



Takeover
Regulation
Panel

a member of the dtic group

ANNUAL REPORT

FOR THE YEAR ENDED
31 MARCH 2026

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TAKEOVER REGULATION PANEL ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

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ABOUT THE ANNUAL REPORT

This Annual Report has been prepared in line with the Annual Report Guide for Schedule 3A Public Entities which is published by the National Treasury. This report articulates how the Panel fared in the management of its resources and complying with corporate governance principles.

This report is organised as follows:

- **Part A:** General Information
- **Part B:** Performance Information
- **Part C:** Governance
- **Part D:** Human Resource Management
- **Part E:** Public Finance Management Compliance Report
- **Part F:** Financial Information



PART A:

GENERAL
INFORMATION

1. OUR DETAILS

Physical Address

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2. LIST OF ABBREVIATIONS

ACRONYMS	DESCRIPTION
Accounting Authority	The Chairperson of the Panel
Accounting Officer	The Executive Director
ACT	Companies Act 71 of 2008
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
CFO	Chief Financial Officer
Constitution	Constitution of the Republic of South Africa, 1996
Executive Authority	Minister of Trade, Industry and Competition
GRAP	Generally Recognised Accounting Practice
Minister	Minister of Trade, Industry and Competition
PFMA	Public Finance Management Act, Act 1 of 1999
Regulations	Companies Regulations, 2011
RemNom	Remuneration and Nomination Committee
the dtic	Department of Trade, Industry and Competition
the Panel	Takeover Regulation Panel
TR	Treasury Regulations
TSC	Takeover Special Committee
SCM	Supply Chain Management



3. FOREWORD BY THE MINISTER OF TRADE, INDUSTRY AND COMPETITION

I am pleased to present the Annual Report of the Takeover Regulation Panel for the financial year ended 31 March 2026.

The Panel occupies a distinctive position within the regulatory architecture of South Africa's capital markets. Its mandate, which is to regulate affected transactions and offers under Chapter 5 of the Companies Act, is discharged by a small but specialist institution whose effectiveness depends on the quality of its people and the rigour of its processes. This year's results confirm that both remain of a high standard.

The 2025/26 financial year was among the most operationally demanding in the Panel's recent history. The Canal+/MultiChoice mandatory offer and the consequential restructuring of the Phuthuma Nathi empowerment scheme, together with the Barloworld general offer, required the concurrent regulation of transactions involving a combined equity value in excess of R78 billion. The Novus Holdings/Mustek proceedings have yielded important regulatory precedent on concert party determinations and the treatment of contracts for difference. These matters reflect the significance of the work the Panel undertakes and the quality of its regulatory output.

Financially, the Panel continues to demonstrate sound stewardship of its self-funded revenue model. The National Treasury exemption permitting the retention of strategic reserves is a recognition of the Panel's record of prudent financial management, and I am satisfied that the institution is well positioned to sustain its operations in the prevailing economic environment.

The process to appoint a permanent Executive Director remains under way, and I look forward to its conclusion following the constructive engagement between the Panel, the Department and the Minister of Finance.

I wish to commend the Chairperson, the Deputy Executive Director and the Panel team for their service during a demanding year.

Mr Parks Tau, MP

Minister of Trade, Industry and Competition

A handwritten signature in black ink, appearing to read 'Parks Tau', written over a horizontal line.



4. STATEMENT BY THE DEPUTY MINISTER

The Takeover Regulation Panel's Annual Report for the financial year ended 31 March 2026 reflects an institution that continues to deliver on its mandate with consistency and distinction.

The Panel met or exceeded its performance targets across all applicable indicators, maintaining a 99.5% turnaround rate for decisions and rulings within five working days and completing all investigation reports within their prescribed timeframes. These results have been achieved by an institution of modest size, which makes them all the more commendable.

I note with satisfaction the Panel's continued contribution to the Government's transformation objectives. The placement of five university students in vocational training, the achievement of 87.25% B-BBEE compliant procurement, and the Panel's investment in skills development reflect an institution that takes its broader developmental responsibilities seriously.

As the Chairperson and the Deputy Executive Director have reported, the Panel navigated a period of considerable operational demand. That the institution did so while meeting its performance commitments across the board speaks to the calibre of its leadership and staff.

I extend my appreciation to the Panel Members, the Deputy Executive Director and the staff for their dedication throughout the year

A handwritten signature in black ink, appearing to read 'Zuko Godlimpi', positioned above a horizontal line.

Mr Zuko Godlimpi, MP

**Deputy Minister of Trade, Industry
and Competition**

5. STATEMENT BY THE ACCOUNTING AUTHORITY



It is my privilege to present the Annual Report of the Takeover Regulation Panel for the financial year ended 31 March 2026; a year that, viewed in full, represents a meaningful step forward for the institution on several dimensions simultaneously.

Before turning to the year's regulatory activity, I wish to acknowledge a development of considerable institutional importance. Following the appointment of new Panel Members and the reappointment of the Chairperson with effect from 1 June 2025, the Panel's membership is once again fully constituted. These appointments (made possible by the Minister's timely and decisive support) have restored the Panel's full operational capacity, and I wish to record the institution's gratitude to the Minister of Trade, Industry and Competition for his engagement in this regard.

Of particular significance is the reconstitution of the Takeover Special Committee, which had not convened since 2023. The TSC provides an essential administrative review mechanism for parties subject to the Panel's rulings, and its absence had represented a gap in the Panel's governance architecture. Since its reconstitution, the TSC has heard, in part or in full, two matters, with others ongoing. This development strengthens the Panel's overall framework of accountability and due process, and its restoration is a governance milestone for the year under review.

The year also saw the Panel navigate its most complex and consequential regulatory workload in recent memory. The Canal+/MultiChoice mandatory offer, which commenced in the prior financial year, was brought to a conclusion in FY2026, together with the consequential restructuring of the Phuthuma Nathi empowerment scheme, which arose from Canal+'s obligations under the Electronic Communications Act and its own empowerment commitments following the acquisition of control at the MultiChoice Group level. Similarly, the Barloworld general offer, which also originated in the prior financial year, was concluded in FY2026. Both transactions are addressed in greater operational detail in the Deputy Executive Director's foreword.

The Novus Holdings/Mustek proceedings have provided fertile ground for important jurisprudential development. The Panel's rulings in that matter have clarified its approach to concert party determinations, the treatment of contracts for difference, and the interpretive framework applicable under the Companies Act. These are lasting contributions to regulatory clarity. The matter is progressing towards resolution, and the Panel looks forward to its conclusion.

On financial governance, the National Treasury exemption allowing the Panel to retain its strategic reserves is not merely a protective instrument; it is, in our view, a recognition of the Panel's demonstrated record of prudent financial stewardship. The Panel regards this as a mandate to continue managing those reserves responsibly, within the framework of public finance

management legislation and under the oversight of the relevant governmental authorities, with a view to sustaining the institution's independence and operational capacity well into the future, including against the global economic headwinds that characterise the current environment.

Regarding the permanent Executive Director appointment: the consultation process with the Executive Authority is ongoing, and constructive feedback has been received. That feedback will inform further engagement, and the Panel remains committed to bringing this matter to a conclusion. I am grateful to both the Minister of Trade, Industry and Competition and the Minister of Finance for their partnership throughout this process.

My thanks go to the Panel Members for their diligence and commitment throughout a demanding year. I also wish to acknowledge the Deputy Executive Director and the entire Panel team for maintaining the highest standards of service in circumstances that have required both technical excellence and institutional resilience.



Professor Tshepo Tong-Mongalo

Chairperson

31 July 2026

6. OVERVIEW BY THE DEPUTY EXECUTIVE DIRECTOR

I present the Annual Report of the Takeover Regulation Panel for the financial year ended 31 March 2026, with an appreciation of what this year has meant for the institution and for the market it serves.

The Panel's primary obligation is to regulate affected transactions fairly, efficiently and in accordance with the law. Against that standard, this has been one of the most operationally demanding years in recent memory, and one in which the institution has demonstrated, again, its capacity to meet that demand.

The year's most significant matters spanned, in several instances, more than one financial year – a reflection of the complexity involved. The Canal+/MultiChoice mandatory offer commenced in FY2025 and was brought to a conclusion in FY2026, together with the consequential restructuring of the Phuthuma Nathi empowerment scheme. The latter arose from Canal+'s obligations to comply with the Electronic Communications Act's foreign control restrictions and its empowerment commitments, following the acquisition of control at the MultiChoice Group level; and it was that restructure which engaged the Panel's jurisdiction in the related series of transactions. Collectively, the MultiChoice series involved an equity value of approximately R55 billion and required the concurrent regulation of multiple interdependent processes. The Barloworld general offer (valued at approximately R23 billion) similarly originated in FY2025 and reached its conclusion in FY2026, involving governance dimensions that required careful regulatory oversight throughout.

The Novus Holdings/Mustek proceedings have been operationally and jurisprudentially significant. The Panel's rulings have clarified its approach to the treatment of contracts for difference where the underlying hedge is evidently controlled by an acquiring party; the evidentiary framework for concert party determinations; and the interpretive principles applicable under sections 5, 7 and 158 of the Companies Act. These clarifications will endure beyond the immediate matter, which is itself progressing towards resolution.

On measured performance, the Panel met or exceeded its Annual Performance Plan targets across all applicable indicators. 99.5% of decisions and rulings were issued within five working days, with the single deviation arising from a complex matter requiring extended deliberation rather than any systemic failure. All investigation reports, both simple and complex, were completed within their prescribed timeframes. Five university students were placed in vocational training against a target of four. B-BBEE procurement reached 87.25% against a target of 70%. The cloud-based Document Management System maintained 100% uptime throughout the year.

Financially, the Panel recorded total revenue of R35 million against total expenditure of R29.3 million, generating a surplus of R5.7 million. Accumulated reserves now stand at R118.5 million. As an institution with a self-funded revenue model (made possible by an enabling legislative framework), the Panel has managed its finances with the discipline that variable, market-dependent income requires. The National Treasury exemption allowing the Panel to retain these reserves reflects an acknowledgement of that track record of prudence, and the Panel remains committed to continuing to earn that recognition through careful stewardship, including against the global economic headwinds that bear on the sustainability of any institution whose revenue is tied to the activity of listed capital markets.

The process to appoint a permanent Executive Director continues. Constructive feedback has been received through the consultation process with the Executive Authority, and that feedback will inform the further engagements required to bring this matter to a conclusion. I am grateful to the Minister of Trade, Industry and Competition and to the Minister of Finance for their continued support and partnership in this process.

I wish to acknowledge the contribution of every member of the Panel's team. The results set out in this report are a product of their expertise, their professionalism, and their commitment to this institution's mandate. That is, ultimately, what sustains the Panel's reputation in the market it serves.



Charles Zanikuthula Nduli

Deputy Executive Director

31 July 2026

7. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by MNB Chartered Accountants.

The Annual Report is complete, accurate and free of omissions.

The Annual Report has been prepared in accordance with guidelines issued by the 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 judgments made in preparing this information.

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

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

In 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 2026.



Professor Tshepo Tong-Mongalo

Chairperson

31 July 2026



Charles Zanikuthula Nduli

Deputy Executive Director

31 July 2026

8. STRATEGIC OVERVIEW



8.1. Vision

To be a world-class regulator in the takeover environment.



8.2. Mission

To be a highly regarded regulator that is sustainable, founded on the excellence of its people and their responsiveness to stakeholders



8.3. Values

8.3.1. We are an impartial and efficient regulatory agency built on integrity.

8.3.2. The constituent parts of this value statement are understood as follows:



8.3.2.1 Impartial - Being independent without fear or favour



8.3.2.2 Efficient - Displaying competence by being accessible, responsive, reliable and cost-effective.



8.3.2.3. Integrity - Being honest, building trust, ensuring confidentiality, remaining uninfluenced and showing respect by displaying professionalism.

9. LEGISLATIVE AND OTHER MANDATES

The Panel is listed as a Schedule 3A entity in the PFMA.

The Takeover Regulation Panel is established in terms of the Companies Act, No. 71 of 2008, as a juristic person functioning as an organ of state within public administration but as an institution outside the public service. In terms of the Act, the Panel has jurisdiction throughout the Republic of South Africa. It is independent and subject only to the Constitution of the Republic of South Africa, 1996, and the law, as well as any policy statement, directive or request issued by the Minister of Trade, Industry and Competition in terms of the Act.

9.1. Mandate of the Panel

9.1.1. In terms of the Act, the Panel's mandate is to:

- 9.1.1.1.** regulate affected transactions and offers to the extent provided for, and in accordance with, **Parts B and C of Chapter 5** of the Act and the Takeover Regulations¹;
- 9.1.1.2.** investigate complaints with respect to affected transactions and offers in accordance with Part D of Chapter 7 of the Act;
- 9.1.1.3.** apply for a court order to wind up a company, in the manner contemplated in **section 81(1)(f)** of the Act; and
- 9.1.1.4.** consult with the Minister in respect of additions, deletions or amendments to the Takeover Regulations.

9.1.2. The Panel may:

- 9.1.2.1.** consult with any person at the request of any interested party with a view to advising on the application of a provision of Parts B and C of Chapter 5 of the Act, or the Takeover Regulations;
- 9.1.2.2.** issue, amend or withdraw information on current policy in regard to proposed affected transactions contemplated in Parts B and C of Chapter 5 of the Act, to serve as guidelines for the benefit of persons concerned in such proposed transactions;
- 9.1.2.3.** receive and deal with representations relating to any matter with which it may deal in terms of the Act; and
- 9.1.2.4.** perform any other function assigned to it by legislation.

¹ Takeover Regulations are the regulations made by the Minister in terms of sections 120 and 223 and appear in Chapter 5 of the Companies Regulations, 2011 (Regulations).

9.1.3. In exercising its powers and performing its functions, the Panel is prohibited from expressing any view or opinion on the commercial advantages or disadvantages of any transaction or proposed transaction in terms of section 119(1) read with section 201(3) of the Act.

9.1.4. In terms of section 119 of the Act, the Panel must regulate any affected transaction or offer in accordance with Parts B and C of Chapter 5 of the Act and the Takeover Regulations, but without regard to the commercial advantages or disadvantages of any transaction or proposed transaction, in order to:

9.1.4.1. ensure the integrity of the marketplace and fairness to the holders of the securities of regulated companies;

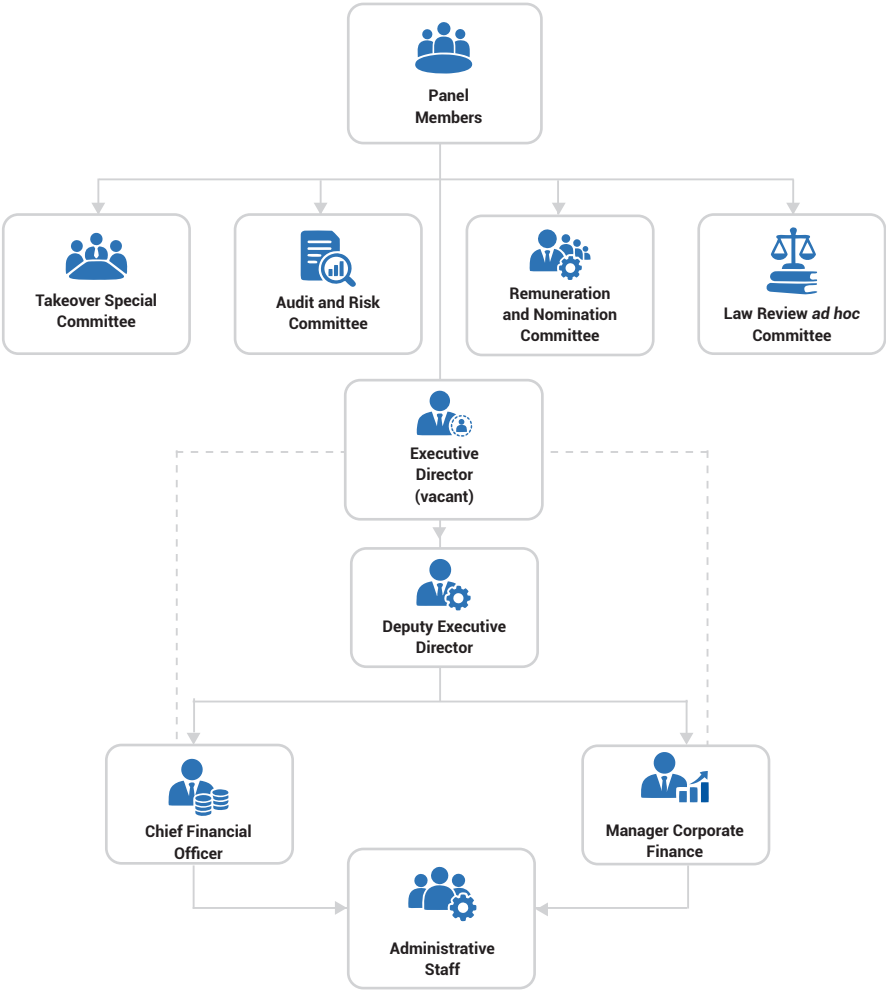
9.1.4.2. ensure the provision of:

9.1.4.2.1. necessary information to holders of securities of regulated companies, to the extent required to facilitate the making of fair and informed decisions;

9.1.4.2.2. adequate time for regulated companies and holders of their securities to obtain and provide advice with respect to offers; and

9.1.4.2.3. prevent actions by a regulated company designed to impede, frustrate, or defeat an offer, or the making of fair and informed decisions by the holders of that company's securities.

10. ORGANISATIONAL STRUCTURE





PART B:

PERFORMANCE
INFORMATION

1. EXTERNAL AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

MNB Chartered Accountants (MNB) was appointed as the Panel's external auditor for a period of up to five years, reviewed annually, with effect from the financial year 2024/25.

MNB 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 management report, with material findings being reported.

Refer to page 65, the report of the external auditors, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. Programme

2.1.1. Regulation of Affected Transactions (Fundamental Transactions, Mandatory Offers, General Offers, Partial Offers)

The Panel reviewed and approved documents filed with it in terms of the Takeover Provisions in the Act and the Regulations, ensuring the fair and efficient regulation of affected transactions to maintain market integrity and protect securities holders.

The 2025/26 financial year was a demanding one, characterised by a resurgence in market activity and the conclusion of several significant transactions that had originated in the prior financial year, including the Canal+/MultiChoice mandatory offer and its consequential Phuthuma Nathi restructuring, the Barloworld general offer, and multiple phases of the Novus Holdings/Mustek proceedings. Performance against annual targets is set out in sections 2.2 and 3 below.

2.1.2. Administration

The administrative programme supported the Panel's operations across Financial Management, Human Resource Management, Information Technology, Knowledge Management, Stakeholder Management and Legal Services, contributing to the dtic's outcomes of promoting an inclusive economy and building a capable state.

2.2. Significant Achievements and Contributions to dtic Outcomes and Government Priorities

The Panel's performance in 2025/26 directly contributes to the strategic outcomes of the dtic and the three priorities of the 7th Administration's MTDP 2024–2029.

The following table summarises performance against all applicable indicators:

Performance Indicator	Target	Actual	Status	MTDP Linkage
Decisions/rulings within five working days	92,5%	99,5%	Exceeded	MTDP Priority 3
The percentage of preliminary assessments (simple matters) concluded within one month (including approved extensions) (80%).	80%	100%	Exceeded	MTDP Priority 3
The percentage of formal investigations (complex matters) concluded within four months (including approved extensions) (80%).	80%	100%	Exceeded	MTDP Priority 3
Vacation student placements	4	5	Exceeded	MTDP Priority 1
Legislative amendments submitted	1	1	Met	MTDP Priority 3
International peer regulator engagements	1	2	Exceeded	MTDP Priority 3
B-BBEE compliant procurement	70%	87,25%	Exceeded	MTDP Priority 1
DMS uptime	>99%	100%	Exceeded	MTDP Priority 3

2.2.1. Improved Efficiency: Decisions and Rulings in Relation to Affected Transactions

99,5% of decisions and rulings were issued within the prescribed five-working-day timeframe against a target of 92,5%. The Panel's regulatory throughput was maintained consistently throughout the year, notwithstanding the volume and complexity of transactions under regulation.

Contributes to MTDP Priority 3: Building a capable, ethical and developmental state

2.2.2. Improved Efficiency: Investigation Completion Within Prescribed Timeframes

All investigation reports were issued within the prescribed time period. The preliminary assessments relating to complaints were issued within a month, and the investigation reports by the Inspector were issued within four months.

Contributes to MTDP Priority 3: Building a capable, ethical and developmental state

2.2.3. Workforce Development and Skills Investment

Skills development expenditure for the year amounted to R442 340 against the budgeted R360 000. The Panel offered more educational opportunities than anticipated. One intern from a designated group was placed under the Panel's internship programme, meeting the annual target. Five university students participated in the Panel's vocational training programme, exceeding the target of four.

Contributes to MTDP Priority 1: Driving inclusive growth and job creation; Priority 3: Building a capable, ethical and developmental state

2.2.4. Legislative Framework Development

Proposed amendments to the Takeover Provisions were submitted to the dtic for processing via the Omnibus legislative process by 31 December 2025, meeting the planned target and fulfilling the Panel's statutory obligation to consult with the Minister on amendments to the Takeover Regulations.

Contributes to MTDP Priority 3: Building a capable, ethical and developmental state

2.2.5. International Peer Regulator Engagement

Two peer regulator engagement events were attended during the year against a target of one, with the additional engagement arising from an opportunity during the reporting period. These engagements support the Panel's alignment with international regulatory developments and contribute to South Africa's standing as a well-regulated investment destination.

Contributes to MTDP Priority 3: Building a capable, ethical and developmental state

2.2.6. Transformation: Procurement from B-BBEE Compliant Suppliers

87,25% of measurable procurement spend was directed to B-BBEE Level 4 and above accredited suppliers, exceeding the planned target of 70%. The Panel also holds a Level 4 B-BBEE certificate, verified by an independent service provider.

Contributes to MTDP Priority 1: Driving inclusive growth and job creation

2.2.7. Internal Operations: Document Management System Uptime

The cloud-based Document Management System maintained 100% uptime throughout the financial year, exceeding the target of greater than 99%. The system supports the efficient management of the Panel's caseload and the integrity of its decision records.

Contributes to MTDP Priority 3: Building a capable, ethical and developmental state

2.2.8. Collective Contribution to Government's Strategic Priorities

2.2.8.1. The Panel's performance across all applicable indicators supports the three strategic priorities of the 7th Administration's MTDP 2024–2029:

2.2.8.1.1. Regulatory excellence and market integrity: The 99,5% rulings turnaround rate and 100% investigation completion record support a stable and predictable regulatory environment for South Africa's capital markets.

2.2.8.1.2. Transformation and inclusive economic participation: The Panel's B-BBEE procurement performance, internship placement and vocational training programme contribute to economic transformation and broader participation in a specialist sector.

2.2.8.1.3. Capable state and institutional resilience: DMS uptime, adherence to performance timelines, submission of legislative amendments and international regulatory engagement reflect an institution that continues to discharge its mandate effectively.

2.2.8.2. The Panel's results demonstrate delivery across its core regulatory functions and its broader obligations to national transformation and governance objectives.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Table 3.1. Annual Performance Plan was approved on 08 April 2025²³

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026 until date of re-tabling	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation	Reasons for revisions to the outputs / output indicators / annual targets
Red Tape Reduction Ensure efficient decision-making in takeover regulation.	Decisions and rulings in relation to affected transactions ² issued within five working days of receipt of a complete application.	Percentage of decisions and rulings issued ³ within five working days of the submission of the complete application.	-	92,5%	100%	99,50%	0,50%	One ruling was not issued within five business days.	The target of 100% is not achievable, as it does not take into account complex rulings which cannot be issued within the five business-day target.

² Affected transactions are defined in section 117(1)(c) of the Act and encompass all transactions which trigger the jurisdiction of the Panel in terms of the Act and the Regulations.

³ Rulings issued are as prescribed by Regulation 81(y) of the Regulations. Issued means written communication to the client or their representative on letterhead or email. The turnaround process involves (i) acknowledging receipt of the relevant process (application or document) on the date of receipt by e-mail and allocating to one of the staff members of the Panel, (ii) considering the process and (if it an announcement, vetting and providing comments, if any, and approving it by email) OR (if it is one of the formal documents (i.e. Firm Intention Announcement (FIA) or Circular, vetting and providing comments, if any. For FIAs, ensuring that a satisfactory cash confirmation in terms of Regulation 111(4) and (5) has been delivered. For Circulars, invoicing the transaction and receiving payment before approving (on letterhead) the publication thereof. Each review is finalised within five days of receipt, OR (for applications, considering these and providing comments, if any. Thereafter, invoicing is dependent on the type of application made. The final ruling will be delivered once the invoice is settled.)

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026 until date of re-tableting	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation	Reasons for revisions to the outputs / output indicators / annual targets
Red Tape Reduction Ensure efficient decision-making in takeover regulation.	Investigation reports issued within defined timeframes.	Percentage of matters for which the investigation report is issued within one month for simple investigations.	-	-	-	-	-	-	This target is no longer applicable and has been replaced with a more appropriate target which assesses complaints and aims to provide feedback within 30 days.

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026 until date of re-tabling	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation	Reasons for revisions to the outputs / output indicators / annual targets
Red Tape Reduction Ensure efficient decision-making in takeover regulation.	Investigation reports issued within defined timeframes.	Percentage of matters where the investigation report is issued within four months for complex investigations.	-	100%	-	-	-		This target is no longer applicable and has been replaced with a more appropriate target focusing on issuing reports post- investigations.

PART B: PERFORMANCE INFORMATION

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026 until date of re-tabling	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation	Reasons for revisions to the outputs / output indicators / annual targets
Job Creation Enhanced organisational capacity and contribution to workforce readiness.	Percentage of high-level skills within the organisation and an increase in staff capacity.	100% spent on the budgeted amount for skills development programmes for the Panel workforce for improved skills designed to ensure better service delivery.	-	-	R360 000	R212 340 58,98%	R147 660 41,02%	The negative variance is due to the wording of the indicator which requires the Panel to recognise expenditure only when it is incurred, rather than when the Panel commits to spending on training initiatives i.e. the trainee, the Panel has committed to spending R180 000 due to the wording of output only	The current wording of output penalised the Panel. As a result the Panel would have been unable to recognise funds committed to training initiatives in the current financial year.

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026 until date of re-tabling	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation	Reasons for revisions to the outputs / output indicators / annual targets
Workforce readiness contribution to youth skills development Successful placement and development of interns from designated groups who comply with transformation standards.	At least one young person from historically disadvantaged groups must have been successfully placed, as an intern, in the Panel's annual internship programme.	Signed internship contract placing them as an intern within the Panel.	-	-	1	1	-		

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026 until date of re-tabling	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation	Reasons for revisions to the outputs / output indicators / annual targets
Workforce readiness contribution to youth skills development Early exposure of youth from previously disadvantaged backgrounds, contributing to their work readiness for previously inaccessible areas of law.	The number of university students participating in the annual intake for Panel-run vocational training programmes (vac work) designed to expose students from previously disadvantaged backgrounds to the Panel's work.	The number of university students participating in the annual intake for Panel-run vocational training programmes (vac work).	-	-	4	5	1	Capacity allowed for the training of one additional vac student.	

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026 until date of re-tabling	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation	Reasons for revisions to the outputs / output indicators / annual targets
Red Tape Reduction Proposed legislative amendments submitted for processing.	Number of takeover-specific prototype wordings developed for legislative incorporation via the Omnibus process.	Submit the proposed amendments by 31 December 2025.	-	-	1	1	-		
Capable State Enhanced regulatory practice through international collaboration.	Number of events for peer regulator training.	Number of events for peer regulator engagements.	-	2	1	2	1	An additional peer international regulator engagement opportunity arose during the reporting period.	

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026 until date of re-tabling	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation	Reasons for revisions to the outputs / output indicators / annual targets
Transformation Contribution towards B-BBEE objectives and empowerment.	Percentage of procurement from B-BBEE compliant suppliers	Percentage of procurement from B-BBEE compliant suppliers.	-	81,50%	70%	87,25%	17,25%	The actual achievement exceeded the target due to increased procurement from B-BBEE-compliant suppliers during the reporting period.	
Digitisation Reliable and functional electronic Document Management System.	Percentage uptime of the cloud-based Document Management System.	Percentage uptime/ availability of the cloud-based Document Management System	-	100%	Maintain >99% uptime over five years.	100%	-		

Table 3.2. The Revised Annual Performance Plan was approved on 23 February 2026

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation
Red Tape Reduction Ensure efficient decision-making in Takeover regulation.	Rulings in relation to affected transactions issued within five working days from the date of receipt of the complete application/ submission (provided there are no outstanding queries and the TRP's invoice has been settled with the payment reflecting in the Panel's bank account).	The number of rulings issued within five business days, as a percentage of the total rulings issued in a given period (92,5%).	-	92,5%	92,5%	99,50%	7%	
Red Tape Reduction Ensure efficient decision-making in Takeover regulation.	A preliminary assessment to determine whether a complaint will proceed to a full investigation or not will be investigated pursuant to section 169(1) (a) of the Act.	The percentage of preliminary assessments (simple matters) concluded within one month (including approved extensions) (80%).	-	100%	80%	100%	20%	

PART B: PERFORMANCE INFORMATION

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation
Red Tape Reduction Ensure efficient decision-making in Takeover regulation.	Formal investigation reports issued within defined timeframes.	The percentage of formal investigations (complex matters) concluded within four months (including approved extensions) (80%).	-	100	80%	100%	20%	
Job Creation Enhanced organisational capacity and contribution to workforce readiness.	Increased skills within the organisation for better service delivery and providing internships and vacation programmes to prepare candidates for jobs in the sector regulated by the Panel with a transformation lens.	Amount committed in the financial year for skills development programmes for the Panel workforce to improve skills and ensure better service delivery.	-	-	R360 000	R442 340	R82 340	The Panel offered more educational opportunities than anticipated.

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation
Workforce readiness contribution to youth skills development Successful placement and development of interns from designated groups who comply with transformation standards.	At least, one young person from historically disadvantaged groups must have been successfully placed, as an intern, in the Panel's annual internship programme.	Signed internship contract placing them as an intern within the Panel.	-	-	1	1	-	
Workforce readiness contribution to youth skills development Early exposure of youth from previously disadvantaged backgrounds, contributing to their work readiness for previously inaccessible areas of law.	Providing work experience to university students, exposing them to mergers and acquisitions, and broadening their horizons for future career paths available to them.	The number of university students successfully placed in the annual intake for Panel-run vocational training programmes (vac work).	-	-	4	5	1	Capacity allowed for the training of one additional vac student.

PART B: PERFORMANCE INFORMATION

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation
Red Tape Reduction Proposed legislative amendments submitted for processing.	Number of take-over-specific prototype wording developed for legislative incorporation via the Omnibus process.	Submit the proposed amendments by 31 December 2025.	-	-	1	1	-	
Capable State Enhanced regulatory practice through international collaboration.	Number of events for peer regulator engagements.	Number of substantive knowledge sharing and benchmarking engagements with peer regulators.	-	2	1	2	1	An additional international peer-regulator engagement opportunity arose during the reporting period
Transformation Contribution towards dtic's B-BBEE objectives and empowerment.	Percentage of procurement from B-BBEE compliant suppliers.	Percentage of procurement from B-BBEE compliant suppliers	-	81,50%	70%	87,25%	17,25%	The actual achievement exceeded the target due to increased procurement from B-BBEE-compliant suppliers during the reporting period.

Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviation
Digitisation Reliable and functional electronic Document Management System (DMS).	Percentage uptime of the cloud-based Document Management System.	Percentage uptime/ availability of the cloud-based Document Management System.	-	100%	Maintain >99% over five years	100%	-	

Linking performance with budget

Programme	2025/2026			2024/2025		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R	R	R	R	R	R
Administration	10 910 213	9 256 041	1 654 172	10 198 870	7 292 687	2 906 183
Panel member expenses	2 646 612	3 915 625	(1 269 013)	2 566 459	1 770 133	796 326
Personnel costs	17 804 919	16 156 163	1 648 756	19 582 997	15 808 988	3 774 009
Total	31 361 744	29 327 829	2 033 915	32 348 326	24 871 808	7 476 518

4. REVENUE COLLECTION

Sources of revenue	2025/2026			2024/2025		
	Estimate	Actual amount collected	(Over)/under collection	Estimate	Actual amount collected	(Over)/under collection
	R	R	R	R	R	R
Annual levies	20 859 228	21 166 936	(307 708)	22 324 814	19 865 931	2 458 883
Fees for services	1 695 750	2 830 000	(1 134 250)	4 368 000	1 615 000	2 753 000
Interest received	9 668 248	8 763 958	904 290	9 572 910	9 207 855	365 055
Rulings and consultations	929 250	1 728 000	(798 750)	976 500	885 000	91 500
Total	33 152 476	34 488 894	(1 336 418)	37 242 224	31 573 786	5 668 438





PART C:

GOVERNANCE

1. INTRODUCTION

Corporate governance embodies the processes and systems by which the Panel is directed, controlled, and held accountable. In addition to compliance with the Companies Act and the Panel's enabling legislation, the Panel applies the principles of corporate governance through the provisions of the PFMA and, to the extent applicable, the principles contained in the King V Report on Corporate Governance.

The Executive Authority, the Accounting Authority, and Management are responsible for ensuring that the Panel maintains effective corporate governance practices that promote integrity, accountability, transparency, and sound financial and operational management.

2. PORTFOLIO COMMITTEES

On 21 April 2025, the Takeover Regulation Panel met with the Parliamentary Portfolio Committee to report on the 2025/26 Annual Performance Plan and Budget, and again on 21 October 2025 to present its Annual Report.

3. EXECUTIVE AUTHORITY

The Annual Performance Plan was submitted to the dtic and approved by the Minister. Quarterly reports on the implementation of the Annual Performance Plan were also submitted to the dtic and captured on the Department of Planning, Monitoring and Evaluation's reporting system. Queries raised by the dtic regarding the quarterly reports were attended to.

4. PANEL MEMBERS

The Members of the Panel are appointed by the Minister of Trade, Industry and Competition:

- Chairperson appointed in terms of section 198(1)(a) of the Companies Act.
- Commissioner of the Companies and Intellectual Property Commission appointed in terms of section 197(1)(a).
- Commissioner of the Competition Commission South Africa appointed in terms of section 197(1)(b).
- Representative of the Cape Town Stock Exchange appointed in terms of section 197(1)(c).
- Representative of the Johannesburg Stock Exchange appointed in terms of section 197(1)(c).
- Other Members appointed in terms of section 197(1)(d).

The Members of the Panel are responsible for approving the Annual Report. In preparing the Annual Report, the Panel has used appropriate accounting policies, supported by reasonable and prudent judgements and estimates.

The Panel Members are independent individuals of high calibre with diverse backgrounds and expertise, each of whom adds value and brings independence to the Panel. The Panel is supported by various subcommittees that have been appointed to ensure good corporate governance and address matters requiring specialised attention.

4.1. Composition of the Panel

Name	Designation	Date of appointment	Number of meetings attended, including special meetings
Professor Tshepo Tong-Mongalo	Chairperson	15 May 2024	11
Nadia Jada	JSE Representative	04 March 2024	10
Mmapitse Maubane	Member	01 June 2025	9
Tintswalo Mthembi	Member	01 June 2025	12
Inga Ngalonkulu	Member	15 May 2024	11
Bryan Shuping	Member	01 June 2025	10
Lungelwa Sonqishe	Member	15 June 2025	11
Tamara Mokoka (representing Competition Commissioner)	Commissioner	Permanent Panel Member	3
Advocate Rory Voller	Commissioner	Permanent Panel Member	4
Advocate Mthokozisi Xulu	Member	01 June 2025	10
Mohammed Yakoob	CTSE Representative	01 November 2022	12

4.2. Committees

Committee	Names of members	Number of meetings held	Date appointed	Date Resigned
Audit and Risk	1. Chairperson – Inga Ngalonkulu 2. Chairperson – Nadia Jada 3. Mmapitse Maubane 4. Tintswalo Mthembi 5. Lungelwa Sonqishe 6. Mthokozisi Xulu 7. Mohammed Yakoob	5	20 June 2024 29 September 2025 29 September 2025 29 September 2025 29 September 2025 29 September 2025 20 June 2024	29 September 2025 29 September 2025
Remuneration and Nomination	1. Chairperson – Mohammed Yakoob 2. Nadia Jada 3. Tamara Mokoka 4. Professor Tshepo Tong-Mongalo 5. Bryan Shuping 6. Advocate Rory Voller	2	20 June 2024 20 June 2024 20 June 2024 29 September 2025 20 June 2024	29 September 2025 29 September 2025

4.4. Remuneration of Panel Members

Members' fees are determined by the National Treasury and are paid in accordance with Category B1 of the National Treasury rates for the remuneration of Board Members.

The fees paid to Members in terms of the National Treasury rates comprise the following:

Chairperson

- Meeting fee – R4 025;
- Preparation fee – R4 025; and
- Travelling costs to and from the meeting venue.

Members

- Meeting fee – R2 443;
- Preparation fee – R2 443; and
- Travelling costs to and from the meeting venue.

Travelling time rates are as follows:

- Gauteng – R1 072;
- Durban – R2 144; and
- Cape Town – R3 216.

In addition to the statutory fees, Members are remunerated for hearings involving complex matters and voluminous documentation. These fees were retained from the former Securities Regulation Panel and are part of the Panel's approved policy on Panel Members' remuneration and are as follows:

- Chairperson – R48 250; and
- Member – R31 167.

4.4.1. Schedule of the Remuneration of Panel Members

The fees set out below include fees paid to Panel members for attending Panel meetings and serving on sub-committees.

Name	Remuneration	Other allowances	Other reimbursements	Total
	R	R	R	R
Professor Tshepo Tong-Mongalo	485 189	-	-	485 189
Mmapitse Maubane	389 466	-	-	389 466
Tintswalo Mthembi	450 828	-	-	450 828
Inga Ngalonkulu	333 750	-	-	333 750
Bryan Shuping	352 448	-	-	352 448
Lungelwa Sonqishe	416 449	-	-	416 449
Advocate Mthokozisi Xulu	347 707	-	-	347 707
Mohammed Yakoob	369 432	-	-	369 432
Fees paid to the JSE Ltd	392 230			392 230
Co- opted Members				
Neo Dongwana	47 597	-	-	47 597
Andile Nikani	39 495	-	-	39 495
Total	3 624 590	-	-	3 624 590

4.4.2. Panel Members' Electronic Devices

As part of the electronic usage support provided to Members, the Panel procured a once-off laptop for each Member for use during their term of office, instead of providing a recurring monthly electronic usage allowance. The total cost amounted to R291 035.

5. RISK MANAGEMENT

The Panel has and maintains an approved Risk Management Policy which is reviewed regularly. This policy provides a standard guide for how enterprise risk management is rolled out. Risk assessments are conducted quarterly and reviewed as and when required. As part of the review process, emerging risks are identified and included in the relevant risk registers.

6. INTERNAL CONTROL UNIT

Due to the size and structure of the Panel, the Panel does not have a dedicated internal control unit. Internal control functions are performed by Management under the oversight of the Panel Members. Management is responsible for maintaining effective internal controls to ensure compliance with applicable legislation, policies, and procedures, safeguarding the Panel's assets, and ensuring the reliability of financial and performance reporting.

7. INTERNAL AUDIT

7.1. Internal Audit Function

7.1.1. Purpose and Mandate

The Internal Audit function is outsourced to an independent service provider that reports to the Audit and Risk Committee and is appointed by the Panel. The purpose of the Internal Audit function is to provide independent and objective assurance and advisory services aimed at improving the effectiveness of governance, risk management, and internal control processes.

7.1.2. Strategy of the Internal Audit Function

The Internal Audit function adopts a risk-based approach to ensure that audit activities are aligned with the Panel's strategic objectives and key risk areas. The annual Internal Audit plan is developed based on the assessed risks and operational priorities of the Panel.

7.1.3. Charter, Methodology, and Internal Audit Plans

The Internal Audit function operates in terms of an approved Internal Audit Charter, which defines its authority, roles, responsibilities, and reporting lines. Audit engagements are conducted in accordance with a risk-based audit methodology and the annual Internal Audit plan approved by the Audit and Risk Committee.

7.1.4. Independence and Objectivity

The outsourced Internal Audit service provider maintains independence and objectivity in the execution of its responsibilities. The Internal Audit function reports functionally to the Audit and Risk Committee and administratively to Management.

7.1.5. Internal Audit Modality

The Internal Audit function is fully outsourced to an independent external service provider with the necessary expertise and capacity to perform Internal Audit services.

7.1.6. Staffing

The outsourced service provider assigns suitably qualified and experienced personnel to perform the Internal Audit activities of the Panel.

7.1.7. Quality Assurance and Improvement Programme

The Internal Audit function applies quality assurance processes to ensure that audit work is conducted in accordance with professional standards and best practices. Continuous improvement initiatives are implemented to enhance the effectiveness and efficiency of the Internal Audit process.

7.1.8. Stakeholder Relationships

The Internal Audit function maintains constructive working relationships with the Audit and Risk Committee, Management, external auditors, and other stakeholders to support effective governance and accountability.

7.1.9. Combined Assurance

The Internal Audit function contributes to the Panel's combined assurance model by coordinating assurance activities with Management, external auditors, and the Audit and Risk Committee to minimise duplication and improve assurance coverage.

7.1.10. Value Add of Internal Auditing

The Internal Audit function adds value by providing assurance on the adequacy and effectiveness of internal controls, governance processes, and risk management practices, while also making recommendations for continuous improvement.

7.1.11. Limitations to the Activities and Objectives of the Internal Audit Function

No significant limitations were placed on the scope, activities, or effectiveness of the Internal Audit function during the financial year.

7.2. Internal Audit Reviews and Projects Undertaken During the Financial Year

7.2.1. Planned and Completed Audits

During the financial year, the following planned Internal Audit reviews were completed.

- Draft Annual Financial Statements.
- Supply Chain Management.
- Draft Updated Strategic Plan 2025–2030.
- Draft Annual Performance Plan 2026/27.
- Draft Performance Information Policy.

7.2.2. Audits Rolled Over

The following audit was rolled over to the next financial year:

- Information Technology Review

7.2.3. Ad Hoc Project

The following ad hoc project was undertaken during the financial year:

- Irregular Expenditure Determination Test.

7.2.4. Status of Audit Findings Addressed

	Number of findings	Total addressed	Not yet due	Total not addressed	Number of recurring findings in the last three financial years
Internal Audit Findings	21	15	6	-	1
External Audit Findings	2	2	-	-	-

8. AUDIT AND RISK COMMITTEE

8.1. Purpose and Mandate

The Committee is an independent statutory Committee established to assist the Accounting Authority discharge its responsibilities relating to governance, risk management, internal control, and financial reporting. The Committee operates in terms of an approved Audit and Risk Committee Terms of Reference aligned with applicable legislation and best practice.

8.2. Independence

The Committee is satisfied that all members are independent and free from any conflicts of interest that could impair their objectivity in performing their duties. The Committee functioned independently throughout the reporting period.

8.3. Protection of Internal Audit Independence

The Committee ensures the independence of the Internal Audit function by approving its charter, and annual audit plan, and by receiving all Internal Audit reports directly. The Internal Audit function reports functionally to the Committee to safeguard its objectivity and effectiveness.

8.4. Performance Against Statutory Duties

The Committee has fulfilled its responsibilities in terms of the PFMA, Treasury Regulations, and its approved Terms of Reference, including oversight of financial reporting, risk management, internal control, and governance processes.

8.5. Combined Assurance

The Committee promotes a combined assurance model by coordinating assurance activities between Management, Internal Audit, and External Audit to ensure comprehensive and efficient coverage of key risks.

8.6. Composition of the Audit and Risk Committee

The Committee is properly constituted in accordance with its Terms of Reference and relevant legislative requirements. Members possess the appropriate skills and experience to discharge their responsibilities. The Committee confirms that members' external responsibilities do not impair their ability to effectively serve on the Committee.

8.7. Meeting of the Committee

During the financial year, the Audit and Risk Committee met five times and, among other activities, performed the following key functions:

- Approved the Internal Audit three-year rolling plan 2025/26–2027/27 and the annual coverage plan for the year ended 31 March 2026.
- Reviewed the audited Annual Financial Statements for the year ended 31 March 2025 and recommended them to the Panel for approval.
- Assessed the effectiveness of the internal and external audit functions.
- Approved the external auditors' audit strategy and engagement letter for the year ended 31 March 2026.
- Reviewed internal and external audit reports.
- Reviewed Panel policies.

8.8. Reports to the Accounting Authority and Executive Authority

The Committee reports regularly to the Accounting Authority and, where required, to the Executive Authority on matters relating to governance, risk management, internal control, and audit findings.

8.9. Stakeholder Relationships

The Committee maintains effective working relationships with Management, Internal Audit, and External Audit to support transparency and accountability.

8.10. Concerns Raised with Relevant Authorities

Where necessary, the Committee raised concerns with Management regarding audit findings, control weaknesses, and governance matters. No unresolved matters requiring escalation to the Executive Authority, National Treasury, or Auditor-General were noted.

8.11. Resolution of Audit and Risk Committee Recommendations

Management has generally implemented Committee recommendations within agreed timeframes, and outstanding matters are monitored until closure.

8.12. Audit and Risk Committee Performance Evaluation

The Committee's performance is assessed annually to evaluate its effectiveness, independence, and compliance with its mandate. The evaluation confirmed that the Committee operates effectively and in accordance with its responsibilities.

Composition of the Sub-Committees and Meeting Attendance

Audit and Risk Committee Members	Attendance	Meeting fees	Other allowances	Total
		R	R	R
Chairperson - Nadia Jada (fees paid to the JSE Ltd)	5	196 321	-	196 421
Inga Ngalonkulu	2	61 398	-	61 398
Tintswalo Mthembi	4	111 930	-	111 930
Lungelwa Sonqishe	4	110 858	-	110 858
Advocate Mthokozisi Xulu	3	74 104	-	74 104
Mohammed Yakoob	2	39 495	-	39 495
Total		594 106	-	594 106

Remuneration and Nomination Committee Members	Attendance	Meeting fees	Other allowances	Total
		R	R	R
Chairperson – Mohammed Yakoob	2	62 470	-	62 470
Nadia Jada	-	-	-	-
Tamara Mokoka	1	-	-	-
Professor Tshepo Tong-Mongalo	2	45 928	-	45 928
Bryan Shuping	2	41 639	-	41 639
Advocate Rory Voller	-	-	-	-
Total		150 037	-	150 037

9. COMPLIANCE WITH LAWS AND REGULATIONS

The Panel has implemented a compliance framework to ensure adherence to all applicable legislation, regulations, and prescribed reporting requirements. This includes the PFMA, Treasury Regulations, the Companies Act (where applicable), and other relevant statutory and regulatory requirements governing public entities.

Compliance is monitored on an ongoing basis through management processes, internal controls, and oversight by the Audit and Risk Committee. Key compliance activities include regular reviews of policies and procedures, monitoring of financial reporting processes, and assessment of compliance reports submitted by Management and Internal Audit.

The Internal Audit function provides independent assurance on compliance with applicable laws and regulations, while the External Audit further validates compliance through the annual audit process.

Any identified instances of non-compliance are reported to the Audit and Risk Committee, investigated, and corrective action plans are implemented by Management to address weaknesses and prevent recurrence.

Through these mechanisms, the Panel ensures continuous improvement in compliance practices and strengthens accountability, governance, and adherence to the applicable regulatory framework.

10. FRAUD AND CORRUPTION

The Panel is committed to ethical behaviour and to the prevention, detection, and reporting of fraud in terms of a zero-tolerance approach. All members of staff are expected to share this commitment.

The Panel has Fraud Prevention Plan in place.

A risk register detailing areas in which the Panel is exposed to fraud is in place and is reviewed regularly by Management.

11. MINIMISING CONFLICTS OF INTEREST

Employees are expected to perform their duties conscientiously, honestly and in accordance with the best interests of the Panel to optimise business objectives

The Panel implemented procedure that demand employees and Panel Members disclose any directorship and financial interests they may have. This is in addition to the regular bidding documents that ask the service providers to disclose any relationships and interests with officials who are or might be involved in the relevant procurement process, as well as any knowledge of such individuals. Before any evaluation or adjudication of a bid procedure, the bid specification, bid evaluation and bid adjudication committee members disclose their interests.

Members with any conflicts of interest are expected to withdraw from the process whenever the issue arises. In addition to the Code of Conduct, which provides additional guidance on disclosing interests, all bid committee members sign the declaration. Other conflicts of interest are handled through the signing of a declaration register for Panel meetings.

12. CODE OF CONDUCT

The Panel is committed to a strong set of values that are shared, known and supported by everyone. The Panel strives to act in an ethical manner and has adopted a set of values dealing with beliefs, norms, standards, people, traditions and customs.

These values are:

- Integrity
- Professionalism
- Collaborative
- Accessibility and visibility
- Informative
- Empathy

13. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Panel has an Occupational Health and Safety Policy and first aid plan and complies with all legislative requirements pertaining to the Occupational Health and Safety Act. The policy applies to all employees as well as persons other than employees whilst within the premises of the Panel.

14. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2026.

Part 1: Audit and Risk Committee Reflections Committee Responsibilities

The Committee reports that it has complied with its responsibilities arising from section 51(1)(a) (ii) of the PFMA and Treasury Regulation 27.1. The Committee also confirms that it has adopted the Terms of Reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with the Terms of Reference, and has discharged its responsibilities as contained therein, noting that certain aspects relating to changes in accounting policies and practices remained under consideration at year-end and are being finalised as part of the financial reporting process.

The Committee recognises its responsibility to serve the public interest and confirms that it has diligently upheld this responsibility throughout the reporting period. The Committee functioned independently and without hindrance, limitation, or threats to its objectivity. The Committee continued to operate with an appropriate level of objectivity throughout the period under review. Declarations of interest were considered on an ongoing basis, and no matters arose that compromised the integrity of the Committee's deliberations.

The Committee maintained a constructive working relationship with Management and provided regular feedback on its activities, key observations, and areas requiring attention.

During the year, the Committee reflected on its own effectiveness and remains of the view that it is functioning as intended. Where areas for further strengthening have been identified, they are being progressively addressed.

The Committee has internalised the relevant requirements of the Global Internal Audit Standards™ in the execution of its duties and has aligned both the Internal Audit Function Charter and the Committee Terms of Reference accordingly. The Committee further confirms that it applied professional skepticism in the execution of its responsibilities by critically evaluating information presented to it, requesting additional information where necessary, and continuously assessing whether internal audit, management, and other assurance providers maintained appropriate ethical and professional standards.

Part 2: Audit and Risk Committee Composition and Meeting Attendance

The Committee consists of six members in total. The Committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, expertise, and experience. The Committee convened five times during the year, with four being ordinary meetings and the remainder special meetings.

Part 3: Audit and Risk Committee Focus Areas

During the year under review, the Committee considered and reviewed the following key areas in fulfilling its oversight responsibilities:

Effectiveness of Internal Control Systems

The Committee reviewed the adequacy and effectiveness of the Panel's internal control systems, including financial, operational, and compliance controls. Based on reports from Internal Audit, External Audit, and Management, the Committee is satisfied that the internal control environment is generally sound and adequate, with identified weaknesses being addressed through Management action.

Effectiveness of the Internal Audit Function

The Committee assessed the effectiveness of the outsourced Internal Audit function and is satisfied that it operates independently and in accordance with its approved Internal Audit Charter and risk-based audit plan. The Internal Audit function continues to provide objective assurance and valuable recommendations for improvement.

Effectiveness of Risk Management

The Committee reviewed the risk management processes, including the identification, assessment, monitoring, and mitigation of key risks. The Committee considers the risk management processes to be appropriate and is satisfied that an effective risk management framework is in place and continues to mature in supporting organisational objectives.

Adequacy and Effectiveness of Information and Communication Technology (ICT) Governance

The Committee also considered the governance of information and technology within the Panel, including key controls and processes supporting the IT environment. Based on the information presented, no material control weaknesses were identified. Where certain areas have been identified for further strengthening, these are being addressed by Management.

Adequacy, Reliability, and Accuracy of Financial and Performance Information

The Committee reviewed the integrity of financial and performance information presented in the Annual Financial Statements and Annual Performance Information Report. Based on its review, the Committee is satisfied that the financial and performance information considered is reliable in all material respects, subject to audit adjustments where applicable.

Accounting and Auditing Concerns Identified from Internal and External Audits

The Committee considered matters arising from internal and external audit reports. All significant findings are tracked through Management action plans, and progress is monitored until resolution.

Compliance with Legal and Regulatory Provisions

The Committee reviewed compliance with applicable legislation and regulatory requirements, including the PFMA and Treasury Regulations. The Committee is satisfied that compliance processes are in place and are being strengthened where gaps have been identified.

Quarterly Reporting

The Panel has been reporting quarterly to the National Treasury as required by the PFMA. The Committee is satisfied with the quality and timeliness of the in-year Management reports and quarterly reports submitted during the reporting period.

Combined Assurance

The Committee is satisfied that assurance from Internal Audit and External Audit are coordinated to minimise duplication and to strengthen the adequacy of overall assurance coverage.

Evaluation of the Annual Financial Statements

The Committee reviewed the Annual Financial Statements prepared by Management and, based on the information available and subject to final audit adjustments, where applicable, recommended them for approval.

External Audit

The Committee engaged with External Audit throughout the audit process and considered audit findings and recommendations to ensure appropriate resolution of identified issues.

The Committee concurs with and accepts the conclusions of the auditors on the Annual Financial Statements and recommends that the audited financial statements be accepted and read together with the Auditor's Report.



Nadia Jada

**Chairperson of the Audit and Risk
Committee**

30 July 2026

15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in compliance with the B-BBEE requirements of the BBEE Act of 2013, as determined by the dtic.

Criteria	Response	Attachment
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	N/A	The Panel's mandate is specified in section 119 of the Act and does not include issuing licenses..
Developing and implementing a preferential procurement policy	No	The Panel is, however, procuring from transformed entities please see 33: Performance reporting targets particularly: "Percentage of procurement from B-BBEE compliant suppliers".
Determining qualification criteria for the sale of state-owned enterprises	N/A	The Panel's mandate is specified in section 119 of the Act and does not include sales
Developing criteria for entering into partnerships with the private sector	N/A	The Panel's mandate is specified in section 119 of the Act and does not develop any criteria's for PPP
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment	N/A	The Panel's mandate is specified in section 119 of the Act and does not include any financial schemes



PART D:

HUMAN RESOURCES
MANAGEMENT

1. INTRODUCTION

The Panel continuously reviews its employment policies to ensure that they are appropriate. The Panel values its employees, and employment policies are designed to promote a healthy working environment that enables employees to reach their potential. Promotion and recruitment of employees are based on merit. Recruitment processes do not discriminate or show bias based on background, race or sexual orientation. The Panel is cognisant of the shareholders' transformation imperatives and applies them where appropriate during the recruitment process. Panel employees are recognised for their contribution to the success of the Panel and are remunerated accordingly.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

Detailed below is the key information related to the Panel's Human Resource function.

2.1. Personnel Related Expenditure

2.1.1. Personnel Cost by programme / activity / objective

Programme	Total expenditure R	Personnel expenditure R	Personnel expenditure as a percentage of the total expenditure	Number of employees	Average personnel cost per employee R
Administration	29 327 829	16 156 163	55,09%	9	1 615 616

2.1.2. Personnel cost by salary band

Level	Personnel expenditure R	Percentage of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee R
Top Management	6 005 544	37,17%	1	6 005 544
Senior Management	7 105 079	43,98%	2	3 552 539
Investigator	1 562 125	9,67%	1	1 562 125
Administrative Staff	1 483 415	9,18%	6	296 683
Total	16 156 163	100%	10	11 416 891

2.1.3. Performance Rewards

Programme	Performance rewards R	Personnel expenditure R	Percentage of performance rewards to total personnel costs
Top Management	2 456 158	16 156 163	15,20%
Senior Management	3 145 443	16 156 163	19,47%
Investigator	-	16 156 163	-
Skilled	184 122	16 156 163	1,14%
Total	5 785 723	16 156 163	35,81%

2.1.4. Training Costs

Programme	Personnel expenditure R	Training expenditure R	Training expenditure as a percentage of personnel cost	Number of employee s trained	Average training cost per employ ee
Intern and Vac Stu- dents	16 156 163	75 000	0,46%	6	12 500
Personnel Training	16 156 163	137 340	0,85%	4	34 335

2.1.5. Employment and Vacancies

Programme	2025/2026 Number of employees	2025/2026 Approved posts	2025/2026 Number of employees	2025/2026 Vacancies	Percentage of vacancies
Top Management	1	2	1	1	10%
Senior Management	2	2	2	-	-
Investigator	1	1	1	-	-
Skilled	6	6	6	-	-
Total	10	10	10	1	10%

2.1.6. Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	-	-	1
Senior Management	2	-	-	2
Investigator	1	-	-	1
Skilled	6	2	1	6
Total	10	2	1	10

2.1.7. Reasons for staff leaving

Reason	Number	Percentage of staff leaving
Death	-	-
Resignation	1	10%
Dismissal	-	-
Retirement	-	-
Ill-health	-	-
Expiry of contract	-	-
Other	-	-
Total	1	10%

2.1.8. Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
None	None

2.1.9. Equity Target and Employment Equity Status

The Panel does not meet the threshold set in the Employment Equity Act (EEA)⁴. The following table reflects the equity targets and employment equity status.

African			
Levels	Male	Female	Total
Top Management	1	-	1
Senior Management	-	2	2
Investigator	1	-	1
Skilled	3	3	6
Total	5	5	10

⁴ One of the threshold requirements under the EEA is that an entity must have at least 50 employees. With 10 employees, the Panel does not meet the threshold.



PART E:

PUBLIC FINANCE
MANAGEMENT
COMPLIANCE
REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. IRREGULAR EXPENDITURE

a. Reconciliation of irregular expenditure

Description	2025/2026 R	2024/2025 R
Opening Balance	1 107 940	1 731 667
Adjustment to the opening balance	-	-
Opening balance restated	-	-
Irregular expenditure confirmed	466 568	-
Less: irregular expenditure condoned	-	-
Less: irregular expenditure not condoned and removed	1 107 940	-
Less: irregular expenditure recoverable	-	623 727
Less: irregular expenditure not recovered and written off	-	-
Closing Balance	466 568	1 107 940

Notes on Irregular Expenditure

In the financial year ended 31 March 2026, two categories of irregular expenditure were identified as a result of non-compliance with PFMA requirements namely;

- Non-compliance with PFMA procurement Regulation 4(3), amounting to R192 419 because Management did not implement effective review and oversight controls to ensure that bid evaluation and adjudication processes were conducted in accordance with the PMFA regulations.
- Non-compliance with National Treasury Regulation 09 of 2017/18 and paragraph 6 of the National Treasury Instruction 4 of 2016/17 amounting to R274 149 because Management failed to implement adequate controls to verify the compliance of bidders with the mandatory bid requirements as specified in their request for quotations/proposals.

Reconciliation notes

Description	2025/2026 R	2024/2025 R
Irregular expenditure under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	466 568	-
Total	466 568	-

b. Details of irregular expenditure under assessment, determination and investigation

Description	2025/2026 R	2024/2025 R
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

c. Details of irregular expenditure condoned

Description	2025/2026 R	2024/2025 R
Irregular expenditure condoned	-	-
Total	-	-

d. Details of irregular expenditure removed (not condoned)

Description	2025/2026 R	2024/2025 R
Irregular expenditure not condoned and removed	1 107 940	-
Total	1 107 940	-

Notes on Irregular Expenditure Removed (not condoned)

On 4 March 2026 the Accounting Authority applied to National Treasury per the Irregular Expenditure Framework, for the condonation of the irregular expenditure incurred by the Panel in the financial year ended 31 March 2024. On 25 March 2026 National Treasury issued correspondence advising the Accounting Authority that National Treasury would not condone the irregular expenditure as the application did not meet the requirements of the relevant paragraph of the Irregular Expenditure Framework. National Treasury advised the Accounting Authority that it may proceed to remove the irregular expenditure in terms of paragraphs 5.7 and 5.8 of the Irregular Expenditure Framework. Paragraphs 5.7 and 5.8 of the Framework empower the Accounting Authority to remove irregular expenditure that was not condoned by the relevant authority. In terms of paragraph 5.7 of the Framework, "The accounting officer or Accounting Authority may, in terms of para 5.8 remove the irregular expenditure that was not condoned by the relevant authority." In July 2026 the Accounting Authority pursuant to its prior determination in February 2026 to seek condonation for the removal, resolved to remove the irregular expenditure following National Treasury's determination on 25 March 2026.

e. Details of irregular expenditure recoverable

Description	2025/2026 R	2024/2025 R
Irregular expenditure recoverable	-	-
Total	-	-

f. Details of the current and previous year irregular expenditure written off (irrecoverable)

Description	2025/2026 R	2024/2025 R
Irregular expenditure written off	-	-
Total	-	-

g. Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
According to the determination report issued by the Panel's internal auditors Nexia SAB&T, the Panel did not incur a financial loss, nor was the irregularity a consequence of fraud or theft. It was instead a consequence of systemic issues following the recent recognition of the Panel as a PFMA entity without the necessary transition steps. Therefore, the Panel instituted disciplinary proceedings against the responsible employees and resolved to implement adequate controls to address the findings.

1.2. FRUITLESS AND WASTEFUL EXPENDITURE**a. Reconciliation of fruitless and wasteful expenditure**

Description	2025/2026 R	2024/2025 R
Opening Balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: fruitless and wasteful expenditure confirmed	-	-
Less: fruitless and wasteful expenditure recoverable	-	-
Less: fruitless and wasteful expenditure not recoverable and written off	-	-
Closing Balance	-	-

Reconciliation notes

Description	2025/2026 R	2024/2025 R
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

b. Details of fruitless and wasteful expenditure under assessment, determination and investigation

Description	2025/2026 R	2024/2025 R
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

c. Details of fruitless and wasteful expenditure recoverable

Description	2025/2026 R	2024/2025 R
Fruitless and wasteful expenditure recoverable	-	-
Total	-	-

d. Details of fruitless and wasteful expenditure not recovered and written off

Description	2025/2026 R	2024/2025 R
Fruitless and wasteful expenditure written off	-	-
Total	-	-

1.3. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF SECTION 55(2)(B)(I) AND (III)**a. Details of material losses through criminal conduct**

Material losses through criminal conduct	2025/2026 R	2024/2025 R
Theft	-	-
Other material losses	-	-
Less recoverable	-	-
Less not recoverable and written off	-	-
Total	-	-

b. Details of other material losses

Nature of other material losses	2025/2026 R	2024/2025 R
	-	-
Total	-	-

c. Details of material losses recoverable

Nature of losses	2025/2026 R	2024/2025 R
	-	-
Total	-	-

e. Other material losses not recoverable and written off

Nature of losses	2025/2026 R	2024/2025 R
	-	-
Total	-	-

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated value R
Valued invoices received	459	29 631 819
Invoice paid within 30 days or agreed period	459	29 631 819
Invoice paid after 30 days or agreed period	-	-
Invoice older than 30 days or agreed period unpaid with- out dispute	-	-
Invoice older than 30 days or agreed period unpaid in dispute	-	-

3. SUPPLY CHAIN MANAGEMENT**3.1. Procurement by other means**

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R
None				-
Total				-

3.2. Contract variation and expansions

Project description	Name of supplier	Contract modification type (expansion of 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
None				-	-	-
Total				-	-	-



PART F:

FINANCIAL
INFORMATION

1. REPORT OF THE EXTERNAL AUDITORS

Independent auditor's report to Parliament on Takeover Regulation Panel

Opinion

1. We have audited the financial statements of Takeover Regulation Panel set out on pages 73 to 99 which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of Takeover Regulation Panel as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) and the requirements of the Public Finance Management Act (PFMA).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.
4. We are independent of the public entity in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors of the (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
6. In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

7. The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error, and they 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 the financial statements.
8. Our determination of materiality is a matter of professional judgement and is affected by our perception and understanding of the financial information needs of intended users, which is the quantitative and qualitative factors that determine the level at which relevant decisions taken by users would be affected by a misstatement. These factors helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.
9. Based on our professional judgement, we determined final materiality for the financial statements as follows:

Final materiality amount	R250 000,00
Basis for determining materiality	1 % of revenue, as disclosed in notes to the financial statements
Rationale for benchmark applied	Revenue is an appropriate quantitative indicator of materiality, as it has been selected as the most suitable benchmark based on the nature and operations of the Takeover Regulation Panel. Revenue is primarily generated through fees paid by listed entities on the Johannesburg and Cape Town Stock Exchanges. Given that revenue reflects the scale of operations and the Panel's financial self-sufficiency, it is considered the most appropriate basis for assessing materiality.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

12. Our 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 our 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.
13. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 71, forms part of our auditor's report.

Report on the audit of the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
15. We selected the following programme presented in the annual performance report for the year ended 31, March, 2026 for auditing. We selected a programme that measure the national, community or public interest.

Programme	Page numbers	Purpose
Regulation of affected transactions	20	Takeover Regulation Panel regulate affected transactions and offers to the extent provided for, and in accordance with, Parts B and C of Chapter 5 of the Act and the Takeover Regulations ³ ;

16. We evaluated the reported performance information for the selected programme 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.
17. We 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 we 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 and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported
18. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
19. We did not identify any material findings on the reported performance information for the selected programme.

Other matter

20. We draw attention to the matter below.

Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets.

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
23. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.
24. Through an established AGSA process, we 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.
25. The selected legislative requirements are included in the annexure to this auditor's report.
26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Procurement and contract management

27. Some of the quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16A9.1(d).

Other information in the annual report

28. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the General Information, Performance Information, Governance, Human Resources Management, Public Finance Management Report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
29. Our opinion on the financial statements and our findings on the audit of the annual performance report and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.
30. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, and the selected programme presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. If based on the work we have performed, we conclude that there is a material misstatement the other information, we are required to report that fact.
32. We have nothing to report in this regard.

Internal control deficiencies

33. We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.
34. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

Audit Tenure

35. In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that MNB Chartered Accountants has been the auditor of Takeover Regulation Panel for two years.

MNB Chartered Accountants Inc.

MNB Chartered Accountants Inc.

**Engagement Director: Cathrine Itumeleng
Makhubela Registered Auditor**

31 July 2026 Midrand

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following: the auditor's responsibility for the audit

- the selected legislative requirements for compliance testing.

Auditor's responsibilities for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we 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 our 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. We 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us 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

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

We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our 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); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A); Section 18(1)
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(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury 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)(b); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	2026 R	2025 R
ASSETS			
Current assets			
Cash and cash equivalents	2	121 196 095	114 259 495
Statutory receivables	3	649 444	1 167 195
Prepaid expenses		98 870	93 724
Total current assets		121 944 409	115 520 414
Non-current assets			
Property, plant and equipment	4	340 671	402 616
Total non-current assets		340 671	402 616
Total Assets		122 285 080	115 923 030
LIABILITIES			
Current liabilities			
Trade and other payables	5	1 055 511	755 372
Employee benefit liability – leave pay	6	1 300 002	851 635
Total current liabilities		2 355 513	1 607 007
Non-current liabilities			
Employee benefit obligations	7	1 456 468	1 523 082
Total non-current liabilities		1 456 468	1 523 082
Net assets			
Accumulated surplus		118 473 099	112 792 941
Total net assets		118 473 099	112 792 941

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 R	2025 R
REVENUE			
Revenue from exchange transaction	8	34 488 894	31 573 786
Levies and fees for services Interest received		25 724 936	22 365 931
		8 763 958	9 207 855
Other income	9	526 619	661 691
Total revenue		35 015 513	32 235 477
Operating expenses	10	(29 335 355)	(24 871 808)
Net surplus before taxation		5 680 158	7 363 669
Taxation	11	-	-
Surplus for the year		5 680 158	7 363 669

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2026

	Total R
Accumulated surplus as at 31 March 2024	105 429 272
Surplus for the year	7 363 669
Accumulated surplus as at 31 March 2025	112 792 941
Surplus for the year	5 680 158
Accumulated surplus as at 31 March 2026	118 473 099

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 R	2025 R
Cash flows from operating activities			
Cash outflows from operations	14(A)	(1 794 304)	(2 106 109)
Interest received		8 763 958	9 207 855
Net cash inflow from operating activities		6 969 654	7 101 746
Cash flows from investing activities			
Purchase of property, plant and equipment		(33 054)	-
Net cash outflow from investing activities		(33 054)	-
Net increase cash and cash equivalents		6 936 600	7 101 746
Cash and cash equivalents at beginning of the year		114 259 495	107 157 749
Cash and cash equivalents at end of the year	14(B)	121 196 095	114 259 495

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2026

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between budget and actuals
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REVENUE

Revenue from exchange transactions and other income

	Note	R	R	R	R	R
Annual levies	16.1	21 550 908	-	21 550 908	21 166 936	383 972
Fees for services	16.2	2 400 000	-	2 400 000	2 830 000	(430 000)
Rulings and consultations	16.3	917 909	-	917 909	1 728 000	(810 091)
Other income	16.4	565 050	-	565 050	526 619	38 431
Interest received	16.5	9 082 829	-	9 082 829	8 763 958	318 871
Total revenue		34 516 696	-	34 516 696	35 015 513	(498 817)

Expenditure

Audit fees	16.6	750 523	-	750 523	795 063	(44 540)
Legal fees	16.7	4 960 667	-	4 960 667	3 081 816	1 878 851
Operating lease payments	16.8	1 139 206	-	1 139 206	1 073 678	65 528
Panel members expenses	16.9	2 646 612	-	2 646 612	3 915 625	(1 269 013)
Administrative expenses	16.10	4 059 817	-	4 059 817	4 313 010	(253 193)
Personnel costs	16.11	17 804 919	-	17 804 919	16 156 163	1 648 756
Total expenditure		31 361 744	-	31 361 744	29 335 355	2 026 389
Surplus for the year		3 154 952	-	3 154 952	5 680 158	(2 525 206)

ACCOUNTING POLICIES

1. Basis of Preparation and Presentation of Financial Statements

The Annual Financial Statements have been prepared in accordance with the GRAP issued by the Accounting Standards Board in accordance with section 91(1) of the PFMA.

The Financial Statements have been prepared on an accrual basis of accounting and on the going concern assumption. The accounting policies are consistent with previous years. All figures are rounded to the nearest rand.

The presentation and classification of items in the Financial Statements are consistent with the requirements of GRAP 1: Presentation of Financial Statements. Comparative information has been disclosed in respect of the previous financial period for all amounts reported in the Financial Statements.

1.1. Property, plant and equipment

Property, plant and equipment are measured initially at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. Property, plant and equipment are recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Panel, and when the cost of the asset can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on the straight-line method to write-down the cost of such assets over their estimated useful lives, which are as follows:

Furniture 10 years

Equipment 5 years

The residual values, useful lives and depreciation methods of the assets are reviewed, and adjusted if appropriate, at each financial year-end. The Panel also assesses whether there is any indication that an asset may be impaired at each reporting date. If any such indication exists, the amount of the loss is measured as the difference between the carrying amount of the asset and the recoverable amount.

Items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of financial performance in the year the item is derecognised.

ACCOUNTING POLICIES

1.2. 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.

The revenue is recognised on an accrual basis. The invoiced value of services rendered comprising annual levies, fees for documentation, hearings, and rulings, excluding value-added tax, is recognised at the date the services are rendered.

Annual levies in the current year were raised in advance on 1 April 2025 and recognised on a straight-line basis for the period. Interest income is recognised in the statement of financial performance on an accrual basis using the effective interest rate method based on the capital amount outstanding.

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.

Interest

Revenue arising from the use of Panel assets yielding interest is reconsidered when:

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

1.3. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised at fair value in the statement of financial position when the Panel has become a party to the contractual provisions of that instrument.

Financial assets

The Panel's financial assets in accordance with GRAP 104 are measured at amortised cost using the effective interest rate method. Accounts receivable comprises of fees receivable, prepaid expenses and sundry receivables.

Where there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the statement of financial performance.

ACCOUNTING POLICIES

Financial liabilities

The Panel's financial liabilities in accordance with GRAP 104 are measured at amortised cost using the effective interest rate method. Financial liabilities include accounts payable consisting of creditors and accrued expenses.

Offsetting

Financial assets and financial liabilities have not been offset in the statement of financial position. A financial asset is derecognised when the amount has been settled or the rights to receive cash have expired. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

1.4. Contingent liabilities

The Panel discloses a contingent liability where it has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Panel; or where it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

1.5. Statutory receivables

Identification

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

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

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

Recognition

The entity recognises statutory receivables as follows:

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

ACCOUNTING POLICIES

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

1.6. Leases

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

Operating lease

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.

1.7. Materiality

Material 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 Annual 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 the decisions of users, and so be material, requires consideration of the characteristics of those users. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.8. 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 are 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.

Statutory receivables

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

ACCOUNTING POLICIES

Impairment testing

The Panel assesses statutory receivables for indicators of impairment at each reporting date. An impairment allowance is recognised when there is objective evidence that the recoverable amount of a statutory receivable is less than its carrying amount.

In assessing whether a statutory receivable is impaired, Management considers all relevant available information, including the age of the receivable, the payment history of the debtor, collection experience and any other factors that may indicate that the receivable may not be fully recoverable.

Management believes that the recognised impairment allowance appropriately reflects the expected non-recoverability of statutory receivables and that there are no material statutory receivables requiring additional impairment at the reporting date.

Allowance for impairment

An impairment loss on statutory receivables is recognised in the statement of financial performance when there is objective evidence that a statutory receivable is impaired.

Provisions for leave pay

Management reviews provisions at each reporting date and adjusts them to reflect the current best estimates. 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. The provision calculation is based on the estimated number of leave days accumulated. Additional disclosures of these estimates of provisions are included in Note 5.

1.9. Employee benefits

Employee benefits are all forms of consideration given by the Panel in exchange for services rendered by employees.

A constructive obligation is an obligation that derives from the Panel's actions whereby, through an established pattern of past practice, published policies or a sufficiently specific current statement, the Panel has indicated to other parties that it will accept certain responsibilities, and as a result, the Panel has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

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

ACCOUNTING POLICIES

Short-term employee benefits include items such as:

- Salaries payable when a service has been rendered. The expense is recognised in that period.
- Short-term compensation for absences (such as paid annual leave and paid sick leave) where the compensation for absences is due to be settled within twelve months after the end of the reporting period in which the employee renders the related service; and
- Bonuses, incentives and performance-related payments payable at the discretion of the Panel within twelve months after the end of the reporting period in which the employee renders the related service.

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

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in payment or a cash refund; and
- as an expense, unless another standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employee renders services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Post-employment benefits

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

Post-employment benefit plans are formal arrangements under which the Panel provides post-employment benefits for one employee.

ACCOUNTING POLICIES

1.10. Provisions and contingencies

Provisions are recognised when:

- The Panel 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 the 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.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

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

A provision is used only for expenditure for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

If the Panel has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. The Panel had no contingent liabilities at year-end.

1.11. Comparative figures

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

1.12. Irregular expenditure

Irregular expenditure means expenditure, other than unauthorised expenditure, that is incurred in contravention of, or that is not in accordance with, the requirements of any applicable legislation from the definition in the PFMA.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the period in which the expenditure was incurred.

Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of irregular expenditure incurred and confirmed in that current financial year unless it is impractical to determine, in which case reasons must be provided in the annual report.

ACCOUNTING POLICIES

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

1.13. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure 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 period in which the expenditure was incurred.

Fruitless and wasteful expenditure must be recorded in the notes to the Financial Statements when confirmed after its assessment. The amount recorded is equal to the value of fruitless and wasteful expenditure incurred and confirmed in that current financial year unless it is impractical to determine, in which case reasons must be provided in the annual report.

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

1.14. Related Parties

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

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 Panel's activities, including those charged with governance in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Panel.

1.15. Events after reporting date

Events after the 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).

ACCOUNTING POLICIES

1.16. New GRAP Standards and Interpretation

Adoption of Revised GRAP 104 – Financial Instruments

The Panel adopted the revised Standard of GRAP 104, *Financial Instruments*, with effect from 1 April 2025.

Cash and cash equivalents comprise cash on hand, cash held in transaction bank accounts, and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are recognised when the Panel becomes a party to the contractual provisions of the financial instrument.

Cash and cash equivalents are initially recognised at fair value. Subsequently, they are measured at amortised cost using the effective interest method. Due to their short-term nature, the carrying amount of cash and cash equivalents approximates their fair value.

Cash and cash equivalents are held to meet the Panel's short-term cash commitments rather than for investment or other purposes.

Interest earned on cash and cash equivalents is recognised in surplus or deficit using the effective interest method.

Other Standards of GRAP

The Panel has assessed the applicability of the following Standards. Based on this assessment, the Standards are not applicable to the Panel's current operations.

Standard or pronouncement	Effective Date	Expected impact
GRAP 103 Heritage Assets	01 April 2025	Unlikely to impact the Panel
GRAP 105 Transfer of Functions Between Entities Under Common Control	01 April 2025	Unlikely to impact the Panel
GRAP 106 Transfer of Functions Between Entities Not Under Common Control	01 April 2025	Unlikely to impact the Panel
GRAP 107 Mergers	01 April 2025	Unlikely to impact the Panel

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2. Cash and Cash Equivalents

	2026 R	2025 R
FNB Current Account	2 330 248	1 533 666
FNB Money Market	410 815	391 188
Short-term deposit - Corporation for Public Deposit	118 455 032	112 334 641
	121 196 095	114 259 495

Cash and cash equivalents comprise cash held in transaction accounts, short-term deposits held with the South African Reserve Bank, and a cash card utilised for petty cash purposes.

Included in cash and cash equivalents is the First National Bank money market account pledged as security for the Panel's office lease deposit and is therefore subject to restrictions.

3. Statutory Receivables

	2026 R	2025 R
Statutory receivables	1 665 979	2 003 483
Allowance for impairment of statutory receivables	(1 093 279)	(836 288)
Net statutory receivables	572 700	1 167 195
Statutory receivables - VAT	76 744	-
	649 444	1 167 195

No interest is charged on past-due fees receivable. The carrying value of statutory receivables approximates their fair value. An allowance for impairment has been raised against accounts receivable, as it is the policy of the Panel to provide for fees outstanding for longer than twelve months.

	2026 R	2025 R
Ageing of statutory receivables		
Current	3 450	1 116 341
Past due but not impaired	569 250	-
30-60 days	-	50 854
61-90 days	562 350	-
91+ days	6 900	-
	572 700	1 167 195

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

4. Property, Plant and Equipment

	Cost/ valuation R	Accumulated depreciation R	Carrying value R	Cost/ valuation R	Accumulated depreciation R	Carrying value R
Furniture	573 284	(343 189)	230 095	573 284	(304 611)	268 673
Equipment	405 137	(294 561)	110 576	372 083	(238 140)	133 943
Total	978 421	(637 750)	340 671	945 367	(542 751)	402 616

Reconciliation of Property, Plants and Equipment 2026

	Opening balance R	Additions R	Disposal R	Depreciation R	Closing balance R
Furniture	268 673	-	-	(38 578)	230 095
Equipment	133 943	33 054	-	(56 421)	110 576
Total	402 616	33 054	-	(94 999)	340 671

Reconciliation of Property, Plants and Equipment 2025

	Opening balance R	Additions R	Disposal R	Depreciation R	Closing balance R
Furniture	307 249	-	-	(38 576)	268 673
Equipment	194 558	-	-	(60 615)	133 943
Total	501 807	-	-	(99 191)	402 616

5. Trade and Other Payables

	2026 R	2025 R
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Accounts payables:

Creditors and accrued expenses

R 1 055 510

R 703 072

VAT payable

-

52 300

1 055 510

755 372

Contractual maturity analysis of financial liabilities

On demand

1 016 353

625 494

One - five years

39 157

129 879

1 055 510

755 373

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 R	2025 R
6. Employee benefit liability – leave provision	1 300 002	851 635
Opening balance	851 635	761 005
Leave paid from the employee benefit liability	(18 120)	-
Movement in the provision for leave pay	466 487	90 630
	2 355 512	1 607 007

7. Employee benefit obligations

Defined contribution plan:

All staff members of the Panel are members of the Acumen Pension Fund. The staff members contribute in accordance with the rules of that pension scheme. Total contributions made to the pension scheme during the year were **R1 124 313** (2025: R1 029 967).

Post-retirement medical benefit plan:

Currently, the Panel operates a post-retirement medical benefit plan for one retired employee of the Panel. Under the scheme, the Panel will contribute for both the employee and his spouse until their death. The contributions will be to the medical aid fund to which the employee was a member at the date of his retirement. Employees employed after 01 May 2011 are not eligible for post-retirement medical benefit.

The Panel obtains an actuarial valuation every three years in order to measure the post-retirement medical aid liability. The last valuation was in March 2024 and the next valuation shall be in March 2027.

The assumptions made in the valuation include medical inflation, investment returns and number of dependents. The Panel Members believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value.

Interest cost medical benefit

Opening balance	682 561	525 340
Projected interest	151 916	157 221
	834 477	682 561

Employee benefit obligation

Opening balance: present value of unfunded obligation	840 521	1 043 349
Medical aid payments	(218 530)	(202 828)
Closing balance: present value of unfunded obligations	621 991	840 521
Total liability	1 456 468	1 523 082

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 R	2025 R
Key assumptions used:		
Discount rate	10.70%	10.70%
Medical inflation	5.47%	5.47%

Sensitivity analysis

The effect of a 1% increase and decrease in the inflation assumption on the service cost, interest cost and accrued liability is shown below:

Sensitivity to medical inflation		
1%	Base	(1%)
1 550 264	1 456 468	1 287 081
6.44%	-	(11.63%)

8. Revenue from Exchange Transactions

Annual levies	21 166 936	19 865 931
Fees for services	2 830 000	1 615 000
Rulings and Consultations	1 728 000	885 000
Total levies and fees for services	25 724 936	22 365 931
Interest received		
FNB Current Account	122 275	28 709
FNB Money Market	21 292	24 089
Short-term deposit - Corporation for Public Deposit	8 620 391	9 155 057
Total interest received	8 763 958	9 207 855

9. Other Income

Reversal of impairment of statutory receivables	412 574	9 860
Legal fees recovered	-	639 413
Sundry income	114 045	12 418
	526 619	661 691

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 R	2025 R
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10. Operating Payments

Operating expenses include the following items:

Auditor's remuneration	795 063	967 984
Depreciation	94 999	99 191
Legal fees	3 081 816	2 527 160
Operating lease payments - building	435 362	334 767
Operating lease payments - other	638 316	679 193
Panel members' fees	3 915 625	1 770 133
- Chairperson	485 189	472 341
Members	3 139 401	1 297 792
Panel members electronic devices	291 035	-
Other administrative expenses	4 066 095	2 527 171
Interest cost for post-retirement medical benefits	151 916	157 221
Personnel costs	16 156 163	15 808 988
Total	29 335 355	24 871 808

Management Remuneration

2026	Basic salary	Bonuses	Medical aid and other contributions	Pension fund contributions	Other	Total
<i>Top Management</i>	R	R	R	R	R	R
CZ Nduli	3 005 523	2 456 158	98 595	442 768	2 500	6 005 544
Senior Management						
Z Mkwetshana	1 220 100	1 233 173	54 735	198 631	-	2 706 639
M Motsoahae	1 965 149	1 912 270	125 124	325 896	70 000	4 398 439

2025	Basic salary	Bonuses	Medical aid and other contributions	Pension fund contributions	Total
<i>Top Management</i>	R	R	R	R	R
CZ Nduli	2 882 469	2 979 167	92 948	386 547	6 341 131
Senior Management					
Z Mkwetshana	1 152 188	1 094 938	51 596	187 542	2 486 264
M Motsoahae	1 748 618	1 697 909	116 908	290 820	3 854 255

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 R	2025 R
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11. Taxation

The Panel is exempt from the payment of taxation in terms of section 10 (cA) of the Income Tax Act.

12. Commitments

Rental payments in terms of premises lease agreement

Future minimum lease payments payable within 1 year	348 747	325 932
Future minimum lease payments payable between 2 and 5 years	839 721	1 188 468

Parking payments in terms of lease agreement

Future minimum lease payments payable within a year	79 903	74 676
Future minimum lease payments payable between 2 and 5 years	192 393	272 296

Operating costs in terms of lease agreement

Future minimum lease payments payable within 1 year	302 291	282 515
Future minimum lease payments payable between 2 and 5 years	727 863	1 030 155

The premises lease commenced on 1 June 2024 and will remain in force for a period of years ending on 31 May 2029. The Panel has provided an irrevocable bank guarantee amounting to R249 191 in favour of the landlord as security for its office lease obligations. The guarantee remained in force at year-end, and no claims had been made against the guarantee.

13. Financial Risk Management

13.1. Credit risk

The Panel's revenue is derived from:

- levies on the annual listing fees charged by Exchanges to listed companies. Levies are charged in terms of regulation 171 of the Companies Regulations 2011;
- documentation fees and fees charged for consultations and rulings. Fees are charged in terms of regulation 122 of the Companies Regulations, 2011; and
- interest received from investments.

The levies and fees charged by the Panel are approved by the Minister and published in the Government Gazette.

Should there be a major fall in the market capitalisation of listed companies, this would have a detrimental effect on the Panel's income. Similarly, should there be a considerable decline in takeover and merger activity, the Panel's income would be adversely impacted.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026 R	2025 R
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The Panel always runs the risk of any of its rulings being taken on review to the High Court, or of the Panel itself instituting High Court action against parties which do not comply with the Act and Regulation. Such an action could draw heavily on the Panel's resources.

The Panel is confident that it will be able to recover all accounts receivable in full.

The Panel has a significant concentration of credit risk, as more than 95% of its cash is invested in the South African Reserve Bank.

The maximum exposure to credit risk:

Cash and cash equivalents	121 196 095	114 259 495
Statutory receivables	649 444	1 167 195

13.2. Liquidity risk

Liquidity risk is the risk that the Panel will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Panel's financial liabilities comprise trade and other payables. The Panel manages its liquidity risk by maintaining adequate cash and cash equivalents to ensure that sufficient funds are available to settle its financial obligations as they fall due. Based on the Panel's financial position at the reporting date, Management is satisfied that the Panel has sufficient liquid resources to meet its financial liabilities as they become due.

The contractual maturity analysis of the Panel's financial liabilities is as follows:

Financial liabilities	Carrying amount	Within a year	Between 2 and 5 years
Trade and other payables	1 055 511	1 055 511	-
Total	1 055 511	1 055 511	-

13.3. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to adverse movements in market rates. In respect of market risk, the Panel is exposed to interest rate risk.

13.4. Interest rate risk

Interest rate risk is the risk that arises from an interest-bearing asset due to variability of interest rates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

	2026	2025
	R	R

14. Going Concern

Management has re-assessed the appropriateness of the use of the going concern assumption in the preparation of the Annual Financial Statements. Based on the assessment performed, Management notes that the Panel will continue to receive the annual levies and that funds will be available for its future operations of the Panel. Commitments will continue to occur in the ordinary course of business. As a result, the Annual Financial Statements have been prepared on the basis of a going concern.

15. Notes to the Cash Flow Statement

A. Cash generated by operations

Total operating surplus	5 680 158	7 363 669
Adjusted for:		
Depreciation	94 999	99 191
Interest received	(8 763 958)	(9 207 855)
Post-retirement medical aid interest	151 916	157 221
Post-retirement medical aid	(218 530)	(202 828)
Cash from operations before working capital changes	(3 055 415)	(1 790 602)
Decrease/(Increase) in accounts receivable	512 605	(832 804)
Increase in accounts payable and provisions	748 506	517 297
Net working capital changes	1 261 111	(315 507)
Cash generated by operations	(1 794 304)	(2 106 109)

B. Cash and cash equivalents at the end of the period

Cash and cash equivalents comprise:	121 196 095	114 259 495
Cash in bank and funds on deposit	121 196 095	114 259 495

16. Budget vs actual variance

The budget is prepared on a cash basis and approved by the Panel prior to the commencement of the financial year. The Annual Financial Statements are prepared on the accrual basis in accordance with the applicable Standards of GRAP. As a result, differences may arise between budgeted and actual amounts due to timing differences in the recognition of revenue and expenses.

The budget vs actual comparison is presented in accordance with GRAP 1.

Variances between budgeted and actual amounts are analysed and explained, where material, to enhance users' understanding of the financial performance of the Panel.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2026****16.1. Annual levies (Regulation 171 of the Companies Regulations, 2011)**

The amounts leviable in this regard fluctuate annually based on several factors, including the market capitalisation of the individual companies listed on the exchanges in South Africa, any discounts offered to those companies by the respective exchanges and the number of companies that are delisted between the period when the Panel prepares the budgets and when it invoices those companies in terms of Regulation 171(1) of the Companies Regulations, 2011 (Regulations). Over the last decade, the JSE (the major exchange in this market) has seen a steep decline in the number of listed companies. These fluctuations, which are entirely outside the control of the Panel, may materially impact the operational revenue of the Panel, depending on what happens in local equity capital markets. Historically, the Panel has carefully monitored its income resources to ensure that these fluctuations are mitigated as much as reasonably possible, considering that it is empowered by the Act to fund its operations.

16.2. Fees for services

The variance is mainly due to an increase in the number of affected transactions presented to the Panel.

16.3. Rulings and consultations

The variance is due to the increase in the number of rulings issued and opinions given.

16.4. Other income

Income received for the financial year relates to sundry income and bad debts recovered. This is not budgeted for due to the uncertain nature of the income.

16.5. Interest received

The decrease in interest earned on investments during the financial year was mainly attributable to reductions in the repo rate.

16.6. Audit fees

The variance is due to the increase in the audit scope.

16.7. Legal fees

Legal fees were below budget despite an increase in appeals against decisions of the Deputy Executive Director. The related matters are expected to be finalised in the 2026/2027 financial year.

16.8. Operating lease payments

Operating lease payments were below budget due to a reduction in rental costs in terms of the lease agreement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

16.9. Panel Members' fees

Panel expenses exceeded the budget mainly due to Takeover Special Committee-related costs and an increase in the number of meetings held during the financial year.

16.10. Administrative expenses

Administrative expenses exceeded the budget due to the one-off purchase of electronic devices for Panel Members.

16.11. Personnel costs

Personnel costs were below budget due to lower-than-anticipated staffing costs during the financial year, resulting from vacancies and timing differences in filling posts.

17. Related Parties

The dtic is the controlling entity, and all the entities reporting to the dtic are under common control. The Minister of the dtic is the Executive Authority of the Panel. The Panel is ultimately controlled by the national executive. It is therefore related to all other entities within the national government. There are no amounts owing to or by the Panel to the dtic.

During the year ended 31 March 2026, the following amounts were paid to Panel Members in respect of meeting fees.

Name	Remuneration R	Other allowances R	Other reimbursements R	Total R
Professor Tshepo Tong-Mongalo	485 189	-	-	485 189
Mmapitse Maubane	389 466	-	-	389 466
Tintswalo Mthembi	450 828	-	-	450 828
Inga Ngalonkulu	333 750	-	-	333 750
Bryan Shuping	352 448	-	-	352 448
Lungelwa Sonqishe	416 449	-	-	416 449
Advocate Mthokozisi Xulu	347 707	-	-	347 707
Mohammed Yakoob	369 432	-	-	369 432
Fees paid to the JSE Ltd	392 230			392 230
Co- opted Members				
Neo Dongwana	47 597	-	-	47 597
Andile Nikani	39 495	-	-	39 495
Total	3 624 590	-	-	3 624 590

As part of the electronic usage support provided to members, the Panel procured a once-off laptop for each Member for use during their term of office, instead of providing a recurring monthly electronic usage allowance. The total cost amounted to R291 035

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

18. Irregular Expenditure

Irregular expenditure is expenditure incurred in contravention of, or not in accordance with, applicable legislation, policies, or procedures.

In accordance with the disclosure requirements of GRAP 1, the irregular expenditure is set out below:

Description	R
Current year irregular expenditure	466 568
Closing balance	466 568

19. Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

The Panel did not incur any fruitless and wasteful expenditure during the year under review.

20. Panel exemption in terms of section 53(3) of the PFMA

On 8 October 2025, the Panel received confirmation from the National Treasury that, in terms of paragraph 2.1(b) of National Treasury Instruction Note No. 03 of 2025/26, the Panel is exempt from obtaining approval in terms of section 53(3) of the PFMA for the retention of surplus funds.

The National Treasury further confirmed that the exemption is limited solely to the application of section 53(3) of the PFMA relating to the retention of surpluses and does not extend to any other provisions of the PFMA.

21. Subsequent Events

Events after the 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:

- The Panel will adjust the amount recognised in the Financial Statements to reflect adjusting events after the reporting date once the event occurs.
- The Panel 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.

ANNEXURE A: DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2026

	2026 R	2025 R
REVENUE		
Bad debts recovered	412 574	9 860
Annual levies	21 166 936	19 865 931
Fees for services	2 830 000	1 615 000
Rulings and consultations	1 728 000	885 000
Interest received	8 763 958	9 207 855
Sundry/other income	114 045	651 831
Total	35 015 513	32 235 477
Expenditure:		
Administrative costs:		
Auditor's remuneration	795 063	967 984
Bank charges	18 896	19 814
Building operations	638 316	631 122
Catering: meetings and other events	53 240	25 156
Conferences and delegations	867 884	1 153 752
Consulting fees	215 513	-
Electricity	104 821	134 067
Entertainment	19 534	2 847
Human resources consultation fees	125 500	69 500
Incidentals allowance	50 510	-
Information technology	574 207	301 062
Insurance	50 481	60 321
Legal costs	3 081 816	2 527 160
Other expenses	-	15 935
Parking	81 154	80 551
Payroll administrators	62 950	56 627
Photocopying costs	53 052	76 447
Plants maintenance	68 331	59 194
Postage and delivery	-	2 834
Printing and design of the Annual Report	9 600	20 000
Public awareness	-	10 912
Office consumables	24 239	20 614
Rent	354 208	302 287
Repairs and maintenance	7 882	14 821
Skills development levy	153 409	149 997

ANNEXURE A: DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2026

	2026 R	2025 R
Stationery	16 156	260
Subscriptions	61 945	63 267
Telephone	125 553	170 716
Training	152 340	5 801
Travelling	114 000	2 751
Non-cash Expenses:		
Impairment of statutory receivables	669 565	(154)
Depreciation: property, plant and equipment	94 999	99 191
Post-retirement medical aid	151 916	157 221
Movement in the provision for leave pay	466 487	90 630
Total administrative costs	9 263 567	7 292 687
Panel and Committees' costs:		
Panel member fees	3 624 590	1 770 133
Panel members' electronic devices	291 035	-
Total Panel and Committees' costs	3 915 625	1 770 133
Personnel costs:		
Performance bonuses	5 785 723	5 967 199
Salaries	10 305 054	9 841 789
Interns' stipend	60 600	-
Leave pay	4 786	-
Total personnel costs	16 156 163	15 808 988
Total expenses	29 335 355	24 871 808
Surplus for the year	5 680 158	7 363 669

NOTES

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Takeover
Regulation
Panel

a member of the dtic group

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