee (expense)		
• Due within 1 year	570 206	760 274

MHSC is leasing its office facilities in Woodmead. The lease contract was extended during the year for a short period ending 30 June 2025. There were no escalations applied during the period.

18. CONTINGENT LIABILITIES

LABOUR RELATED MATTERS

MHSC has various matters from 5 former employees and 1 current employee at the CCMA and / or labour court. The total claim for all the former employees is amounting to R13,490,910 and the claim for the current employee is R77,424. The Entity has disputed employment contracts with former employees, the aggregate of which is not expected to exceed the amounts indicated. This amount includes possible disbursements. The outcome of the cases is still uncertain.

RETENTION OF SURPLUS FUNDS

In terms of Section 53(3) of the PFMA, a public entity may not accumulate surplus funds without approval from the National Treasury. Approval has been requested from the National Treasury to retain surpluses amounting to R 176,999,402 at 31 March 2025, in the last five years National Treasury has allowed the retention of surplus funds.

19. RELATED PARTIES

RELATIONSHIPS

Members	Refer to members' report note
Board members	Mr. T. Balfour (Employer representative)
	Mr. S. Sepetla (Harmony Gold)(Employer representative)
	Mr. V. Nundlall (Sibanye Gold)(Employer representative)
	Mr. R. Mafoko (Overlooked Group)(Employer representative)
	Ms .L. van de Berg (Employer representative)
	Mr. D. Msiza (Chairperson)
	Mr. X. Mbonambi (State representative)
	Dr .L. Ndelu (Retired)(State representative)
	Mr. N. Mahwasane (State representative)
	Mr. M. Zondi (State representative)
	Mr. M Naki (Organised labour)
	Ms. M. Roy (Organised labour)
	Mr. N. Van Rooyen (Organised labour)
	Adv. P. Mardon (Organised labour)
	Mr. P. Manyathi (Organised labour)
Controlling entity	Department of Mineral and Petroleum Resources
Members of key management	Mr. D. Mamphitha
	Ms. F. Brovko
	Mr. M. Ngidi
	Ms. P. Mbingo (Appointed 01 January 2025)
	Mr. M. Mamosebo (Acting CFO until 31 December 2024)

All national government departments and entities are related by virtue of the definition of control, but MHSC has only disclosed the outstanding balance of arms-length transactions.

None of the board member are paid fees (services in-kind). The board have 15 alternates members which are disclosed in the annual report. Total travel paid to board members from organised labour for the financial year under review is R59 828.

19. RELATED PARTIES (CONTINUED)

	2025 R	2024 R
RELATED PARTY BALANCES		
Sibanye Stillwater	(222 628)	160 638
Harmony Gold	(34 835)	-
Department of Mineral and Petroleum Resources	7 980 909	7 593 475
Overlooked Group	120 223	117 583

The balances for Sibanye Stillwater, Harmony Gold and Overlooked Group are as a result of mine levies receivables balances.

RELATED PARTY BALANCES

AMOUNT PAID TO (RECEIVED FROM) RELATED PARTIES

Department of Mineral and Petroleum Resources (Contribution for the Mining Indaba)	600 000	-

PURCHASES FROM (SALES TO) RELATED PARTIES

Department of Mineral and Petroleum Resources	(4 495 000)	(4 736 000)
Sibanye Stilwater	(9 048 133)	(7 197 145)
Harmony Gold	(21 527 406)	(17 882 520)
Overlooked Group	(115 466)	(118 915)

The amount from the Department of Mineral and Petroleum Resource represents the grant received. The transactions from Sibanye Stillwater, Harmony Gold and Overlooked Group are as a result of mine levy invoices issued inline with the Mine Health and Safety Act.

BOARD MEMBERS FEES (SERVICE IN-KIND)

2025	Service-in-kind R	Total R
Mr. D. Msiza	44 460	44 460
Dr. L. Ndelu	26 980	26 980
Mr. X. Mbonambi	40 470	40 470
Mr. N. Mahwasane	35 074	35 074
Mr. M. Zondi	35 074	35 074
Mr. M. Naki	2 698	2 698
Adv. P. Mardon	26 980	26 980
Ms. M. Roy	32 376	32 376
Mr. W. N. van Rooyen	35 074	35 074
Mr. P. Manyathi	2 698	2 698
Mr. T. Balfour	32 376	32 376
Mr. V. Nundlall	29 678	29 678
Mr. S. Sepetla	24 282	24 282
Mr. K. Mafoko	16 188	16 188
Ms. L. van den Berg	21 584	21 584
Dr. D. Mokoboto	5 396	5 396
	411 388	**411 388**

19. RELATED PARTIES (CONTINUED)

BOARD MEMBERS FEES (SERVICE IN-KIND)

2024	Service-in-kind R	Total R
Mr. D. Msiza	53 352	53 352
Dr. L. Ndelu	26 980	26 980
Mr. X. Mbonambi	35 074	35 074
Mr. N. Mahwasane	35 074	35 074
Mr. M. Zondi	35 074	35 074
Mr. M. Naki	18 886	18 886
Adv. P. Mardon	37 772	37 772
Ms. M. Roy	35 074	35 074
Mr. W. N. van Rooyen	29 678	29 678
Mr. P. Manyathi	21 584	21 584
Mr. T. Balfour	29 678	29 678
Mr. V. Nundlall	35 074	35 074
Mr. S. Sepetla	18 886	18 886
Mr. K. Mafoko	13 490	13 490
Ms. L. van den Berg	32 376	32 376
	458 052	**458 052**

Where applicable, the comparative figures have been restated to correct the previously reported amounts on the related party transactions and balances. The adjustments were done to ensure consistency with the current year disclosures and to achieve fair presentation.

REMUNERATION OF MANAGEMENT

2025	Basic salary R	Bonuses and performance related payments R	Group Life and Other R	Total R
Mr. D. Mamphitha (CEO)	2 516 641	220 325	88 751	2 825 717
Ms. P. Mbingo (CFO) - Appointed 01 January 2025	536 493	-	19 613	556 106
Ms. F. Brovko (CROO)	1 746 509	153 891	63 650	1 964 050
Mr. M. Ngidi (CHCO)	1 802 000	-	70 785	1 872 785
Mr. D. Mamosebo (Acting CFO until 31 December 2024)	1 243 034	76 439	138 570	1 458 043
	7 844 677	**450 655**	**381 369**	**8 676 701**

2024	Basic salary R	Bonuses and performance related payments R	Group Life and Other R	Total R
Mr. D. Mamphitha (CEO)	2 374 190	112 945	84 286	2 571 421
Mr. D. Dlamini (CFO) Resigned 28 July 2023	1 354 205	-	26 435	1 380 640
Ms. F. Brovko (CROO)	1 647 650	105 033	66 905	1 819 588
Mr. M. Ngidi (CHCO) Appointed 01 January 2024	425 000	-	17 055	442 055
Mr. D. Mamosebo (Acting CFO for 7 months)	1 040 949	-	91 690	1 132 639
	6 841 994	**217 978**	**286 371**	**7 346 343**

19. RELATED PARTIES (CONTINUED)

HUMAN RESOURCES ADVISORY COMMITTEE

2025	Fees for services as a Committee member R	Travel Allowance R	Total R
Dr. P. Zulu	5 395	-	5 395
Ms. N. Ali	30 340	-	30 340
Mr. E. Moeng	34 827	317	35 144
Mr. V. Letshwiti	38 095	-	38 095
	108 657	**317**	**108 974**

2024	Fees for services as a Committee member R	Travel Allowance R	Total R
Dr. P. Zulu	127 396	600	127 996
Mr. T. Thankge	10 790	-	10 790
Mr. N. Ali	80 909	-	80 909
	219 095	**600**	**219 695**

AUDIT AND RISK COMMITTEE

2025	Fees for services as a Committee member R	Travel Allowance R	Total R
Mr. S. Gounden	76 707	3 300	80 007
Ms. V. Ndlovu	38 102	4 400	42 502
Ms. D. Dondur	40 033	1 100	41 133
	154 842	**8 800**	**163 642**

2024	Fees for services as a Committee member R	Total R
Mr. S. Gounden	93 267	93 267
Ms. V. Ndlovu	47 129	47 129
Ms. D. Dondur	28 339	28 339
	168 735	**168 735**

SOCIAL AND ETHICS COMMITTEE

2025	Fees for services as a Committee member R	Other benefits R	Total R
Mr. Z. Myeza	89 872	3 300	93 172
Ms. P. Mangoma	26 980	3 300	30 280
	116 852	**6 600**	**123 452**

2024	Fees for services as a Committee member R	Total R
Mr. Z. Myeza	43 167	43 167
Ms. P. Mangoma	32 375	32 375
Mr. R. Gallocher	34 536	34 536
	110 078	**110 078**

19. RELATED PARTIES (CONTINUED)

INFORMATION AND COMMUNICATION TECHNOLOGY COMMITTEE

2025	Fees for services as a Committee member R	Total R
Mr. N. Kadiramwando	94 675	94 675

2024	Fees for services as a Committee member R	Total R
Mr. N. Kadiramwando	70 268	70 268

RISK AND COMPLIANCE MANAGEMENT COMMITTEE

2025	Fees for services as a Committee member R	Other Benefits R	Total R
Mr. V. Magan	53 363	4 400	57 763
Mr. S. Ngobeni	20 952	3 300	24 252
	74 315	**7 700**	**82 015**

2024	Fees for services as a Committee member R	Total R
Mr. V. Magan	52 821	52 821
Mr. S. Ngobeni	31 428	31 428
	84 249	**84 249**

Where applicable, the comparative figures have been restated to correct the previously reported amounts on the related party transactions and balances. The adjustments were done to ensure consistency with the current year disclosures and to achieve fair presentation.

20. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

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

The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance. The entity uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out under policies approved by the members.. The members provide written principles for overall risk management, as well as written policies covering specific areas, such as credit risk, use of and non- derivative financial instruments, and investment of excess liquidity.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

20. RISK MANAGEMENT (CONTINUED)

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities and into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

AT 31 MARCH 2025	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R	Total R
Trade and other payables	7 943 712	-	-	-	7 943 712
AT 31 MARCH 2024					
Trade and other payables	7 201 780	-	-	-	7 201 780
Finance lease obligations	134 201	-	-	-	134 201
	7 335 981	**-**	**-**	**-**	**7 335 981**

The above trade and other payables amount includes trade payables and accruals. Refer to note 10.

CREDIT RISK

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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

FINANCIAL INSTRUMENT	2025 R	2024 R
Receivables from exchange transactions	1 143 812	1 149 553
Cash and cash equivalents	168 274 947	143 265 730
Payables from exchange transactions	(7 943 712)	(7 335 981)

The above receivables from exchange transactions amount includes deposits and sundry debtors. Refer to note 4.

20. RISK MANAGEMENT (CONTINUED)

	2025 R	2024 R

MARKET RISK

CASH FLOW AND INTEREST RATE RISK

The MHSC has interest-bearing assets that are affected but interest rates fluctuations, these include cash and cash equivalents. Interest-bearing investments are held with reputable banks to minimise exposure. No significant risks have been identified with regard to interest rates.

SENSITIVITY ANALYSIS

The change in the market rate at the reporting date would have increase/(decreased) the surplus for the year by amounts below:

	2025 R	2024 R
Cash and cash equivalents increase by 1%	1 682 749	1 432 657
Cash and cash equivalents decrease by 1%	(1 682 749)	(1 432 657)
	-	-

FOREIGN EXCHANGE RISK

The MHSC does not operate internationally and is exposed to foreign exchange risk is very minimal.

The entity reviews its foreign currency exposure, including commitments on an ongoing basis. The entity expects its foreign exchange contracts to hedge foreign exchange exposure.

21. GOING CONCERN

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.

22. EVENTS AFTER THE REPORTING DATE

The Council is not aware of any material event which occurred after the reporting date and up to the date of issuing these financial statements.

23. BUDGET DIFFERENCES

MATERIAL DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

Variances which are equal to or more than R50,000 are explained below. Variances which are below R50,000 are considered immaterial and, therefore, not explained:

23.1 **Other income:** The unfavourable variance on other income is due to less exhibition income received from the Summit.

23.2 **Interest received:** The positive variance on interest received is due to higher interest earned on surplus funds invested at the Corporation for Public Deposits (CPD).

23.3 **Debt impairment reversal:** The recovery is as a results of impairment assessment done on long outstanding debtors balances in accordance with the Generally Recognised Accounting Practice (GRAP).

23.4 **Mine levies:** The negative variance on mine levies is due to credit notes issued for correction of billing invoices.

23.5 **Employee related Costs:** The underspending is due to the vacant positions that management is in the process of filling. Some positions including the Chief Financial Officer position were filled in quarter 4.

23. BUDGET DIFFERENCES

23.6 **Research and development costs:** The underspending is due to delays in the appointment of technical experts to review research milestones and the procurements of new research projects that were canceled during the year.

23.7 **Dissemination and RTF Costs:** The overspending is mainly due to the increased number of milestones reporting portal workshops held in preparation for the 2024 MHSC Summit.

23.8 **Administrative Costs:** The overspending is a result of increased summit expenses incurred in comparison to 2022 summit expenditures.

23.9 **Depreciation and amortisation:** The increase in due acquisition of new assets by the MHSC and reassessment of useful life of assets.

23.10 **Debt Impairment:** Refer to explanation under 23.3.

23.11 **Lease rentals on operating lease:** The negative variance on operating lease is due to the contract for office building that was extended as the MHSC is busy with renovations of the office building.

23.12 **External Audit fees:** The overspending is due to annual escalation of audit fees and additional fees charged due to change in audit approach by external audit.

23.13 **Corporate Governance:** The overspending is due to training and increased number of meetings compared to prior year.

23.14 **International travel:** The overspending is due to the increased number of business travel trips than anticipated.

23.15 **Internal Audit Fees:** The negative variance is due to increase in internal audit scope of work as part of the strategy to move to a clean audit opinion and ad-hoc audits that were requested..

23.16 **Legal Fees:** The underspending is due to a reduction in the utilization of an external panel of legal service providers. Most of the legal matters are currently handled internally as opposed to the past where all legal disputes were outsourced.

23.17 **Promotion of health and safety:** Positive variance on promotion of health and safety is due to money received from admin fines account for publications.

23.18 **Service-in-kind (Board fees):** The variance is as a results of services in-kind from non-remunerated council services recognised inline with GRAP23 which are not budgeted for.

24. GENERAL EXPENSES

	2025 R	2024 R
External audit fees	2 755 535	2 454 370
Legal fees	1 182 715	2 309 975
Administrative costs	13 837 461	11 073 430
Corporate governance	2 506 393	2 289 134
Dissemination (promotion items, advertising, events RTF)	24 751 863	8 561 439
Internal audit fees	1 361 635	899 831
	46 395 602	**27 588 179**

25. REPAIRS AND MAINTENANCE

Property, plant and equipment	70 527	142 608

26. SEGMENT INFORMATION

The MHSC manages its operations as a single segment with the Council and Chief Executive Officer (CEO) making key financial decisions based on combined operations for its programmes (refer to the performance report on page). Resource allocation, assets and liabilities are also managed on a combined basis. Geographical information is not provided as there are no distinct economic benefits derived from different geographical segments.

The MHSC delivers services throughout the country but does not measure and manage resources on that basis. Information reported about this segment is used by management as a basis for evaluating the segment's performances and for making decisions about the allocation of resources. The disclosure of information about this segment is also considered appropriate for external reporting purposes.

27. RESEARCH AND DEVELOPMENT	2025 R	2024 R
Research projects	9 836 472	8 900 295

Expenditure incurred on Research projects to advise the minister on health and safety in the South African Mining Industry.

28. ADMIN FINES LIABILITIES

UNSPENT CONDITIONAL GRANTS AND RECEIPTS COMPRISES OF:

UNSPENT ADMIN FINES

Admin fines liability	7 980 909	7 593 475

Administrative fines are funds received from the mines for fine imposed by inspectorate for non-compliance. The MHSC utilises funds specific activities approved by the Department of Mineral and Petroleum Resources.

29. LEASE RENTALS ON OPERATING LEASE

PREMISES

Contractual amounts	2 280 825	2 145 901

Operating lease consists of lease of office rental and is recognised as an expense.

30. CHANGE IN ESTIMATE	2025 R	2024 R

PROPERTY, PLANT AND EQUIPMENT

In the current year, management re-assessed the remaining useful lives and residual values of property, plant and equipment and intangible assets. The change in estimate is applied prospectively. The effect of this assessment has decreased the depreciation and amortisation charges in the current period and increased the depreciation and the amortisation charges for future periods by R399 188 (2024: R128 419) and R1 171 136 (2024: R5 401) respectively.

IMPACT ON PROPERTY PLANT AND EQUIPMENT

Decrease in depreciation of computer equipment	(301 042)	(84 723)
Decrease in depreciation of furniture and fixtures	(11 160)	(11 620)
Decrease in depreciation of office equipment	(17 192)	(14 974)
Decrease in depreciation of research equipment	(1 011)	-
Decrease in depreciation of leasehold improvements	(3 401)	(17 004)
Decrease in depreciation of motor vehicles	(65 382)	(98)
	(399 188)	**(128 419)**

IMPACT ON INTANGIBLE ASSETS

Decrease in amortisation of licenses and software	(1 171 136)	(5 401)

31. PRIOR PERIOD ERROR

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the financial year, management identified property, plant and equipment and intangible asset which were fully depreciated but still in use. On assessment the error was considered material and have been corrected by restating each of the financial statement line items for prior period. In addition, a software item was recognised as property plant and equipment and not as intangible assets. The transfer of the software item to intangible assets resulted in an increase in the intangible assets balance and decrease in property, plant and equipment.

RECEIVABLES FROM EXCHANGE TRANSACTIONS AND PAYABLES FROM EXCHANGE TRANSACTIONS

An invoice for license support and maintenance was incorrectly recognised as a prepaid expense in the prior year. These resulted in an overstatement of prepaid expenses and an overstatement of payables from exchange transactions.

GENERAL EXPENSES

Various invoice relating to general expenses items were identified during the prior year audit process as being recorded in an incorrect accounting period or at an incorrect amount. These resulted in an overstatement of general expenses and an overstatement of payables from exchange transactions.

PROMOTION OF HEALTH AND SAFETY - ADMIN FINES

MHSC has reclassified the amount utilised on publication of guidelines and advisory notes issued to promotion of health and safety in the mining sector. These was done to improve the disclosure and fair presentation of funds used from the admin fines conditional account.

31. PRIOR PERIOD ERROR (CONTINUED)

The overall effect on the financial statement line items are as follows:

STATEMENT OF FINANCIAL POSITION - 2024	Previously reported R	Correction of error R	Restated R
Property plant and equipment	26 446 815	692 472	27 139 287
Intangible assets	1 692 627	829 315	2 521 942
Receivables from exchange transactions	8 231 568	(499 458)	7 732 110
Payables from exchange transactions	(14 732 953)	1 275 663	(13 457 290)
	21 638 057	**2 297 992**	**23 936 049**

STATEMENT OF FINANCIAL PERFORMANCE - 2024			
Depreciation and amortisation	2 334 204	677 779	3 011 983
General expenses	27 751 990	(163 811)	27 588 179
Promotion of health and safety - admin fines	-	(154 342)	(154 342)
Service in-kind - Board fees	-	(458 052)	(458 052)
	30 086 194	**(98 426)**	**29 987 768**

STATEMENT OF CHANGES IN NET ASSETS - 2024			
Retained earnings 1 April 2023	131 752 742	2 199 564	133 952 306
Retained earnings 1 April 2024	168 466 835	2 297 990	170 764 825

32. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2025 R	2024 R
Fruitless and wasteful expenditure	-	1 203 475

DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure relates to the amount the MHSC lost as result of phishing email received and employee salary paid into an incorrect bank account.

*Refer to reconciling notes in the annual report

33. ACCOUNTING BY PRINCIPALS AND AGENTS

The following was considered in determining that MHSC is an agent:

DETAILS OF THE ARRANGEMENT(S) IS|ARE AS FOLLOWS:

MHSC does not have the power to determine the significant terms and conditions of the fines that are imposed to the mines.Although the funds are used for health and safety initiatives, there are terms and conditions under which the fines must be used for.The minister explicitly stated that MHSC does not have the right to treat the administrative fines as its income and must disclose the funds available as a liability.

33. ACCOUNTING BY PRINCIPALS AND AGENTS

LIABILITIES AND ASSETS RECOGNISED

Resources held on behalf of the principals, but recognised in the entity's own financial statements.

Cash and cash equivalent recognised on behalf of the principal R8,405,066 (2024 R 7,743,592), reconciled as per below:

MHSC AS AGENT

The MHSC is a party to a principal-agent arrangements and is acting as an agent. Details of the arrangements are as follows:

Under the Mine Health and Safety Act, if an Inspector has reason to believe that any occurrence, practice, or condition at a time endangers or may endanger the health or safety of any person at the mine, the inspector may give any instruction necessary to protect the health and safety of the persons at the mine. In such instances, the Inspector may impose fines.

The administration of the fine bank account has been ceded to MHSC, with the Minister instruction that the fines should not be an income of the of MHSC but be funds that belongs to another party.

RESOURCES HELD ON BEHALF OF THE PRINCIPAL

As at 31 March 2025, the MHSC held resources on behalf of the DMPR as follows:

DESCRIPTION	2025 R	2024 R
Opening balance of unutilised fines	7 743 592	6 683 371
Management fees	(5 445)	(5 793)
Fines received during the year	86 451	482 481
Interest received	580 468	583 533
Closing balance of funds held on behalf of DMPR	**8 405 066**	**7 743 592**

No fund were remitted from the Admin fines accounts to the MHSC in the current and prior year hence there is a difference between the cash balance and the liability balance.

MHSC expects to utilise the remaining funds during the next financial year in accordance. No fines were remitted directly to the DMPR during the reporting period.

MHSC does not bear any credit or collection risk related to the fines, nor is it exposed to financial risk from the use of the funds. Its custodianship is limited to administration and approved expenditure.

COMPENSATION FOR SERVICES

MHSC did not receive any compensation or administrative fee from the DMRE during the year for acting as an agent.

33. ACCOUNTING BY PRINCIPALS AND AGENTS (CONTINUED)

REVENUE AND EXPENSES

During the reporting period, MHSC incurred the following expenses (on behalf of the DMPR) using fine funds, in terms of the principal-agent arrangement:

	2025 R	2024 R
Promotion of health and safety - admin fines	(273 834)	(154 342)
Spending on admin fines	273 834	154 342

RECONCILIATION OF LIABILITIES

	2025 R	2024 R
Opening balance of funds held(payable to DMPR)	(7 593 475)	(6 696 467)
Add: Fines and interest received	(661 267)	(1 051 350)
Less: Funds utilised	273 834	154 342
Closing balance payable to DMPR	**(7 980 908)**	**(7 593 475)**

NOTES

MHSC
Mine Health and Safety Council

NOTES

 

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