

**ITEM 25/12/10/10.2 VAN DIE NOTULE VAN DIE 133^{STE} ALGEMENE
RAADSVERGADERING VAN DIE WESKUS DISTRIKSMUNISIPALITEIT WAT
GEHOU IS OP 10 DESEMBER 2025**

**ITEM 25/12/10/10.2 OF THE MINUTES OF THE 133RD GENERAL COUNCIL
MEETING OF THE WEST COAST DISTRICT MUNICIPALITY HELD ON
10 DECEMBER 2025**

Author: D Joubert

Directorate: OMM

Department: OMM

File reference: 4/15/1

Date: 10 December 2025

REPORT TO MPAC / COUNCIL

SUBJECT: ANNUAL FINANCIAL STATEMENTS 2024/2025

The item served at the MPAC (Municipal Public Accounts Committee) dated 02 December 2025:

PURPOSE OF THE REPORT

The purpose of the item is to submit the Annual Financial Statements 2024/2025 to Council for approval.

BACKGROUND

The Chief Financial Officer submitted a comprehensive report to the Audit- and Performance Audit Committee.

LEGISLATIVE CONTEXT

Local Government: Municipal Finance Management Act, 2003, Act 56 of 2003).

ATTACHMENT

The following Annual Financial Statements for the year ended 30 June 2025 is attached as part of the mentioned Annual Financial Statements:

- Statements of Financial Position;
- Statements of Financial Performance;
- Statements of Changes in Net Assets; and
- Cash Flow Statements.

FINANCIAL IMPLICATION

The Annual Financial Statements are tabled as the Annual Financial Statements 2024/2025.

The Municipal Manager reported that West Coast DM submitted National Treasury mSCOA Annual Financial Statements (AFS) specimen template. The Auditor General is strong of the view that it should be in GRAP format, therefore the municipality made numerous changes. The West Coast DM was the only adoptors of the mSCOA AFS specimen. Each municipality will be forced in the upcoming financial year to prepare their AFS on the new AFS specimen.

On proposal by Ald Plaatjies, seconded by Ald Semele are:

RESOLVED:

- 1. THAT THE FOLLOWING BE APPROVED AS PART OF THE ANNUAL FINANCIAL STATEMENTS 2024/2025:**
 - a. STATEMENTS OF FINANCIAL POSITION;**
 - b. STATEMENTS OF FINANCIAL PERFORMANCE;**
 - c. STATEMENTS OF CHANGES IN NET ASSETS;**
 - d. CASH FLOW STATEMENTS; AND**
- 2. THAT COGNISANCE BE TAKEN OF THE REPORT OF THE AUDITOR GENERAL AND ANNUAL FINANCIAL STATEMENTS AND BE INCLUDED IN THE ANNUAL REPORT 2024/2025.**



West Coast District Municipality
Audited Financial Statements
for the year ended 30 June, 2025

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

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West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Abbreviations

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ASB	Accounting Standards Board
CIGFARO	Chartered Institute of Government, Finance, Audit and Risk Officers
COGTA	Cooperative Governance and Traditional Affairs
COID	Compensation for Occupational Injuries and Diseases
CPI	Consumer Price Index
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
ED	Executive Director
EPWP	Expanded Public Works Programme
FMG	Finance Management Grant
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IT	Information Technology
LED	Local Economic Development
LGSETA	Local Government Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSA	Municipal Structures Act
MSA	Municipal System Act
mSCOA	Municipal Standard Chart of Accounts
MSIG	Municipal System Improvement Grant
NRA	Normal Retirement Age
PAYE	Pay As You Earn
PPE	Property, Plant and Equipment
RBIG	Regional Bulk Infrastructure Grant
RSA	Republic of South Africa
SALGA	South African Local Government Association

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Abbreviations

SAPS	South African Police Services
SARS	South African Revenue Services
SCM	Supply Chain Management
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
UIF	Unemployment Insurance Fund
VAT	Value added Tax

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

General Information

Legal form of entity

Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996)

Nature of business and principal activities

The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment

Legislation governing the municipality's operations

Constitution of the Republic of South Africa (Act 108 of 1998)
Municipal Finance Management Act (Act 56 of 2003)
Local Government: Municipal Systems Act (Act 32 of 2000)
Local Government: Municipal Structures Act (Act 117 of 1998)
Municipal Property Rates Act (act of 6 2004)
Division of Revenue Act (Act 24 of 2024)

Executive mayor and chairperson of mayoral committee

Portfolio

Executive mayor and chairperson of mayoral committee

Deputy executive mayor and mayoral committee member of finance portfolio committee, chairperson finance committee

Speaker

MPAC

MMC - Community Services & Rural Safety

MMC - Finance

MMC - Strategic Support & Economic Development

MMC - Infrastructure Services

Councillor

Ald R W Strydom

Ald S M Crafford

Cllr N S Louw

Ald M Koen

Cllr L Venter

Ald S M Crafford

Cllr O M Stemele

Cllr M Schrader

Executive management

Position

Municipal Manager

Acting Chief Financial Officer (CFO)

Director: Community Services

Director: Infrastructure Services

Name

Mr D C Joubert

Mr J J F Jonker

Mr W Markus

Mr A C Koch

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

General Information

Council members

No	Surname	Initials
Ald	Plaatjies	E
Cllr	Gxabalashe	S A
Cllr	Waldeck	T F
Cllr	Dixon	P
Cllr	Stephan	G
Cllr	Tshabalala	S J
Cllr	Pool	A J
Cllr	Scheepers	A M
Cllr	Adams	I S
Cllr	Small	A
Cllr	Komani-Nkohla	Z S
Cllr	Mitchell	L
Cllr	Witbooi	B L
Cllr	Le Minnie	I S
Cllr	O' Kennedy	E C
Cllr	Pypers	D C
Cllr	Blaauw	Y
Cllr	Penxa	B J

Grading of local authority 4

Accounting Officer D C Joubert

Acting Chief Financial Officer (CFO) J J F Jonker

Registered head office 58 Lang Street
Moorreesburg
7310

Physical address 58 Lang Street
Moorreesburg
7310

Postal address P O Box 242
Moorreesburg
7310

Telephone 022 - 433 8400

Bankers Standard Bank

Auditors Auditor-General of South Africa (AGSA)

Demarcation code DC1

Level of assurance These annual financial statements have been prepared in compliance with the applicable requirements of the Municipal Finance Management Act (Act 56 of 2003).

West Coast District Municipality

Unaudited Annual Financial Statements for the year ended 30 June, 2025

Accounting Officer's Statement

The Accounting Officer are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the unaudited annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the unaudited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the unaudited annual financial statements and was given unrestricted access to all financial records and related data.

The unaudited annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board. The municipality also used the template from National Treasury in terms of mScoa to prepare its financial statements to be in line with the Municipal Budget and Reporting Regulation as well.

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

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

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

We have reviewed the municipality's cash flow forecast for the year to 30 June, 2026 and, in the light of this review and the current financial position, we are satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

We would like to bring the following material matters to your attention:

We certify that the salaries, allowances and benefits of councillors as disclosed in note 35 to these unaudited annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

In terms of section 13G, read with regulation 12 of the B-BBEE regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their annual financial statements and annual reports. compliance is disclosed in the annual report.


Mr D C Joubert
Accounting Officer


Mr J J F Jonker
Acting Chief Financial Officer

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Statement of Financial Position as at 30 June, 2025

	Note(s)	2025 R	2024 Restated* R
Assets			
Current Assets			
Cash and cash equivalents	3	364,376,928	363,029,746
Trade and other receivables from exchange transactions	4	81,078,492	84,672,177
Receivables from non-exchange transactions	5	112,771	115,371
Inventory	6	10,581,887	10,562,784
Current portion of non-current receivables	7	1,514,195	1,043,619
Operating lease receivable	8	48,357	50,092
VAT Receivable	10	6,630,249	3,421,408
Deposits	11	375,301	336,432
Total Current Assets		464,718,180	463,231,629
Non-Current Assets			
Investment property	12	4,311,146	4,344,355
Property, plant and equipment	13	188,539,604	142,089,244
Intangible assets	14	1,147,610	1,588,513
Employee benefits - Medical Aid Roads	15	18,620,403	16,540,456
Total Non-Current Assets		212,618,763	164,562,568
Total Assets		677,336,943	627,794,197
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	16	20,378,525	35,713,315
Trade and other payables from non-exchange transactions: Unspent Conditional Grants	17	386,120	1,986,549
Distribution Provision	18	21,269,559	18,913,431
Employee benefits	19	31,840,982	30,761,527
Provisions - Bonus	61	462,829	-
Total Current Liabilities		74,338,015	87,374,822
Non-Current Liabilities			
Employee benefits	19	88,154,305	78,736,464
Borrowings	20	93,851,509	46,958,233
Total Non-Current Liabilities		182,005,814	125,694,697
Total Liabilities		256,343,829	213,069,519
Net Assets		420,993,114	414,724,678
Community Wealth / Equity			
Accumulated surplus	21	420,993,114	414,724,678
Total Community Wealth / Equity		420,993,114	414,724,678

* See Note 46

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Statement of Financial Performance as at 30 June, 2025

	Note(s)	2025 R	2024 Restated* R
Revenue			
Exchange Revenue			
Service Concession - Services charges – Electricity	22	1,721,560	1,519,949
Service Concession - Services charges – Waste management	22	206,779	82,517
Service Concession - Services charges – Waste water management	22	125,145	115,320
Service Concession - Services charges – Water	22	154,404,725	142,416,723
Sales of goods and rendering of services	23	38,378,334	31,812,555
Roads Function	24	196,925,620	223,635,700
Interest earned from receivables	25	360,271	349,195
Interest earned from current and non-current assets	26	29,614,957	27,151,102
Licences or permits	27	543,893	441,843
Rent from fixed assets	28	4,877,172	4,080,084
Operational revenue	29	15,940,177	3,794,298
Total Exchange Revenue		443,098,633	435,399,286
Non-Exchange Revenue			
Fines, penalties and forfeits	30	21,132	34,936
Transfers and subsidies – Operational	31	33,247,596	32,069,487
Transfers and subsidies – Capital	31	652,335	3,479,168
Transfers and subsidies – Operational - RSC Levies Replacement	32	84,274,000	82,720,000
Gains	33	1,523,334	5,730,706
Total Non-Exchange Revenue		119,718,397	124,034,297
Total Revenue		562,817,030	559,433,583
Expenditure			
Employee related cost	34	254,974,205	242,333,430
Remuneration of councillors	35	7,418,758	6,828,857
Bulk purchases	36	18,212,960	15,147,899
Inventory consumed	37	62,900,477	74,418,429
Debt impairment	38	893,093	6,521
Depreciation and amortisation	39	13,116,799	12,131,756
Finance charges	40	10,458,049	64,957
Contracted services	41	56,818,402	71,262,126
Transfers and subsidies	42	450,235	1,060,493
Irrecoverable debts written off	43	1,501,793	3,685,899
Operating leases	44	3,118,760	2,525,946
Operational cost	45	124,635,329	115,728,638
Losses	33	2,049,734	876,684
Total Expenditure		556,548,594	546,071,636
Surplus for the year		6,268,436	13,361,947

* See Note 46

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Statement of Changes in Net Assets

	Accumulated surplus R	Total net assets R
Balance at 1 July, 2023	401,362,731	401,362,731
Surplus for the year	13,361,947	13,361,947
Total changes	13,361,947	13,361,947
Restated* Balance at 1 July, 2024	414,724,678	414,724,678
Surplus for the year	6,268,436	6,268,436
Total changes	6,268,436	6,268,436
Balance at 30 June, 2025	420,993,114	420,993,114
Note(s)		

* See Note 46

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Cash Flow Statement as at 30 June, 2025

	Note(s)	2025 R	2024 Restated* R
Cash flows from operating activities			
Receipts			
Rate payers, government and other		304,668,153	276,343,570
Roads Function		225,760,583	188,874,924
Interest		29,576,088	27,151,102
Payments			
Employee costs		(255,000,458)	(241,421,428)
Suppliers		(281,490,056)	(225,283,895)
Finance charges		(10,458,049)	(64,957)
Net cash from(used) operating activities	47	13,056,261	25,599,316
Cash flows from investing activities			
Receipts			
Proceeds on disposal of fixed and intangible assets		168,815	28,100
Payments			
Property, Plant and Equipment		(58,771,164)	(53,884,937)
Net cash flows from investing activities		(58,602,349)	(53,856,837)
Cash flows from financing activities			
Receipts			
Increase in borrowing long-term		46,893,276	46,958,233
Net cash flows from financing activities		46,893,276	46,958,233
Net increase/(decrease) in cash		1,347,188	18,700,712
Cash and cash equivalents at year begin		363,029,746	344,329,042
		364,376,934	363,029,754

The accounting policies on pages 25 to 59 and the notes on pages 60 to 123 form an integral part of the Audited Financial Statements.

* See Note 46

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	
2025								
Financial performance								
Revenue by source								
Exchange revenue								
Service concession - Service charges - Electricity	1,294,850	-		1,294,850	1,721,560	426,710	32.95 %	Increase due to Eskom increases
Service concession - Service charges - Water	151,331,588	25,000,000		176,331,588	154,404,724	(21,926,864)	(12.44)%	Revenue reduced as result of surplus to be transferred to 3 Local Municipality
Service concession - Service charges - Waste Water Management	124,512	-		124,512	125,145	633	0.51 %	
Service concession - Service charges - Waste Management	2,214,482	-		2,214,482	206,779	(2,007,703)	(90.66)%	Landfill site only became operational in June 2025
Sale of goods and rendering of services	30,723,495	6,559,006		37,282,501	38,378,333	1,095,832	2.94 %	
Roads Function	192,636,250	6,000,000		198,636,250	196,925,621	(1,710,629)	(0.86)%	
Interest earned from receivables	177,987	-		177,987	360,272	182,285	102.41 %	Increase due to increase in debtor arrears

West Coast District Municipality
Audited Financial Statements for the year ended 30 June, 2025

Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Interest earned from current and non current assets	15,442,001	-		15,442,001	29,614,957	14,172,956	91.78 %	Higher interest rate than anticipated and more funding being available. Budget not adjusted during the year to include additional revenue
Rent from fixed assets	3,921,473	-		3,921,473	4,877,173	955,700	24.37 %	Increases due to more bookings made at the resort as well as tariff increase in terms of the tariff policy
Licences and permits	269,498	-		269,498	543,893	274,395	101.82 %	Variances due to higher tariff increase in terms of tariff policy and more permits issued
Operational revenue	15,772,075	-		15,772,075	15,940,177	168,102	1.07 %	
	413,908,211	37,559,006		451,467,217	443,098,634	(8,368,583)	(1.85)%	
Non-exchange revenue								
Surcharges and taxes	10,000,000	-		10,000,000	-	(10,000,000)	- %	When VAT is claimed for Roads Function it is set off against expenditure items
Fines, penalties and forfeits	-	-		-	21,132	21,132	- %	No provision made for in the Budget
Transfer and subsidies - Operational	34,969,000	(1,078,699)		33,890,301	33,247,597	(642,704)	(1.90)%	

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Fuel levy	84,274,000	-	-	84,274,000	84,274,000	-	-	-
Gains on disposal of assets	-	-	-	-	68,928	68,928	-	No provision made for in the Budget
Other gains	-	-	-	-	1,454,408	1,454,408	-	This gains refer to Actuarial gains. Budget is made to form part of Employee related costs
Total Revenue by source (excl. capital transfers and contributions)	129,243,000	(1,078,699)		128,164,301	119,066,065	(9,098,236)	(7.10)%	
	543,151,211	36,480,307		579,631,518	562,164,699	(17,466,819)	(3.01)%	
Expenditure								
Employee related cost	(269,277,461)	106,100	11,672,067	(257,499,294)	(254,974,207)	2,525,087	(0.98)%	
Remuneration of councillors	(7,988,683)	-	25,000	(7,963,683)	(7,418,758)	544,925	(6.84)%	
Inventory consumed	(97,337,625)	(6,257,143)	3,387,844	(100,206,924)	(81,113,437)	19,093,487	(19.05)%	Less inventory consumed in the year
Debt impairment	-	(5,898,925)	-	(5,898,925)	(893,092)	5,005,833	(84.86)%	Increase in Debtors arrears affecting provision to be made
Depreciation and amortisation	(11,238,001)	-	-	(11,238,001)	(13,116,801)	(1,878,800)	16.72 %	Increase in Capital Purchases for the year not budgeted
Finance charges	(12,000,000)	-	-	(12,000,000)	(10,458,048)	1,541,952	(12.85)%	Budgeted more than actual
Contracted services	(26,556,155)	(22,431,621)	(13,123,786)	(62,111,562)	(56,818,400)	5,293,162	(8.52)%	payment made

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

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Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Transfers and subsidies	(767,702)	(244,079)	343,118	(668,663)	(450,235)	218,428	(32.67)%	Less support to farmers for support to fencing of roads
Irrecoverable debts written off	(1,970,000)	(101,075)	-	(2,071,075)	(1,501,793)	569,282	(27.49)%	Less debt written off during the year
Operational costs	(113,434,868)	(22,405,993)	(2,304,243)	(138,145,104)	(127,754,093)	10,391,011	(7.52)%	
Losses on disposal of Assets	-	-	-	-	(84,843)	(84,843)	-	No provision made for in the budget
Other Losses	(1,717,167)	-	-	(1,717,167)	(1,964,890)	(247,723)	14.43 %	Actuary calculations budgeted less than actuals
Total Expenditure	(542,287,662)	(57,232,736)	-	(599,520,398)	(556,548,597)	42,971,801	(7.17)%	
Surplus	863,549	(20,752,429)	-	(19,888,880)	5,616,102	25,504,982	(128.24)%	
Transfers and subsidies - capital (monetary allocations)	-	-		-	652,335	652,335	-	Budgeted for under Operating Grants received
Surplus for the year	863,549	(20,752,429)	-	(19,888,880)	6,268,437	26,157,317	(131.52)%	

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Capital expenditure and funds sources								
Capital expenditure	10,500,000	58,299,730	-	68,799,730	59,735,980	(9,063,750)	(13.17)%	Some projects to be rolled over to new year
Transfers recognised – capital	500,000	367,565	-	867,565	652,335	(215,230)	(24.81)%	Dependent on Grants allocated and departments spending priority
Borrowings	-	43,251,336	-	43,251,336	46,501,995	3,250,659	7.52 %	Some projects to be rolled over to new year
Internally generated funds	10,000,000	14,680,829	-	24,680,829	12,118,820	(12,562,009)	(50.90)%	
	10,500,000	58,299,730	-	68,799,730	59,273,150	(9,526,580)	(13.85)%	

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Financial position								
Assets								
Current assets								
Cash and cash equivalents	310,849,048	(79,808,044)	-	231,041,004	364,376,928	133,335,924	57.71 %	Conservative forecast during the budget process and underestimate in the opening balance as well as no balance sheet budgeting with midyear adjustments
Trade and other receivables from exchange transactions	8,345,516	-	-	8,345,516	48,672,892	40,327,376	483.22 %	Combination of underestimated opening balances and increased subrogation (Landfill interest on loan due from Cederberg and Matzikama Municipality's)
Receivables from non-exchange transactions	-	-	-	-	112,771	112,771	- %	No provision made in the Budget
Current portion of non-current receivables	-	-	-	-	1,514,195	1,514,195	- %	No provision made in the Budget
Inventory	31,677,188	-	-	31,677,188	10,581,887	(21,095,301)	(66.59)%	Reduction of items to be held for future use

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

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Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
VAT	-	-	-	-	6,630,249	6,630,249	-	No provision made in the Budget
Other current assets	-	-	-	-	32,829,257	32,829,257	-	No provision made in the Budget
Total current assets	350,871,752	(79,808,044)	-	271,063,708	464,718,179	193,654,471	71.44 %	
Non-current assets								
Investment property	4,310,963	-	-	4,310,963	4,311,146	183	-	
Property, plant and equipment	242,799,078	58,799,730	-	301,598,808	188,539,605	(113,059,203)	(37.49)%	Over estimate of opening balances during the budget process and also increase in contra accounts with budget adjustments
Intangible assets	2,399,050	(500,000)	-	1,899,050	1,147,610	(751,440)	(39.57)%	Over estimate of opening balances during the budget process
Non-current receivables from non-exchange transactions	17,462,776	-	-	17,462,776	18,620,403	1,157,627	6.63 %	
Total non-current assets	266,971,867	58,299,730	-	325,271,597	212,618,764	(112,652,833)	(34.63)%	
Total assets	617,843,619	(21,508,314)	-	596,335,305	677,336,943	81,001,638	13.58 %	

West Coast District Municipality

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Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Liabilities								
Current liabilities								
Trade and other payables from exchange transactions	51,418,655	3,412,232	-	54,830,887	61,038,101	6,207,214	11.32 %	Less budgeted for the year on contra accounts and opening balance not aligned to prior year
Trade and other payables from non-exchange transactions	8,868,298	(893,717)	-	7,974,581	386,120	(7,588,461)	(95.16)%	Over estimate of opening balances during the budget process
Provision	7,000,675	-	-	7,000,675	12,913,793	5,913,118	84.46 %	Retention fee on Landfill Site brought to book not budgeted for
VAT	1	-	-	1	-	(1)	- %	Not budgeted for
Total current liabilities	67,287,629	2,518,515	-	69,806,144	74,338,014	4,531,870	6.49 %	
Non-current liabilities								
Financial liabilities	100,000,000	-	-	100,000,000	93,851,509	(6,148,491)	(6.15)%	
Other non-current liabilities	94,340,073	(274,400)	-	94,065,673	88,154,305	(5,911,368)	(6.28)%	
Total non-current liabilities	194,340,073	(274,400)	-	194,065,673	182,005,814	(12,059,859)	(6.21)%	
Total liabilities	261,627,702	2,244,115	-	263,871,817	256,343,828	(7,527,989)	(2.85)%	
Net assets	356,215,917	(23,752,429)	-	332,463,488	420,993,115	88,529,627	26.63 %	

Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Community wealth/ Equity								
Accumulated Surplus/(Deficit)	356,215,917	(20,752,429)	-	335,463,488	421,643,169	86,179,681	25.69 %	Under estimate of opening balances during the budget process as well as adjustment made during the year

West Coast District Municipality
Audited Financial Statements for the year ended 30 June, 2025

Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Cash flow								
Cash flow from operating activities								
Receipts								
Rate payers, government and other	153,956,003	25,000,000	-	178,956,003	304,668,158	125,712,155	70.25 %	Budgeted not allocated to correct criteria of revenues
Roads Function	360,113,528	6,559,006	-	366,672,534	225,760,583	(140,911,951)	(38.43)%	Budget not allocated to correct criteria of revenues
Transfers and Subsidies - Operational	34,969,000	(1,687,000)	-	33,282,000	-	(33,282,000)	- %	Allocations reflected under Cash receipts from rate payers, government and other
Interest	15,619,988	-	-	15,619,988	29,576,089	13,956,101	89.35 %	Higher interest rate than anticipated and more funding being available. Budget not adjusted during the year to include additional revenue
	564,658,519	29,872,006	-	594,530,525	560,004,830	(34,525,695)	(5.81)%	
Payments								
Suppliers and employees	(528,194,297)	(51,200,856)	-	(579,395,153)	(536,490,523)	42,904,630	(7.41)%	

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

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Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Finance charges	(12,291,355)	(350,000)	-	(12,641,355)	(10,458,049)	2,183,306	(17.27)%	Budgeted more than actual payment made
Transfers and subsidies	(767,702)	(94,079)	-	(861,781)	-	861,781	- %	
Net cash from/(used) operating activities	(541,253,354)	(51,644,935)	-	(592,898,289)	(546,948,572)	45,949,717	(7.75)%	
	23,405,165	(21,772,929)	-	1,632,236	13,056,258	11,424,022	699.90 %	
Cash flow from investing activities								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	168,815	168,815	- %	Proceeds on disposal of PPE not budgeted for
Payments								
Capital assets	(10,500,000)	(57,932,165)	-	(68,432,165)	(58,771,166)	9,660,999	(14.12)%	Some projects to be rolled over to new years as not started
Net cash from/(used) investing activities	(10,500,000)	(57,932,165)	-	(68,432,165)	(58,802,351)	9,629,814	(14.36)%	

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

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Comparison of Budget and Actual Amounts for the year ended 30 June, 2025

	Original budget	Budget adjustments	Virement	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance between Budget and Actual	Reason for the material variance
	R	R	R	R	R	R	R	R
Cash flow from financing activities								
Receipts								
Borrowing long term/refinancing	-	-	-	-	46,893,276	46,893,276	- %	Additional payment of loan not budgeted for
Net Increase/ (Decrease) in cash held	12,905,165	(79,705,094)	-	(66,799,929)	1,347,183	68,147,112	(102.02)%	
Cash/cash equivalents at the year begin:	297,943,883	-	-	297,943,883	363,029,746	65,085,863	21.85 %	Opening balance under estimated during the budget process
Cash/cash equivalents at the year end:	310,849,048	(79,705,094)	-	231,143,954	364,376,929	133,232,975	57.64 %	Under estimate of closing balance for the year

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Reportable Segments for the year ended 30 June, 2025

	Public Safety	Environmental Health	Trading Services	Sport and Recreation (Ganzekraal)	Other Municipal	Total
	R	R	R	R	R	R

For management purposes, the municipality is organised and operates in four key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the municipality are not allocated to these business units.

The four key business units comprise of:

- Public Safety;
- Environmental Health;
- Trading Services - Water Management;
- Sport and Recreation;
- Other Municipal consist of Community & Social Services, Executive & Council, Finance & Administration, Internal Audit, Other, Planning & Development and Road Transport.

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

2025

Segment revenue

External revenue from non-exchange transactions	13,681,221	13,949,000	-	-	90,564,842	118,195,063
External revenue from exchange transactions	7,191,824	531,964	166,514,196	5,525,554	233,359,865	413,123,403
Interests on investments	-	-	-	-	29,614,957	29,614,957
Interest earned from receivables	-	-	85,139	-	275,132	360,271
Gains	899	904	1,057	49,997	1,470,479	1,523,336
	20,873,944	14,481,868	166,600,392	5,575,551	355,285,275	562,817,030

Segment expenses

Total segment expenses	51,215,888	31,680,439	154,167,786	7,412,128	286,447,773	530,924,014
Depreciation, amortisation and impairment	3,918,826	213,022	3,688,794	470,896	4,825,261	13,116,799
Losses	126,025	97,219	124,435	52,817	1,649,236	2,049,732
Interest expense	-	-	10,458,049	-	-	10,458,049
	55,260,739	31,990,680	168,439,064	7,935,841	292,922,270	556,548,594
Surplus for the year	(34,386,795)	(17,508,812)	(1,838,672)	(2,360,290)	62,363,005	6,268,436

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Reportable Segments for the year ended 30 June, 2025

	Public Safety	Environmental Health	Trading Services	Sport and Recreation (Ganzekraal)	Other Municipal	Total
	R	R	R	R	R	R
2024						
Segment revenue						
External revenue from non-exchange transactions	13,066,279	13,396,500	-	-	91,840,811	118,303,590
External revenue from exchange transactions	3,008,040	474,641	143,620,887	5,514,049	255,281,375	407,898,992
Interests on investments	-	-	-	-	27,151,102	27,151,102
Interest earned from receivables	-	-	90,838	-	258,357	349,195
Gains	84	1,012	1,035,294	5,026	4,689,291	5,730,707
	16,074,403	13,872,153	144,747,019	5,519,075	379,220,936	559,433,586
Segment expenses						
Total segment expenses	50,670,376	29,668,791	141,257,577	6,639,270	304,762,227	532,998,241
Depreciation, amortisation and impairment	4,021,644	295,861	2,794,085	271,988	4,748,178	12,131,756
Losses	1,362	6,906	44,300	15,484	808,633	876,685
Interest expense	-	-	64,957	-	-	64,957
	54,693,382	29,971,558	144,160,919	6,926,742	310,319,038	546,071,639
Surplus for the year	(38,618,979)	(16,099,405)	586,100	(1,407,667)	68,901,898	13,361,947

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

Presentation of Audited Financial Statements

The audited financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These audited financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost conventions as the basis of measurement, unless specified otherwise.

In the absence of an issued and effective Standards of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraph 8,10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1. Summary of significant accounting policies

1.1 Presentation currency

These audited financial statements are presented in South African Rand, which is the functional currency of the municipality. All financial information has been rounded to the nearest Rand.

1.2 Going concern assumption

These audited financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment Property are depreciated on the straight line basis over their expected useful lives.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Initial recognition and measurement

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Investment property are depreciated on the straight line basis over the expected useful lives.

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.3 Investment property (continued)

Subsequent measurement – cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Land	Indefinite
Property - Beach Development	0 - 100 years

Derecognition/Disposal

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in the surplus or deficit when the compensation becomes receivable.

1.4 Property, plant and equipment

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

Initial recognition

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

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

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.4 Property, plant and equipment (continued)

Initial measurement

Property, plant and equipment is initially recognised at cost on its acquisition date.

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

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

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

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

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

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.4 Property, plant and equipment (continued)

Depreciation

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Property, plant and equipment under construction - This include all expenditure related directly to specific projects still in progress at period end. Incomplete construction work is stated at historical cost. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	indefinite
Infrastructure		
• Landfill site	Straight-line	20 years
Other assets		
• Buildings	Straight-line	5 - 100 years
• Other Structures	Straight-line	0 - 100 years
• Other	Straight-line	2 - 30 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

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

Derecognition

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

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

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the Cash flow statement.

1.5 Intangible assets

An asset is identifiable if it either:

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

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.5 Intangible assets (continued)

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

Initial recognition and measurement

An intangible asset is recognised when:

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

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Subsequent measurement

Intangible assets are carried at cost less accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided for on a straight line basis over their useful lives.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with the finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Intangible Assets	Straight-line	0 - 20 years

Derecognition

Intangible assets are derecognised :

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

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in the surplus or deficit when the asset is derecognised.

1.6 Financial instruments

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

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.6 Financial instruments (continued)

Initial recognition and measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any differences between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by a municipality on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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

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

1.6.1 Classification of financial instruments

Financial assets

A financial asset is:

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

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

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.6 Financial instruments (continued)

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

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

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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

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

A financial asset is past due when a counterparty has failed to make a payment when contractually due. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A residual interest is any contract that manifests an interest in the assets of an municipality after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of utilised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an municipality's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an municipality.

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

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

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

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading.
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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

Class

Other trade receivables from exchange transactions
Cash and cash equivalents
Trade receivables from exchange transactions
Other receivables from non-exchange transactions

Category - Financial Assets

Financial assets measured at amortised cost
Financial assets measured at amortised cost
Financial assets measured at amortised cost
Financial assets measured at amortised cost

West Coast District Municipality

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Accounting Policies

1.6 Financial instruments (continued)

Distribution receivable

Class

Trade and other payables from exchange transactions

Long-term liabilities

Distribution payable

Retention

Financial assets measured at amortised cost

Category - Financial Liability

Financial liability measured at amortised cost

Financial liability measured at amortised cost

Financial liability measured at amortised cost

Financial liability measured at amortised cost

Subsequent measurement for financial assets

Trade and other payables are initially measured at fair value plus transaction costs that are directly attributed to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables are initially recognised at fair value plus transaction cost that directly attributed to the acquisition and subsequently stated at amortised cost, less provision for impairment. This provision is based on a review of all outstanding amounts at year end and is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms. The amount of the provision is the effective interest rate. Bad debts are written off during the year in which they are identified. Subsequent recoveries of amounts previously written off are credited against the relevant revenue stream in the statement of financial performance.

Long-term financial liabilities are classified as financial liabilities that are measured at amortised cost.

Cash and cash equivalents includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions and are subject to an insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents comprises of cash on hand, deposits held on call with banks, investments in financial instruments and net bank overdrafts. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Initial recognition

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

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

The municipality measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value. The municipality recognises financial assets using trade date accounting. Cash and cash equivalents includes cash on hand and cash with banks.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.6 Financial instruments (continued)

1.6.2 Initial and subsequent measurement

Subsequent measurement – Financial assets and financial liabilities

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Short- term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process. The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.6 Financial instruments (continued)

1.6.3 Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost

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

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

Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.6 Financial instruments (continued)

1.6.4 Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.6 Financial instruments (continued)

Presentation

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

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

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

Distributions to holders of residual interests are recognised by the municipality directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the municipality does not offset the transferred asset and the associated liability.

1.7 Value Added Tax

The municipality accounts for Value Added Tax (VAT) on a payment basis. The municipality is liable to account for VAT at the standard rate (15%) in terms of section 7 (1) (a) of the VAT Act, in respect of supply of goods or services except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or out of scope for VAT purposes. The timing of payments to/from the South African Revenue Service is on the twenty fifth day of each of the twelve months of the financial year.

1.8 Leases

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

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

Municipality as lessee - Finance leases

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

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

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

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

Municipality as lessor - Finance leases

The municipality recognises finance lease receivables as assets on the statement of the financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.8 Leases (continued)

Municipality as lessee - Operating leases

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.

Municipality as lessor - Operating leases

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

Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

1.9 Inventories

Initial recognition and measurement

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

Subsequent measurement

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water inventory

Water inventory represent water housed in dams within the municipal area and is measured at the lower of cost, which is deemed to be fair value ,and net realisable value. In the absence of a market that trades in water outside of local government the fair value utilised to quantify water inventory is based on the unit reference value. The unit reference value is determined by a formula that is utilised in the engineering department to calculate the development cost of new water resources.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.9 Inventories (continued)

The water levels in the dams are based on cubic meter capacity taking into account the capacity of the dam, based on land surveying reports and the curve of the dam. Readings of water levels are taken at year end which is quantified at the above fair value. Water and purified effluent are measured at the lower of purified cost and net realisable value insofar as it is stored and controlled in reservoirs at year end.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. An asset that generates a commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or a cash-generating unit as a cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.11 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.11 Impairment of non-cash-generating assets (continued)

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.12 Employee benefits

Employee benefits are all forms of consideration given by an municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not related party (as defined in the Standard of GRAP on Related Party Disclosures) of reporting municipality if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

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

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

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

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality 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 employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

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

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that 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 future payments 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 employees render 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.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.12 Employee benefits (continued)**Post-employment benefits**

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

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

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.12 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting municipality) that are held by an municipality (a fund) that is legally separate from the reporting municipality and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting municipality's own creditors (even in liquidation), and cannot be returned to the reporting municipality, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting municipality; or
- the assets are returned to the reporting municipality to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The municipality account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.12 Employee benefits (continued)

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the audited financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an municipality shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.12 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs. An actuarial valuation was performed and a liability was determined as a result of the valuation. The actuarial valuation will be revised on an annual basis.

Other post retirement obligations

The municipality provides post-retirement health care benefits upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.12 Employee benefits (continued)

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.13 Provisions

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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

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

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

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

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

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

Provisions are not recognised for future operating surplus (deficit).

If a municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.13 Provisions (continued)

A constructive obligation to restructure arises only when a municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of financial performance.

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments result in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for the impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in surplus or deficit as they occur.

1.14 Revenue

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

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

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

Recognition and measurement

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

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.14 Revenue (continued)

1.14.1 Revenue from exchange transactions

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to distribution of water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption based on the consumption history, are made on a monthly basis when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is raised based on the average monthly consumption. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters are read. These adjustments are recognised as revenue in the invoicing period.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approval tariff to each property receiving services. Tariffs are determined per category of property and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to sewerage and sanitation services are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council. Revenue is recognised on a monthly basis.

Interest earned and rentals received

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

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

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Rental income from operating leases is recognised on a straight line basis over the lease term.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant services is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Commission for agency services is recognised as per the service level agreement with the municipality. The percentage calculated during a financial year are based on the total funds received from the agent.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.14 Revenue (continued)

1.14.2 Revenue from non-exchange transactions

Revenues

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

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

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

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

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

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

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

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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

Revenue from donations is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and any restrictions associated with the donation have been met.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legal procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from unconditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably. Since these grants are unconditional and there are no attached stipulations, the grants are recognised as revenue or, if the recognition criteria has been met, as assets in the reporting period in which they are received or receivable.

Revenue from conditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and to the extent that there has been compliance with any restrictions associated with the grant.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.14 Revenue (continued)

Recognition

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

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

Measurement

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

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

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

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

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood these discounts or reductions being taken up by debtors.

Gifts and Donations, including goods in-kind

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

Services in-kind

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

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

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an municipality in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.15 Borrowing costs (continued)

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected amount ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories. In certain circumstances, the amount of write down or write off is written back in accordance with the same accounting policy.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the municipality ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

The municipality used the borrowing of funds for the establishment of a Regional Landfill site for the consumers of the Matzikama and Cederberg Municipality's.

All other borrowing costs are recognised as an expense in the Statement of financial performance in the period in which they are incurred.

1.16 Principal-agent arrangements

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.16 Principal-agent arrangements (continued)

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality is the agent and recognises in the Statement of Financial Performance only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP. The revenue and expenditure of the principal is recognised in the notes.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.17 Comparative figures

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

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.18 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11 (3) of the Municipal Finance Management Act (Act No 56 of 2003), and includes:

- overspending of the total amount appropriated in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Fruitless and wasteful expenditure

Fruitless 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 year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.20 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.21 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 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. Materiality is defined as 1% of the total operating expenditure. The materiality is from management's perspective and does not correlate with the auditor's materiality.

1.22 Contingent assets and contingent liabilities

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

A contingent liability is:

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

1.23 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.23 Segment information (continued)

- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

Management uses only one measure of a segment surplus or deficit the segments assets or the segments liabilities in assessing segment performance and deciding how to allocated resources segment surplus or deficit assets and liabilities are reported in terms of that measure.

1.24 Capital Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised capital commitments, which are disclosed in note 50.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.25 Budget information

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

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts. Explanations of significant variances greater than ten percent versus the budget are also given in the Statement of Comparison of Budget and Actual amounts. Explanatory comments for the Statement of Financial Position, Statement of Financial Performance and Cashflow are provided in the Comparison of Budget and Actual.

1.26 Related parties and related party transactions

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.

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

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed. Government Departments are excluded.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.27 Service Concession arrangements

Operator

The District Municipality as an operator in the service concession arrangement recognises revenue and expenditure in relation to the service concession arrangement in accordance with its accounting policies on revenue and expenditure recognition and with reference to the contract with the grantor.

In terms of the service concession arrangement the following types of revenue are recognised:

- Recognised and measurement of the arrangement consideration;
- Construction and upgrade services;
- Operating services.

The District does not recognise the assets relating to the service concession arrangement as these are recognised in the accounting records of the grantor.

The District Municipality recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

The District Municipality recognises an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

1.28 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited / debited against accumulated surplus / deficit. Prior year adjustments relating to income and expenditure, are debited / credited against accumulated surplus when retrospective adjustments are made.

1.29 Significant judgements and estimates

The contingent liabilities, contingent assets and provisions represents managements best estimate of the municipality's exposure. The probability that an outflow of economic resources will be required to settle the obligation must be assessed and reliable estimates must be made of the amount of the obligation. Actual results may however differ from these estimates.

Management has made estimates of the selling price and direct cost to sell of certain inventory items to calculated the allowance to write down to the lower of cost or net realisable value. The write down is zero.

The present value of the post retirement obligation depends on a number of factors that are determined on a actuarial basis using a number of assumptions, which include the discount rate. Any changes in these assumptions will impact in the carrying amount of post retirement obligation.

The estimation of useful lives of assets is based on management's judgement. Any material adjustments to the estimated remaining useful lives of items of property, plant and equipment will have an impact on the carrying value of these items.

Where impairment indicators exist, the determination of the recoverable amount of assets or cash generating units require management to make assumptions to determine the fair value less cost to sell. Key assumptions on which management has based its determination of fair values less costs to sell include projected revenues, earnings multiple, capital expenditure and market share. The judgements, assumptions and methodologies used can have a material impact on the fair value and ultimately the amount of the impairment.

Where impairment indicators exist, the determination of the recoverable service amount of a non-cash generating asset requires management to make assumptions to determine the fair value less cost to sell and the value in use based on the depreciated replacement cost model. Key assumptions include the current replacement cost of non-cash generating assets and in certain instances an assumption about the commissioning date which determines the depreciated replacement cost of the non-cash generating assets.

An estimate for the impairment of receivables is made when collection of the full amount is no longer probable. The provision for doubtful debt is calculated on trade receivables only, i.e. service debtors, housing rentals and other debtors. The total impairment provision of the municipality is calculated per risk category.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.30 Events after reporting date

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

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

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

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

1.31 Statutory receivables

1.31.1 Recognition

The municipality recognises statutory receivables as follows:

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

1.31.2 Initial and subsequent measurement

The municipality initially measures statutory receivables at their transaction amount.

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

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

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the municipality applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

1.31.3 Impairment losses

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

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent;

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Accounting Policies

1.31 Statutory receivables (continued)

- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation;
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied);
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

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

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

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

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

1.31.4 Derecognition

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

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

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

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025	2024 Restated*
	R	R

2. New standards and interpretations

2.1 Standards, amendments to standards and interpretations early adopted

The municipality has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• None	N/A	None

3. Cash and cash equivalents

3.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Cash at bank		
Bank account	364,376,478	363,029,296
Cash on hand	450	450
Total cash and cash equivalents	364,376,928	363,029,746

3.2 Bank accounts

The municipality has the following bank accounts:

	Bank statement balance			Cash book balance		
Account number / description	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
Floats	450	450	450	450	450	450
Standard Bank - Primary bank account 332-32- 1681	343,707,570	332,378,401	334,405,016	345,787,790	331,608,928	335,617,604
Standard Bank - Primary bank account - 332-32- 1703	18,588,688	31,420,368	8,710,988	18,588,688	31,420,368	8,710,988
	362,296,708	363,799,219	343,116,454	364,376,928	363,029,746	344,329,042

Average rate of return on short-term investments	7.00%	7.75%
--	-------	-------

Cash and Cash equivalents includes cash-on-hand and cash in bank. No cash and cash equivalents were pledge as security for financial liabilities or any restriction were placed on any cash and cash equivalents. The fair value of the cash and cash equivalents was determined after considering the terms and conditions of the agreement entered into between the municipality and the financial institution.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R
4. Trade and other receivables from exchange transactions			
Prepayments and advances	4.1	32,405,600	60,365,048
Trading service and customer service debtors	4.2	48,672,892	24,307,132
Total Current Assets		81,078,492	84,672,180

4.1 Prepayments and advances

Prepayments and advances by Category

		-	-
Dept of Infrastructure: Roads Claim		27,722,431	56,557,395
Cost Redistribution - Salga Levy		2,638,367	2,522,545
Other payments in Advance		2,044,802	1,285,108
		32,405,600	60,365,048

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
4. Trade and other receivables from exchange transactions (continued)		
4.2 Trading service and customer service debtors		
Trade receivables from exchange transactions		
Gross balances		
Electricity	245,614	178,110
Water	20,476,651	16,264,816
Waste management	14,008,568	9,610
Waste water management	17,615	14,630
Property rental debtors	558,245	258,905
Merchandising, jobbing and contracts	8,117	2,173,521
Service charges	12,912,159	2,320,437
Water and sanitation service authority	1,968,774	3,716,863
	50,195,743	24,936,892
Less: Allowance for impairment		
Electricity	58,828	-
Water	304,813	486,961
Waste Management	2,221	-
Waste water management	3,426	-
Property rental debtors	333,531	-
Merchandising, jobbing and contracts	217	142,799
Service Charges	819,816	-
	1,522,852	629,760
Net balance		
Electricity	186,786	178,110
Water	20,171,839	15,777,855
Waste management	14,006,347	9,610
Waste water management	14,189	14,630
Property rental debtors	224,714	258,905
Merchandising, jobbing and contracts	7,900	2,030,722
Service charges	12,092,343	2,320,437
Water and sanitation service authority	1,968,774	3,716,863
	48,672,892	24,307,132
Reconciliation of allowances for impairment		
Balance at the beginning of the year	(629,760)	(623,238)
Contribution to provisions	(2,502,608)	(1,448,177)
Debt impairment written-off against provision	1,609,516	1,441,655
	(1,522,852)	(629,760)

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
4. Trade and other receivables from exchange transactions (continued)		
Age analysis per service (Net of allowance for impairment)		
Service Debtors		
(Water, electricity, sewerage and other)		
Current (0 - 30 days)	30,800,258	23,327,263
31 - 60 days	10,512,012	350,216
61 - 90 days	371,913	153,133
91 - 120 days	6,763,995	45,592
121 - 365 days	-	29,227
	48,448,178	23,905,431
Housing Rental		
Current (0 - 30 days)	117,564	223,717
31 - 60 days	52,964	168,128
61 - 90 days	52,913	98
91 - 120 days	1,273	9,758
	224,714	401,701
Summary of debtors age analysis		
Current (0 - 30 days)	30,917,822	23,550,980
31 - 60 days	10,564,976	518,344
61 - 90 days	424,826	153,231
91 - 120 days	6,765,268	55,350
120 - 365 days	-	29,227
	48,672,892	24,307,132
5. Receivables from non-exchange transactions		
Other receivables	5.1 112,771	115,371

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R																		
5. Receivables from non-exchange transactions (continued)																				
Current	112,771	115,371																		
5.1 Other receivables																				
	<table><tr><th colspan="2">2025</th><th colspan="2">2024</th></tr><tr><th>Gross</th><th>Total</th><th>Gross</th><th>Total</th></tr><tr><td>Fruitless and Wasteful Expenditure</td><td>112,771</td><td>112,771</td><td>115,371</td></tr></table>	2025		2024		Gross	Total	Gross	Total	Fruitless and Wasteful Expenditure	112,771	112,771	115,371	<table><tr><th colspan="2">2024</th></tr><tr><th>Gross</th><th>Total</th></tr><tr><td>115,371</td><td>115,371</td></tr></table>	2024		Gross	Total	115,371	115,371
2025		2024																		
Gross	Total	Gross	Total																	
Fruitless and Wasteful Expenditure	112,771	112,771	115,371																	
2024																				
Gross	Total																			
115,371	115,371																			
6. Inventory																				
Consumables	1,519,060	619,390																		
Materials and supplies	6,458,541	7,185,931																		
Water	2,604,286	2,757,463																		
Total Inventories	10,581,887	10,562,784																		
6.1 Inventory pledged as security																				
No inventory was pledge as security.																				
No inventory was written-down during the period.																				
The amount of inventory recognised as an expense is R7 018 339. (2024 : R6 408 249).																				
7. Current portion of non-current receivables																				
Other receivables																				
Employee Benefits	1,514,195	1,043,619																		
8. Operating lease receivable																				
Gross investment in lease due																				
Within 1 year	8,025	50,092																		
2 to 5 years	40,332	-																		
	48,357	50,092																		
Present value of minimum lease payments																				
Within 1 year	8,025	50,092																		
2 to 5 years	40,332	-																		
	48,357	50,092																		

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
9. Leases		
Lease payable - (Municipality as a lessee)		
The total future minimum operating lease payments payable under existing arrangements are categorised as follows:		
Within one year of the reporting date	453,503	219,331
More than one year but less than five years of the reporting date	692,850	-
	1,146,353	219,331

The municipality entered into an operating lease for the rental of photocopiers for three years with Konica Minolta which have come to an end at 30 June 2025. There is no escalation clause. The municipality has entered into a new operating lease for rental of photocopiers for three years with ITEC Tiyende which will come to an end 30 June 2028. There is no escalation clause.

The municipality entered into an operating lease for the rental for offices. The lease is between Swemmerspark Beleggings (EDMS)BPK (Site 86 Veldrift) and the municipality. The contract is for a month to month period.

An operating lease exists between G R Damp and the municipality. The contract is for a month to month period. The property involved is Swartberg, Malmesbury (Section 5 of farm 619 Malmesbury road).

The municipality entered into a operating lease for the rental of storage capacity. The lease is between Saldanhabay municipality and this municipality. The contract is for a month to month period. The property involved is erf 860 Langebaan.

The municipality entered into a operating lease for the rental of storage capacity. The lease is between Linu farms and this municipality. The contract is for a two year period. The property involved is Petersfield 455, Voortrekker Street, Citrusdal, Section Clanwilliam.

The municipality entered into a operating lease with Marcelle Ann Ellis and Jannie Nel Ellis. The contract is for a three year period. The property involved is Die Trek 28 Piketberg.

The municipality entered into a operating lease with Strassberger Investments. The contract is for a three year period. The property involved is erf 2715 Hoofweg 28A Clanwilliam.

Lease receivable - (Municipality as lessor)

The following future minimum operating lease receivable under the existing operating lease arrangement are categorised as follows:

Within one year of the reporting date	634,372	634,372
More than one year but less than five years of the reporting date	528,643	1,163,015
	1,163,015	1,797,387

The municipality entered into an operating lease as lessor with the Department of Transport and Public Works as the lessee. Lease term one commenced on 1 March 2014 and expire with option to extend on 28 February 2024 and cover a period of 10 years. The extension options was taken by the municipality for the period from 1 May 2024 to 30 May 2027 (3 years). The property involved is the Moorreesburg ambulance station situated on erf 641.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
10. Value -added-tax		
VAT Receivable/(Payable): VAT 201 return as at 30 June	1,150,820	7,110,371
VAT in suspense	5,479,429	(3,688,963)
	6,630,249	3,421,408

Vat is payable on the payment basis. Only once payment are received from debtors VAT is paid to SARS.

VAT - Roads Function

The municipality requested a legal opinion concerning the output VAT treatment of the roads funding received from the Western Cape Department of Infrastructure. The objective of the opinion or request was to confirm if the municipality must declare output vat at 15% or zero % on the funding received from the Western Cape Department of Infrastructure. At the date of these financial statements, there is still uncertainty about the obligation the municipality has, and the timing of the outflow of the economic benefits and / or service potential is also uncertain. SARS has issued a general binding ruling to District Municipality's pertaining to the treatment of VAT amongst other on the Roads Function.

GRAP 108 Statutory Receivables:

Remeasurements may result due to the fact that GRAP 108 requires the receivable to be measured at transaction price plus interest and penalties, while GRAP 104 requires measurement at amortised cost.

11. Deposits

Deposits: Eskom	375,301	336,432
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12. Investment property

12.1 Reconciliation of carrying value

Opening carrying value

Cost	5,512,774	5,512,774
Accumulated depreciation and impairment losses	(1,168,418)	(1,135,118)
	4,344,356	4,377,656
Depreciation	39 (33,210)	(33,301)
Closing carrying value	4,311,146	4,344,355

12.1.1 Significant adjustments to fair value

During the year the municipality obtained / conducted a valuation of its investment properties. To avoid the double counting of assets and liabilities this valuation was adjusted for inclusion in the audited financial statements. Presented below is a reconciliation of the adjustments made, to the valuation, to arrive at the value included in the audited financial statements:

Fair Value of Investment Property - Buildings	22,700,000	22,700,000
Fair Value of Investment Property - Land	60,000,000	60,000,000
Valuation included in the audited financial statements	82,700,000	82,700,000

The municipality owns a beach development (Ganzekraal). The property is 2332.6578 hectares and the municipality receives rental income (camping fees). A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Please refer to appendix B of Property, plant and equipment, Intangible and Investment property for detailed disclosures.

Resort income from investment property was R5 575 551 (2024:R5 452 299) as disclosed in the Appendix B1 (GFS Classification - Sport and Recreation). Please refer to note 13 for the investment property repairs and maintenance and Appendix B1 for operating expenditure (GFS Classification - Sport and Recreation) disclosure.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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12. Investment property (continued)

12.2 Investment property pledged as security

No properties was pledged as security and no restrictions in the current and prior financial period.

13. Property, plant and equipment

13.1 Summary

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	27,776,505	-	27,776,505	27,776,505	-	27,776,505
Transport Assets	52,905,433	(37,704,288)	15,201,145	47,336,510	(31,515,919)	15,820,591
Infrastructure: Electricity	3,102,709	(197,511)	2,905,198	3,430,628	(411,261)	3,019,367
Infrastructure: Water	2,672,753	(801,142)	1,871,611	1,344,098	(378,261)	965,837
Infrastructure: Waste management	93,658,830	(650,054)	93,008,776	36,681,431	-	36,681,431
Machinery and Equipment	41,588,209	(25,615,962)	15,972,247	36,450,228	(17,564,109)	18,886,119
Furniture and Office Equipment	10,379,116	(7,073,935)	3,305,181	8,539,313	(6,181,534)	2,357,779
Computer Equipment	21,070,709	(11,810,760)	9,259,949	10,253,374	(8,159,910)	2,093,464
Infrastructure: Information and Communication	1,122,305	(422,241)	700,064	833,622	(191,696)	641,926
Infrastructure: Roads, pavements, bridges	253,448	(166,077)	87,371	253,448	(132,286)	121,162
Community Assets	38,563,590	(30,326,824)	8,236,766	37,933,373	(22,840,522)	15,092,851
Other assets - Operational Buildings	21,109,440	(10,894,636)	10,214,804	45,376,376	(26,744,171)	18,632,205
Total	314,203,047	(125,663,430)	188,539,617	256,208,906	(114,119,669)	142,089,237

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

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13. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	27,776,505	-	-	-	-	27,776,505
Transport Assets	15,820,591	3,989,059	(60,848)	(1,764,816)	(2,782,842)	15,201,144
Infrastructure: Electricity	3,019,368	1,770,539	-	(1,819,926)	(64,783)	2,905,196
Infrastructure: Water	965,837	-	-	999,016	(93,241)	1,871,611
Infrastructure: Waste management	36,681,431	48,403,654	-	8,573,745	(650,054)	93,008,776
Machinery and Equipment	18,886,118	2,638,029	(58,379)	(2,453,781)	(3,039,739)	15,972,251
Furniture and Office Equipment	2,357,780	1,092,395	(15,875)	462,898	(592,020)	3,305,178
Computer Equipment	2,093,465	886,197	(5,840)	8,685,518	(2,399,399)	9,259,940
Infrastructure: Information and Communication	641,925	-	-	281,948	(223,809)	700,064
Infrastructure: Roads, pavements, bridges	121,163	-	-	(25,350)	(8,442)	87,371
Community Assets	15,092,851	-	-	(4,928,252)	(1,927,833)	8,236,766
Other assets: Operational Buildings	18,632,204	454,124	-	(8,011,000)	(860,524)	10,214,802
Total	142,089,238	59,233,997	(140,942)	-	(12,642,686)	188,539,604

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

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2024
R

13. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	27,776,505	-	-	-	-	27,776,505
Transport Assets	11,506,698	7,181,503	(13,118)	-	(2,854,492)	15,820,591
Infrastructure: Electricity	1,266,370	1,805,775	-	-	(52,778)	3,019,368
Infrastructure: Water	1,059,334	-	-	-	(93,497)	965,837
Infrastructure: Waste management	469,177	36,212,254	-	-	-	36,681,431
Machinery and Equipment	16,882,465	4,993,748	(62,502)	36,072	(2,963,665)	18,886,118
Furniture and Office Equipment	1,979,686	846,841	(8,064)	52,034	(512,718)	2,357,780
Computer Equipment	2,998,457	1,342,183	(21,025)	(88,106)	(2,138,043)	2,093,465
Infrastructure: Information and Communication	(27,753)	745,084	-	-	(75,406)	641,925
Infrastructure: Roads, pavements, bridges	129,628	-	-	-	(8,465)	121,163
Community Assets	17,025,947	-	-	-	(1,933,096)	15,092,851
Other assets: Operational Buildings	19,220,643	277,866	(6,925)	-	(859,379)	18,632,205
Total	100,287,157	53,405,254	(111,634)	-	(11,491,539)	142,089,239

Notes to the Audited Financial Statements

Figures in Rand

	2025	2024
	R	R

13. Property, plant and equipment (continued)

13.2 Property, plant and equipment & Investment property: Repairs and maintenance

In accordance with GRAP 17 paragraph 88 and 89 the municipality shall separately disclose expenditure incurred to repair and maintain property, plant and equipment in the notes to the financial statements. GRAP 16 paragraph 91(e) (ii)-(iii) relates to the repair and maintenance of Investment Property. Below are repairs and maintenance per asset class:

Repairs and maintenance per asset class	Buildings	Water Infrastructure	Transport assets	Computer equipment	Furniture and office equipment	Machinery and equipment	Investment Property	Total - 30 June 2025
Contracted services	1,125,554	2,651,592	290,286	391	-	1,716,038	241,511	6,025,372
Inventory	873,847	4,708,763	1,399,513	-	7,680	150,879	399,239	7,539,922
Operational costs	128,465	-	-	-	-	5,978	-	134,443
	2,127,866	7,360,355	1,689,799	391	7,680	1,872,895	640,750	13,699,737

The repairs and maintenance expense for the 2024/2025 year amounts to R79 854 603. R66 154 868 of the amount pertains to the cost of repairs incurred on the provincial roads in terms of a signed agreement between the Department of Infrastructure: Roads. The remaining amount of R13 699 737 pertains to repair cost incurred to the municipal assets as depicted in the note above.

Repairs and maintenance per asset class	Buildings	Water Infrastructure	Transport assets	Computer equipment	Furniture and office equipment	Machinery and equipment	Investment property	Total - 30 June 2024
Contracted services	468,672	229,707	888,070	57,865	-	8,875,110	48,324	10,567,748
Inventory	853,261	3,739,765	938,796	434	6,137	53,976	319,246	5,911,615
Operational costs	62,835	-	-	-	-	21,748	-	84,583
	1,384,768	3,969,472	1,826,866	58,299	6,137	8,950,834	367,570	16,563,946

The repairs and maintenance expense for the 2023/2024 year amounts to R113 212 004. R96 648 058 of the amount pertains to the cost of repairs incurred on the provincial roads in terms of a signed agreement between the Department of Infrastructure: Roads. The remaining amount of R16 563 946 pertains to repair cost incurred to the municipal assets as depicted in the note above.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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14. Intangible assets

14.1 Reconciliation of carrying value

2025

	Computer software	Patents, trademarks etc.	Other assets	Total
Opening carrying value as at 1 July, 2024				
Cost	6,368,890	-	-	6,368,890
Accumulated depreciation and impairment	(4,780,376)	-	(440,904)	(5,221,280)
	1,588,514	-	(440,904)	1,147,610

2024

	Computer software	Patents, trademarks etc.	Other assets	Total
Opening carrying value as at 1 July, 2023				
Cost	5,889,207	-	479,683	6,368,890
Accumulated depreciation and impairment	(4,173,460)	-	(606,916)	(4,780,376)
	1,715,747	-	(127,233)	1,588,514

The municipality is in process to move the Asset Register from a Flat file system to a web based system. Full reconciliations will be performed to ensure that the assets are aligned between all categories with this process to ensure book values are not in a negative as above.

No assets have been pledged as security and no restrictions in the current and prior financial period.

15. Non-current receivables

Other receivables

Employee benefits - Medical Aid Roads - Opening Balance		16,540,456	14,563,329
Movement during the year		2,079,947	1,977,127
Total non-current other receivables	15.1	18,620,403	16,540,456

15.1 Non-current receivables from non-exchange transactions

	2025		2024	
	Gross	Total	Gross	Total
Employee benefits - Medical Aid Roads	18,620,403	18,620,403	16,540,456	16,540,456

16. Trade and other payables from exchange transactions

Retention fees		4,698,299	-
Control and clearing accounts	16.1	786,712	581,209
Other payables	16.2	14,893,514	35,132,106
Total		20,378,525	35,713,315

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
16. Trade and other payables from exchange transactions (continued)		
16.1 Control and clearing accounts		
Disposal clearing	(125,028)	-
Medical aid control	(15,428)	(26,358)
Salary Control - Employee Related Costs	566,573	338,237
Travel control	360,595	269,330
Total	786,712	581,209
16.2 Other payables		
Payables and accruals	13,534,837	34,198,436
Unallocated deposits	-	1,250
Advance payments	1,358,677	932,420
Total	14,893,514	35,132,106

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

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Figures in Rand	2025	2024
	R	R
17. Trade and other payables from non-exchange transactions: Unspent Conditional Grants		
17.1 Unspent operational monetary allocations		
National Government Allocations		
Expanded Public Works Programme		
Receipts	1,282,000	1,242,000
Operating Expenditure	(1,282,000)	(1,242,000)
Conditions still to be met - transferred to liabilities	-	-
Strategic objective - Environmental integrity. The purpose of the grant is for community safety, sustainable land-based livelihoods, development and maintenance of buildings, health, roads and stormwater system development and maintenance of other social sector projects.		
Local Government Finance Management		
Receipts	1,000,000	1,000,000
Operating Expenditure	(1,000,000)	(1,000,000)
Conditions still to be met - transferred to liabilities	-	-
Strategic objective - Good governance and financial viability. The purpose of the grant is to support the training of municipal officials in financial management, the appointment of interns and the acquisition, upgrade and maintenance of financial management systems.		
Rural Road Asset Management		
Opening Balance	408,050	350
Receipts	2,840,000	2,718,000
Operating Expenditure	(2,840,000)	(2,310,300)
Re-payment of Unspent Grant	(408,050)	-
Conditions still to be met - transferred to liabilities	-	408,050
Strategic objective - Environmental integrity. The purpose of the grant is to develop a rural management plan within the West Coast District.		

West Coast District Municipality

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Figures in Rand

	2025 R	2024 R
17. Trade and other payables from non-exchange transactions: Unspent Conditional Grants (continued)		
Total Unspent National Government Grants	-	408,050
Provincial Government Allocations		
Community Development Workers		
Opening Balance	-	15,595
Receipts	76,000	76,000
Operating Expenditure	(76,000)	(91,595)
Conditions still to be met - transferred to liabilities	-	-
Strategic objective - Social well-being. The purpose of the grant is for the development of the community within the West Coast District.		
External Bursaries		
Opening Balance	99	99
Receipts	150,000	-
Operating Expenditure	(150,000)	-
Conditions still to be met - transferred to liabilities	99	99
Strategic objective - Good governance and financial viability. The purpose of the grant is to assist with bursaries for students within the West Coast District.		
Fire Services		
Opening Balance	514,221	-
Receipts	500,000	1,426,000
Operating Expenditure	(531,886)	-
Capital Expenditure	(482,335)	(911,778)
Conditions still to be met - transferred to liabilities	-	514,222
Strategic objective - Social well-being. The purpose of the grant is to provide fire services within the West Coast District.		

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

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	2025 R	2024 R
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17. Trade and other payables from non-exchange transactions: Unspent Conditional Grants (continued)

Graduate Programme		
Opening Balance	267,710	-
Receipts	-	400,000
Operating Expenditure	-	(132,290)
Re-payment of Unspent Grant	(267,710)	-
Conditions still to be met - transferred to liabilities	-	267,710

Strategic objective - Good governance and financial viability. The purpose of the grant is to assist the graduate internship programme within the West Coast District.

Internship: Disaster		
Receipts	200,000	200,000
Operating Expenditure	-	(200,000)
Conditions still to be met - transferred to liabilities	200,000	-

Strategic objective - Good governance and financial viability. The purpose of the grant is to provide internship within Disaster Management within the West Coast District.

Internship: Human Resources		
Receipts	200,000	200,000
Operating Expenditure	(200,000)	(200,000)
Conditions still to be met - transferred to liabilities	-	-

Strategic objective - Good governance and financial viability. The purpose of the grant is to provide internship within Human Resources within the West Coast District.

West Coast District Municipality
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Notes to the Audited Financial Statements

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	2025 R	2024 R
17. Trade and other payables from non-exchange transactions: Unspent Conditional Grants (continued)		
Water Resilience Grant		
Opening Balance	179,732	-
Receipts	600,000	2,400,000
Operating Expenditure	(164,070)	-
Capital Expenditure	(170,000)	(2,220,268)
Conditions still to be met - transferred to liabilities	445,662	179,732

Strategic objective - Essential Bulk Services. The purpose of the grant is to improve water infrastructure within the West Coast District.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

Figures in Rand

	2025 R	2024 R
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17. Trade and other payables from non-exchange transactions: Unspent Conditional Grants (continued)

WOSA - Safety Grant		
Opening Balance	467,180	661,871
Receipts	1,000,000	1,560,000
Operating Expenditure	(1,248,016)	(1,407,570)
Re-payment of Unspent Grant	(479,180)	(347,121)
Conditions still to be met - transferred to receivables	(260,016)	467,180

Strategic objective - Social well-being. The purpose of the grant is safety planning within the communities of the West Coast District.

Joint Metro Approach		
Opening Balance	-	1,000,000
Operating Expenditure	-	(1,000,000)
Conditions still to be met - transferred to liabilities	-	-

Strategic objective - Good governance and financial viability. The purpose of the grant is for joint district initiatives within the West Coast District.

Public Employment Support		
Opening Balance	149,181	849,181
Re-payment of Unspent Grant	(149,181)	(700,000)
Conditions still to be met - transferred to liabilities	-	149,181

Strategic objective - Good governance and financial viability. The purpose of the grant is to assist with the financial management within the West Coast District.

Spatial Development Framework		
Opening Balance	640	640

Strategic objective - Good governance and financial viability. The purpose of the grant is to assist with the financial management within the West Coast District.

West Coast District Municipality

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	2025 R	2024 R
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17. Trade and other payables from non-exchange transactions: Unspent Conditional Grants (continued)

Total Unspent Provincial Grants	386,385	1,578,764
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Other Allocations

Mayor's Charity Fund Opening Balance

	(265)	(265)
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Strategic objective - Good governance. Funds to assist the Mayor with projects within the West Coast District.

Total Unspent Conditional Grants

	386,120	1,986,549
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The municipality reflected all grants with a balance (receivable or payable) under this note as the Reporting to National/Provincial Treasury is yearly assessed in this regard.

18. Distribution Payable/(Receivable)

Balance at the beginning of the year	18,913,431	(318,756)
Contribution for the year	18,495,269	16,446,462
Payments to local municipality's	(18,913,431)	-
VAT Payable to / (Receivable from) local municipality's	2,774,290	2,785,725
	21,269,559	18,913,431

West Coast District Municipality (operator) is operating a water concession on behalf of the following B (local) municipality's (grantor), namely Saldanha Bay, Swartland and Bergriver. The current water concession agreement is renewed on an annual basis. The stakeholders (operator and grantor) are however busy with a Section 78 process in terms of the Local Government : Municipal System Act, 2000 (Act 32 of 2000) to decide on the future service delivery mechanism.

West Coast District Municipality as the operator of the water concession is responsible for the day to day operations of the bulk water purification works, including the maintaining of the water network. The relevant local municipality's (grantor) are responsible for capital replacement and upgrading. The only change facilitated during the financial year was the tariff structure. Cashflows are limited to the sale of water that are based on the tariff charged in terms of the agreement. Future cashflows is dependent on the Section 78 process and future agreements.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R	
19. Employee benefits				
Current employee benefits				
Medical aid benefits	19.1	3,546,871	4,141,910	
Provision for long-service awards	19.2	1,605,353	1,882,065	
Provision for bonuses		8,337,519	7,574,720	
Leave accrual	19.3	16,751,010	15,403,063	
Overtime payable		614,867	871,346	
Standby payable		985,362	888,423	
		31,840,982	30,761,527	
Non-current employee benefits				
Medical aid benefits	19.1	77,338,545	68,579,523	
Provision for long-service awards	19.2	10,815,760	10,156,941	
		88,154,305	78,736,464	
Total		119,995,287	109,497,991	
Split between current and non-current				
Current liabilities		31,840,982	30,761,527	
Non-current liabilities		77,338,545	68,579,523	
Total		109,179,527	99,341,050	
Reconciliation of short-term portion of employee benefits - 2025				
	Opening Balance	Additions	Utilised during the year	Total
Short-term portion of medical aid benefits	4,141,910	3,546,871	(4,141,910)	3,546,871
Short-term portion of long-service awards	1,882,064	1,605,352	(1,882,064)	1,605,352
Short-term portion of performance bonus	993,337	1,038,779	(993,337)	1,038,779
Short-term portion of bonus	6,581,383	7,298,740	(6,581,383)	7,298,740
	13,598,694	13,489,742	(13,598,694)	13,489,742
Reconciliation of short-term portion of employee benefits - 2024				
	Opening Balance	Additions	Utilised during the year	Total
Short-term portion of medical aid benefits	3,922,213	4,141,910	(3,922,213)	4,141,910
Short-term portion of long-service awards	2,046,498	1,882,064	(2,046,498)	1,882,064
Short-term portion of performance bonus	961,758	993,337	(961,758)	993,337
Short-term portion of bonus	5,927,232	6,581,383	(5,927,232)	6,581,383
	12,857,701	13,598,694	(12,857,701)	13,598,694

The performance bonus represents management's best estimate of the municipality's liability under performance contracts of Sec 57 employees.

The bonus represents management's best estimate of the municipality's liability to pay employees thirteenth cheque.

Refer to disclosure note 19.2 (long service awards) and note 19.1 (medical aid benefits) for detail disclosure.

19.1 Medical aid benefits

Defined benefit plan

The most recent actuarial valuation of the present value of the obligation were carried out at 30 June 2025 by One Pangaea Expertise & Solutions.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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19. Employee benefits (continued)

In-service members will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement, subject to the following conditions, a) In-service members employed on or after 1 August 2011 need a minimum of 15 years of continuous service to be eligible for the benefit, and b) Upon a member's death-in- service the surviving dependents will continue to receive a subsidy of 60%.

All continuation members and their eligible dependents receive a 70% or 100% subsidy. Upon a member's death-in- retirement the surviving dependents will continue to receive the same subsidy.

Notable benefit plan risks faced by the Municipality can be summarised as follows:

a) Inflation - Future CPI and medical aid contribution inflation can be higher than assumed and present in a uncontrolled manner. b) Longevity - Eligible members or dependents live longer than assumed. c) Volatility of open-ended, long-term defined benefit obligation - The defined benefit obligation may be volatile which is exacerbated by its long-term nature. d) Enforcement of eligibility criteria and rules - This is not strictly or consistently enforced, to the detriment of the Municipality. e) Future changes in legislation - This can increase the defined-benefit obligation for the Municipality.

The Municipality contributes to Bonitas, Keyhealth, LA Health and Samwumed medical schemes on a monthly basis.

The expected contribution and maturity analysis - The net defined benefit liability is equal to the defined benefit obligation. The plan will be fully funded from the Municipality's cash and cash equivalents. The Municipality expects to make contributions to the schemes amounting to R11 428 355 and the Road section amounting to R2 986 793. The municipality's expected obligation will amount to within one year - R4 141 910 and greater than one year - R68 580 346 and the road section within one year - R1 043 619 and greater than one year - R16 540 456.

	Number	Number
In-service members (Employees)	307	295
Continuation members (Retirees)	83	80
Total members	390	375

The liability in respect of past service has been estimated as follow:

In-service members (Employees)	43,092,021	37,097,002
Continuation members (Retirees)	37,793,395	35,624,431
Total liability	80,885,416	72,721,433

Movements in the present value of the defined benefit obligation

Opening Balance	72,721,433	72,119,789
Current service cost	2,827,886	3,001,094
Interest cost	8,600,469	8,963,095
Actual employer benefit payments	(4,042,880)	(3,923,036)
Actuarial loss/ (gain) recognised in the year	778,508	(7,439,509)
Present value of fund obligation at the end of the year	80,885,416	72,721,433

Split between current and non-current

Current liabilities	3,546,871	4,141,910
Non-current liabilities	77,338,545	68,579,523
Total liability	80,885,416	72,721,433

Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance is as follows:

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R
19. Employee benefits (continued)			
Current service cost - Included in employee related cost		2,827,886	3,001,094
Interest cost - Included in employee related cost		8,600,469	8,963,095
Actuarial loss/ (gain) recognised in the year		778,508	(7,439,509)
Total post-retirement benefit	34	12,206,863	4,524,680

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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19. Employee benefits (continued)

Key assumptions used

Assumptions used at the reporting date:

i) Rates of interest

	Rates of interest	Rates of interest
Discount rate used	11.50 %	12.17 %
CPI (Consumer price inflation)	5.40 %	6.21 %
Health care cost inflation	6.90 %	7.71 %
Net discount rate	4.30 %	4.14 %

It is the relative levels of the discount rate and health care cost inflation to one another that are important, rather than the nominal values. The assumption regarding the relative levels of these two rates is our expectation of the long-term average.

The methodology of setting the financial assumptions has been updated to be more duration specific. At the previous date, 30 June 2025 the duration of liabilities was 11.57 years. At this duration the discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 30 June 2025 is 11.50% per annum, and the yield on the inflation linked bonds of a similar term was about 5.31% per annum, implying an underlying expectation of inflation of 5.40% per annum $[(1+11.50\% - 0.5\%) / (1+5.31\%) - 1]$.

A healthcare cost inflation rate of 6.90% was assumed. This is 1.5% in excess of the expected inflation over the expected term of the liability, consistent with the previous actuary.

However, it is the relative levels of the discount rate and healthcare inflation to one another that are important, rather than the nominal values. We have thus assumed a net discount factor of 4.30% per annum $[(1+11.50\%) / (1+6.90\%) - 1]$. This year's valuation basis is therefore stronger than previous year's basis from a discount rate perspective.

The demographic and decrement assumptions were consistent in the previous and current valuation period, and are as follows:

	Active employees	Pensioners
Normal Retirement Age	65	-
Fully Accrued Age (to take account for ill-health and early retirement decrements)	63	-
Employment Age used for past service period	Actual service ages	Actual service ages
Age difference between spouses	5 years	Actual ages used
Proportion married	90% assumed married at retirement	Actual marital status
Mortality	SA85-90 (Normal)	PA (90)

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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19. Employee benefits (continued)

ii) Withdrawal rates

Assumptions have also been made on the withdrawal rates from service per 5 years of age gap and per gender.

2025

	Withdrawal rate males	Withdrawal rate females
Age band		
20 – 29	16.00 %	24.00 %
30 – 39	10.00 %	15.00 %
40 – 49	8.00 %	10.00 %
50 – 54	2.00 %	2.00 %
55 – 59	1.00 %	1.00 %
60 +	0.00 %	0.00 %

Employee benefit - roads receivable (Medical aid)

In terms of the memorandum of agreement between the Western Cape Provincial Government, Department of Infrastructure, and past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the municipality. The future claim for roads staff for post employment medical aid has therefore been recognised as a long-term debtor.

iii) Employee benefits - roads receivable (Medical aid)

Opening balance	17,584,075	17,772,801
Current service costs	909,783	823,962
Interest costs	2,077,011	2,196,784
Expected benefits paid	(1,043,619)	(1,154,918)
Actuarial Gain / (Loss)	607,348	(2,054,554)
	20,134,598	17,584,075

iv) Statement of Financial Position

Employee benefits - roads receivable (current assets)	1,514,195	1,043,619
Employee benefits - roads receivable (non-current assets)	18,620,403	16,540,456
	20,134,598	17,584,075

v) Other assumptions

Sensitivity analysis

The valuation results are sensitive to changes in the underlying assumptions. The effects of varying these assumptions are illustrated below.

As per the table below, a 1% increase in the healthcare cost inflation rate results in a 13.40% increase in the accrued liability, whilst a 1% decrease in the salary increase rate will result in a 11.13% decrease in the accrued liability. Increasing healthcare cost inflation leads to greater subsidies being paid by the municipality in respect of continuation members. This, in turn, increases the size of the accrued liability.

Inversely, a 1% increase in the discount rate results in a 10.41% decrease in the accrued liability, whilst a 1% decrease in the discount rate will result in a 12.67% increase in the accrued liability. The discount rate is inversely related to the accrued liability. An increase in the discount rate decreases the accrued liability and vice-versa.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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19. Employee benefits (continued)

Sensitivity analysis for 2025	Percentage change	1% decrease R's	Valuation basis R's	1% increase R's	Percentage change
HEALTHCARE COST					
INFLATION RATE					
Employer's accrued liability	-11.13%	71,883,163	80,885,416	91,725,688	13.40%
Service cost	-16.22%	2,555,935	3,050,815	3,670,483	20.31%
Net interest expense	-12.01%	8,003,081	9,095,167	10,281,838	13.05%
DISCOUNT RATE					
Employer's accrued liability	12.67%	91,135,443	80,885,416	72,464,701	-10.41%
Service cost	18.48%	3,614,465	3,050,815	2,601,665	-14.72%
Net interest expense	2.55%	9,326,661	9,095,167	8,832,157	-2.89%

Sensitivity analysis for 2024	Percentage change	1% decrease R's	Valuation basis R's	1% increase R's	Percentage change
HEALTHCARE COST					
INFLATION RATE					
Employers accrued liability	-11.16%	64,608,785	72,722,256	82,500,923	13.45%
Service cost	-16.27%	2,367,773	2,827,886	3,404,484	20.39%
Net interest expense	-11.47%	7,613,980	8,600,469	9,789,671	13.83%
DISCOUNT RATE					
Employer's accrued liability	12.71%	81,966,551	72,722,256	65,135,056	-10.43%
Service cost	18.57%	3,353,109	2,827,886	2,409,751	-14.79%
Net interest expense	3.79%	8,926,833	8,600,469	8,307,511	-3.41%

19.2 Provision for long-service awards

Split between current and non-current

Current liabilities	1,605,352	1,882,065
Non-current liabilities	10,815,760	10,156,941
Total liability	12,421,112	12,039,006

Long-service award

A long service award is granted to municipal employees after the completion of fixed periods of continuous service with the municipality. The provision represents an estimation of the awards to which employees in the service of the municipality at 30 June 2025 become entitled to in future, based on an actuarial valuation performed at that date.

An actuarial valuation of the present value of the obligation was done at 30 June 2025 by One Pangaea Expertise & Solutions.

The Future-service Cost for the ensuing year is estimated to be R848 549 - whereas the Interest Cost is estimated to be R1 066 023.

The expected contribution and maturity analysis - The defined benefit liability is equal to the defined benefit obligation. The plan will be fully funded from the Municipality's cash and cash equivalents. The municipality's expected obligation will amount to within one year - R1 605 352 and greater than one year - R10 815 760.

The principal assumption used for the purposes of the actuarial valuations were as follows :

• Discounted rate	-	9.18%	10.28%
• General salary inflation (long-term)	-	3.55%	4.77%
• Net effective discount rate	-	4.55%	5.77%
• Net discount rate	-	4.42%	4.26%
• Mortality	-	SA85-90	SA85-90
• Normal retirement age	-	65	65

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R
19. Employee benefits (continued)			
2025 - Details of employees eligible for long service awards are detailed below:	Active Employees	Salaries Weighted Average Age (years)	Weighted Average Past Service (years)
All employees	537	44	12
2024 - Details of employees eligible for long service awards are detailed below:	Active Employees	Salaries Weighted Average Age (years)	Weighted Average Past Service (years)
All employees	539	43	11
Amounts recognised in the statement of financial position			
The amounts recognised in the statement of financial position are as follow:			
Present value of obligations		12,421,113	12,039,006
Total benefit liability		12,421,113	12,039,006
Amounts recognised in the statement of financial performance			
The amounts recognised in the statement of financial performance are as follow:			
Current service cost - Included in employee related cost		822,588	819,239
Interest costs - Included in employee related cost		1,135,878	1,222,727
Actuarial losses / (gains) recognised		383,107	(267,214)
Total expense	34	2,341,573	1,774,752
Movements in the present value of the defined benefit obligation			
Opening Balance		12,039,005	12,282,248
Current service cost & Interest cost		1,958,466	1,774,752
Benefits paid		(1,576,358)	(2,017,994)
Closing balance		12,421,113	12,039,006
The average past service cost has increased by 1% due to the fact of an increase in the average salary and an increase in the average past service, being mostly offset by the effect of an increase in the discount rate.			
Changes in the withdrawal rate - The effect of a 1% movement in the withdrawal rates will be as follow:			
Employer's accrued liability	-1% Withdrawal rate	Valuation Assumption	+1% Withdrawal rate
Salaries increase rate	11,695,354	12,421,112	13,216,552
Discount rate	13,188,710	12,421,112	11,730,817
Employer's expense cost	-1% Withdrawal rate	Valuation Assumption	+1% Withdrawal rate
Salary increase rate	1,792,801	1,914,572	2,048,776
Discount rate	1,920,246	1,914,572	1,908,057

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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19. Employee benefits (continued)

Sensitivity analysis

The valuation results are sensitive to changes in the underlying assumptions. The effects of varying these assumptions are illustrated below.

As per the tables above, a 1% increase in the salary increase rate results in a 6.40% increase in the accrued liability, whilst a 1% decrease in the salary increase rate will result in a 5.84% decrease in the accrued liability. An increase in salary inflation increases the salaries upon which the long-service awards are based. This, in turn, leads to an increase in the accrued liability.

Inversely, a 1% increase in the discount rate results in a 5.56% decrease in the accrued liability, whilst a 1% decrease in the discount rate results in a 6.18% increase in the accrued liability. The discount rate is inversely related to the accrued liability. An increase in the discount rate decreases the accrued liability and vice-versa.

Sensitivity analysis for 2025	Percentage change	1% decrease R's	Valuation basis R's	1% increase R's	Percentage change
SALARY INFLATION RATE					
Employer's accrue liability	-5.84%	11,695,354	12,421,112	13,216,552	6.40%
Service cost	-6.55%	792,985	848,549	910,152	7.26%
Net interest expense	-6.21%	999,816	1,066,023	1,138,624	6.81%
DISCOUNT RATE					
Employer's accrued liability	6.18%	13,188,710	12,421,112	11,730,817	-5.56%
Service cost	7.00%	907,984	848,549	795,686	-6.23%
Net interest expense	-5.04%	1,012,262	1,066,023	1,112,371	4.35%

Sensitivity analysis for 2024	1% decrease R's	Valuation basis R's	1% increase R's
SALARY INCREASE RATE			
Employer's accrued liability	11,255,545	11,946,620	12,706,516
Service cost	767,292	822,588	884,157
Net interest expense	1,065,135	1,135,878	1,213,696
DISCOUNT RATE			
Employer's accrued liability	12,680,999	11,946,620	11,288,228
Service cost	882,077	822,588	769,892
Net interest expense	1,093,247	1,135,878	1,172,440

19.3 Leave accrual

Opening Balance	15,403,063	14,451,735
Reversals	2,843,245	2,177,478
Withdrawals	(1,495,298)	(1,226,150)
Closing balance	16,751,010	15,403,063

20. Borrowings

Total borrowings

Annuity and bullet loans	93,851,509	46,958,233
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21. Accumulated surplus / (deficit)

Opening Balance	420,993,114	414,724,678
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Refer to the Statement of Changes in Net Assets for more detail and the movement on Accumulated surplus.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
22. Services charges		
Service Concession - Electricity		
Consumption – Electricity	1,721,560	1,519,949
Service Concession - Water		
Water Charges	152,429,140	140,530,121
Other – Water management	1,975,585	1,886,602
Sub-total	154,404,725	142,416,723
Service Concession - Waste Water Management		
Consumption – Waste water management	125,145	115,320
Service Concession - Waste Management		
Consumption – Waste management	206,779	82,517
Total	156,458,209	144,134,509
23. Sales of goods and rendering of services		
Camping Fees	5,026,136	4,875,304
Fire Services	7,180,369	2,512,025
Housing (Boarding Services)	-	1,544
Management Fees	26,064,198	24,313,428
Sale of Goods	84,415	67,219
Scrap, Waste & Other Goods	23,216	43,035
Total	38,378,334	31,812,555
24. Roads Function		
Provincial	196,925,620	223,635,700
25. Interest earned from receivables		
Exchange receivables	25.1 360,271	349,195
25.1 Interest earned from exchange receivables		
Consumer receivables		
Service concession - Electricity	16,844	19,827
Service concession - Waste management	572	426
Service concession - Waste water management	889	663
Service concession - Water	86,408	91,868
	104,713	112,784
Other receivables		
Merchandising, jobbing and contracts	137,724	125,149
Service concession - Property rental debtors	117,834	111,262
	255,558	236,411
Total	360,271	349,195

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R
26. Interests on current and non-current assets			
Bank accounts		29,595,051	27,132,139
Short-term investments and call accounts		19,906	18,963
Total		29,614,957	27,151,102
27. Licences or permits			
Exchange revenue	27.1	543,893	441,843
27.1 Licenses and permits - Exchange revenue			
Angling/Fishing		26,841	35,141
Health certificates		517,052	406,702
Total		543,893	441,843
28. Rent from fixed assets			
Market related		4,406,343	3,531,151
Non-market related		470,829	548,933
Total		4,877,172	4,080,084
28.1 Rental by asset class			
Market related			
Property, plant and equipment		4,406,343	3,531,151
Non-market related			
Investment property		470,829	548,933
Total		4,877,172	4,080,084
29. Operational revenue			
Exchange revenue			
Administrative Handling Fees		296,783	215,652
Bad Debts Recovered		170,870	272,000
Breakages and Losses Recovered		2,994	1,461
Commission		209,757	379,534
Incidental Cash Surpluses		2	-
Insurance Refund		27,291	646,765
Merchandising, Jobbing and Contracts		15,211,915	2,249,480
Staff and Councillors Recoveries		20,565	29,406
Total		15,940,177	3,794,298
30. Fines, penalties and forfeits			
Forfeits	30.1	21,132	34,936
30.1 Forfeits			
Unclaimed money		21,132	34,936

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R
31. Transfers and subsidies - Revenue			
Operational			
Monetary allocations	31.1	33,247,596	32,069,487
Capital			
Monetary allocations	31.2	652,335	3,479,168
Total		33,899,931	35,548,655
31.1 Monetary allocations: Operational			
National governments		5,122,000	4,552,300
Provincial government		2,369,973	2,716,264
Departmental agencies and accounts		421,623	491,923
National revenue fund - Equitable Share		25,334,000	24,309,000
Total		33,247,596	32,069,487
National governments			
Expanded Public Works Programme Integrated Grant		1,282,000	1,242,000
Local Government Financial Management Grant		1,000,000	1,000,000
Rural Road Asset Management Systems Grant		2,840,000	2,310,300
		5,122,000	4,552,300
Provincial government			
Community Development Workers		76,000	91,595
External Bursaries		150,000	-
Fire Services		531,886	-
Internship: Human Resources		200,000	-
Water Resilience Grant		164,071	-
Wosa - Safety Grant		1,248,016	1,092,379
Joint Metro Approach		-	1,000,000
Graduate Programme		-	132,290
Internship: Disaster		-	200,000
Intervention Grant		-	200,000
		2,369,973	2,716,264
Departmental agencies and accounts			
Local Government, Water and Related Service SETA		421,623	491,923
31.2 Monetary allocations: Capital			
Provincial governments		652,335	3,479,168
32. Transfers and subsidies – Operational - RSC Levies Replacement			
Regional Services Council Levies Replacement Grant		84,274,000	82,720,000

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R
33. Gain/(Loss) on disposal of fixed and intangible assets			
Gains/(losses) on disposals	33.1	(15,916)	(83,533)
Fair value adjustment	33.2	(554,269)	5,556,667
Increase/(decrease) to net-realisable value of inventory		43,785	(619,112)
Total		(526,400)	4,854,022
33.1 Gains/(losses) on disposals			
Property, plant and equipment		(15,916)	(83,533)
33.2 Fair value adjustment			
Actuarial Assessments		(554,269)	5,556,667
33.3 Gains on disposal of fixed and intangible assets			
Computer equipment		2,715	1,674
Furniture and office equipment		6,619	5,832
Machinery and equipment		1,949	1,266
Transport assets		57,643	5,386
Increase to net-realisable value		847,060	159,881
		915,986	174,039
33.4 Losses on disposal of fixed and intangible assets			
Computer equipment		(4,776)	(19,769)
Furniture and office equipment		(13,258)	(5,857)
Machinery and equipment		(55,777)	(59,192)
Transport assets		(11,031)	(5,895)
Other assets		-	(6,978)
Decrease in net-realisable value		(803,275)	(778,993)
		(888,117)	(876,684)
33.5 Gains on fair value adjustments			
Actuarial Assessments: Medical		607,348	7,439,509
Actuarial Assessments: Long-service Award		-	331,096
		607,348	7,770,605
33.6 Losses on fair value adjustments			
Actuarial Assessments: Medical		(778,510)	(2,054,554)
Actuarial Assessments: Long-service Award		(383,107)	-
		(1,161,617)	(2,054,554)
34. Employee related cost			
Senior management	34.1	8,592,008	8,178,466
Municipal staff	34.2	246,382,197	234,154,964
Total		254,974,205	242,333,430

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

Figures in Rand

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34. Employee related cost (continued)

34.1 Senior management costs

2025

	Municipal manager	Chief financial officer	Director: Community Services	Director: Infrastructure Services	Total
Basic salary	1,639,750	1,887,083	1,372,502	1,263,102	6,162,437
Bonuses	350,366	393,933	393,933	286,410	1,424,642
Service-related benefits	36,250	5,310	22,568	10,186	74,314
Allowances	140,184	92,184	140,184	231,640	604,192
Bargaining council	143	131	143	144	561
Medical	40,104	-	-	-	40,104
Pension	-	-	277,435	-	277,435
Unemployment insurance	2,125	1,948	2,125	2,125	8,323
	2,208,922	2,380,589	2,208,890	1,793,607	8,592,008

2024

	Municipal manager	Chief financial officer	Director: Community Services	Director: Infrastructure Services	Total
Basic salary	1,516,064	1,771,246	1,461,495	1,037,980	5,786,785
Bonuses	337,986	374,851	374,851	392,261	1,479,949
Allowances	140,184	92,184	140,184	231,640	604,192
Bargaining council	137	137	137	136	547
Medical	36,742	-	-	-	36,742
Pension	-	-	261,751	-	261,751
Unemployment insurance	2,125	2,125	2,125	2,125	8,500
	2,033,238	2,240,543	2,240,543	1,664,142	8,178,466

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R
34. Employee related cost (continued)			
34.2 Municipal staff costs			
Basic salary		143,198,769	134,735,320
Service-related benefits		37,233,782	37,837,963
Allowances		14,932,359	13,343,665
Bargaining council		81,657	71,924
Group life insurance		3,315,647	3,039,649
Medical		12,268,575	11,389,193
Pension		24,719,236	22,523,352
Post-retirement benefit: Medical		9,485,180	10,098,361
Unemployment insurance		1,146,992	1,115,537
Total		246,382,197	234,154,964
35. Remuneration of councillors			
Executive Mayor/Mayor	35.1	1,084,591	1,005,269
Speaker	35.2	877,080	814,126
Deputy executive mayor	35.3	877,080	814,126
Executive committee	35.4	2,047,336	1,616,001
Section 79 committee chairperson	35.5	417,689	393,284
All other councillors	35.6	2,114,982	2,186,051
Total		7,418,758	6,828,857
35.1 Executive Mayor/Mayor			
Allowances and service related benefits			
Basic salary		1,037,587	962,899
Cell phone allowance		47,004	42,370
		1,084,591	1,005,269
35.2 Speaker			
Allowances and service related benefits			
Basic salary		830,076	771,756
Cell phone allowance		47,004	42,370
		877,080	814,126
35.3 Deputy executive mayor			
Allowances and service related benefits			
Basic salary		830,076	771,756
Cell phone allowance		47,004	42,370
		877,080	814,126

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
35. Remuneration of councillors (continued)		
35.4 Executive committee		
Allowances and service related benefits		
Basic salary	1,712,445	1,347,797
Cell phone allowance	91,035	54,121
Motor vehicle allowance	38,752	38,752
	1,842,232	1,440,670
Social contributions		
Medical aid benefits	32,372	59,229
Pension fund contributions	172,732	116,102
	205,104	175,331
Total	2,047,336	1,616,001
35.5 Section 79 committee chairperson		
Allowances and service related benefits		
Basic salary	338,990	344,123
Motor vehicle allowance	78,699	49,161
	417,689	393,284
35.6 Part-time councillors		
Allowances and service related benefits		
Basic salary	1,818,093	1,874,553
Cell phone allowance	236,581	242,869
Motor vehicle allowance	23,301	36,000
	2,077,975	2,153,422
Social contributions		
Pension fund contributions	37,007	32,629
Total	2,114,982	2,186,051
In kind benefits		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee members are full-time Councillors. They each are provided with an office and secretarial support at the cost of the municipality.		
The Executive Mayor has the use of a council owned vehicle for official duties.		
Certification by the Accounting Officer		
I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisage in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.		
36. Bulk purchases		
Water	18,212,960	15,147,899

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R
37. Inventory consumed			
Consumables		22,464,111	25,511,030
Materials and supplies		40,436,366	48,907,399
Total		62,900,477	74,418,429
37.1 Inventory adjustments			
Inventory		43,785	(619,112)
Consumables			
Standard Rated		1,482,120	1,606,811
Zero Rated (Fuel)		20,981,991	23,904,219
		22,464,111	25,511,030
Materials and supplies			
Materials for roads		16,561,249	24,444,386
Chemicals: Water		12,940,053	13,078,920
Vehicle spares		6,150,894	5,063,210
Other materials		4,784,170	6,320,883
		40,436,366	48,907,399
38. Debt impairment			
Trade and other receivables from exchange transactions	4	893,093	6,521
39. Depreciation and amortisation			
Amortisation			
Intangible assets	14.1	440,904	606,916
Depreciation			
Investment property	12.1	33,210	33,301
Property, plant and equipment		12,642,685	11,491,539
		12,675,895	11,524,840
Total		13,116,799	12,131,756
40. Finance charges			
40.1 Interest cost			
Borrowings			
• Annuity loans		10,458,049	64,957
41. Contracted services			
Consultants and professional services	41.1	46,637,943	53,735,696
Contractors	41.2	7,664,327	16,050,907
Outsourced services	41.3	2,516,132	1,475,523
Total		56,818,402	71,262,126

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
41. Contracted services (continued)		
41.1 Consultants and professional services		
Business advisory services		
Accounting and auditing	799,378	1,563,390
Actuaries	15,000	14,500
Air pollution	158,316	233,403
Audit committee	166,009	161,298
Business and financial management	2,333,029	979,950
Commissions and committees	25,702	-
Communications	298,559	-
Credit rating agencies	173,913	173,913
Medical examinations	346,659	255,406
Occupational health and safety	2,000	1,480
Organisational	-	8,336
Project management	42,780	(457,163)
Qualification verification	17,500	-
Quality control	655,428	1,228,704
Research and advisory	5,612,018	1,944,440
Valuer and assessors	2,183	2,059
Total business advisory services	10,648,474	6,109,716
Laboratory services		
Medical	291,569	650,591
Water	28,142	63,379
Total laboratory services	319,711	713,970
Legal services		
Legal advice and litigation	977,800	507,136
Engineering services		
Civil engineering	34,662,504	46,313,874
Electrical engineering	-	91,000
Structural engineering	23,006	-
Total engineering services	34,685,510	46,404,874
Infrastructure and planning services		
Architectural infrastructure and planning	6,448	-
Total consultants and professional services	46,637,943	53,735,696

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
41. Contracted services (continued)		
41.2 Contractors		
General services		
Artists and performers	32,410	8,087
Building	4,504	356,820
Catering services	224,895	349,542
Employee wellness	480,971	433,959
Event promoters	343,117	-
Fire services	39,500	67,103
Gardening services	49,296	-
Pest control and fumigation	19,002	12,902
Photographer	185,400	14,440
Plants, flowers and other decorations	299	1,737
Safeguard and security	884,712	944,396
Traffic and street lights	74,083	1,790,991
Transportation	2,500	12,988
Total general services	2,340,689	3,992,965
Maintenance services		
Maintenance of buildings and facilities	845,761	349,801
Maintenance of equipment	4,381,873	11,603,014
Maintenance of unspecified assets	96,004	105,127
Total maintenance services	5,323,638	12,057,942
Total contractors	7,664,327	16,050,907
41.3 Outsourced services		
Business and advisory services		
Communications	-	6,690
Occupational Health and Safety	44,013	134,377
Valuer	-	20,000
Total business and advisory services	44,013	161,067
General services		
Administrative and support staff	1,673,558	-
Burial Services	11,800	12,349
Catering Services	1,545	1,999
Fire Services	8,146	638,465
Hygiene Services	617,514	281,903
Professional Staff	3,043	159,500
Swimming Supervision	122,840	126,875
Translators, Scribes and Editors	16,900	56,400
Transport Services	4,500	-
Total general services	2,459,846	1,277,491
Trading services		
Connection/Dis-connection: Electricity	-	28,363
Electrical	12,273	8,602
Total trading services	12,273	36,965
Total outsourced services	2,516,132	1,475,523

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
42. Transfers and subsidies		
Operational		
Monetary allocations: Farmer Fencing Support	450,235	1,060,493
43. Irrecoverable debts written off		
Electricity	148,715	-
Non specific accounts	-	1,025,992
Waste management	5,486	2,494,245
Waste water management	6,247	-
Water	109,729	165,662
Non specific accounts	1,231,616	-
Total	1,501,793	3,685,899
44. Operating leases		
Furniture and Office Equipment	391,394	361,835
Investment Properties	243,966	257,983
Land	559,258	272,983
Other Assets	1,924,142	1,633,145
Total	3,118,760	2,525,946

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
45. Operational cost		
Advertising, Publicity and Marketing	1,542,017	732,168
Assets less than the Capitalisation Threshold	525,874	598,550
Bank Charges, Facility and Card Fees	145,951	183,948
Bargaining Council	2,522,544	2,469,321
Bursaries (Employees)	500,595	509,436
Cleaning Services	1,604	4,470
Communication	2,042,691	2,821,693
Courier and Delivery Services	7,023	86,546
Deeds	2,667	2,602
External Audit Fees	4,363,835	4,040,028
External Computer Service	11,018,893	10,305,920
Freight Services	271	34,605
Full Time Union Representative	235,093	176,175
Hire Charges	3,167,420	4,800,095
Insurance Underwriting	1,287,971	2,144,801
Learnerships and Internships	200,000	180,200
Levies Paid - Water Resource Management Charges	-	8,254
Licences	182,838	119,618
Management Fee	29,181,470	27,293,114
Municipal Services	55,449,480	46,981,795
Parking Fees	3,176	1,310
Professional Bodies, Membership and Subscription	28,031	62,342
Registration Fees	104,185	73,201
Resettlement Cost	6,098	38,150
Samples and Specimens	8,453	8,809
Signage	392,083	371,075
Skills Development Fund Levy	2,119,030	2,025,948
System Access and Information Fees	12,103	11,086
Travel and Subsistence	5,626,612	5,321,845
Uniform and Protective Clothing	2,442,469	2,837,282
Workmen's Compensation Fund	1,514,852	1,484,251
Total	124,635,329	115,728,660

46. Prior year error and reclassification

The municipality has changed its template in preparing the annual financial statements this financial year in accordance with the prescripts issued by National Treasury. In doing so multiple naming conventions has changed and consequently reclassifications have been passed in terms of GRAP 1 para 49. No other reclassifications took place in the current financial year.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has been in compliance with the mSCOA ever since adoption but this year it also voluntarily adopted to partially implement the NT mSCOA AFS Template, which aligns the item segment as per mSCOA to the AFS of a municipality. This did not result in the municipality changing any accounting policies, accounting estimates or the correction of prior period errors but did give rise to a process of reclassification and re-naming of items in the financial statements in terms of mSCOA item classification, as per the NT mSCOA Template. The reclassification of 2024 audited amounts is summaries in the reclassification column below.

The following restatements and adjustments occurred which are set out below:

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

46. Prior year error and reclassification (continued)

46.1 Adjustments of Statement of financial position items

2024

	Note	Previously reported	Correction of error	Re-classification	Restated
Assets					
Current assets					
Cash and cash equivalents	3	362,847,333	182,413	-	363,029,746
Trade and other receivables from exchange transactions	4	83,418,423	743,776	509,978	84,672,177
Receivables from non-exchange transactions	5	1,011,870	-	(896,499)	115,371
Inventory	6	10,562,780	-	4	10,562,784
Current portion of non-current receivables	7	1,043,619	-	-	1,043,619
Operating lease receivable	8	-	-	50,092	50,092
VAT Receivable		3,518,423	(97,015)	-	3,421,408
Deposits	11	-	-	336,432	336,432
		462,402,448	829,174	7	463,231,629
Non-current assets					
Investment property	12	4,344,356	-	(1)	4,344,355
Property, plant and equipment	13	141,684,719	404,521	4	142,089,244
Intangible assets	14	1,588,514	-	(1)	1,588,513
Non-current receivables from exchange transactions	15	16,540,456	-	-	16,540,456
		164,158,045	404,521	2	164,562,568
Total assets		626,560,493	1,233,695	9	627,794,197
Liabilities					
Current liabilities					
Employee benefits	19	13,598,694	-	17,162,833	30,761,527
Trade and other payables from exchange transactions	16	52,876,147	-	(17,162,833)	35,713,314
Trade and other payables from non-exchange transactions	17	1,986,549	-	-	1,986,549
Distribution provision	18	18,913,430	-	1	18,913,431
		87,374,820	-		87,374,821
Non-current liabilities					
Borrowings	20	46,958,233	-	-	46,958,233
Employee benefits	19	68,579,523	-	10,156,941	78,736,464
Provisions	61	10,156,941	-	(10,156,941)	-
		125,694,697	-	-	125,694,697
Total liabilities		213,069,517	-		213,069,518
Community Wealth / Equity					
Accumulated surplus	21	413,490,976	1,233,702	-	414,724,678

Correction of Error Explanations:

Cash and cash equivalents has changed to recognize revenue received in 202425 for the 202324 year for amounts paid out in the prior years as well as expenditures paid out for the prior year.

Property, plant and equipment - An amount of R501 983 for Landfill Site Capital expenditure was expended against Contracted Service instead of Capital expenditure in the prior year. An amount of R97 464 was included in the Trial Balance for the 202324 year as the balances did not reconcile to the asset register. This was however incorrect as the Trial Balance was correct and resulted in the PPE being overstated for 202324.

Recognize revenue for 202324 relating to insurance claims that was in the suspense account - R743 776. Vat of R97 015 on the the insurance claim was also recognized for 202324. Revenue was only recognized in 202425 but was subsequently reversed with this allocation.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

46. Prior year error and reclassification (continued)

Accumulated surplus - The adjustment as a result of above transaction affected the accumulated surplus for 2023/24 as well.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

46. Prior year error and reclassification (continued)

46.2 Adjustments of Statement of financial performance items

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Revenue					
Exchange revenue					
Service Concession - Services charges – Electricity	22	-	-	1,519,949	1,519,949
Service Concession - Services charges – Waste management	22	-	-	82,517	82,517
Service Concession - Services charges – Waste water management	22	-	-	115,320	115,320
Service Concession - Services charges – Water management	22	144,184,824	-	(1,768,101)	142,416,723
Interests on current and non-current assets	23	-	-	31,812,555	31,812,555
Roads Function	24	221,789,301	-	1,846,399	223,635,700
Interest earned from receivables	25	-	-	349,195	349,195
Interest earned from current and non-current assets	26	27,132,139	18,963	-	27,151,102
Licences or permits	27	406,702	-	35,141	441,843
Rent from fixed assets	28	5,452,299	-	(1,372,215)	4,080,084
Operational revenue	29	7,976,588	920,461	(5,102,751)	3,794,298
		406,941,853	939,424	27,518,009	435,399,286
Non-exchange revenue					
Fines, penalties and forfeits	30	-	-	34,936	34,936
Transfers and subsidies – Operational	31	118,268,654	-	(86,199,167)	32,069,487
Transfers and subsidies – Capital	31	-	-	3,479,168	3,479,168
Transfers and subsidies – Operational - RSC Levies Replacement	32	-	-	82,720,000	82,720,000
Operational revenue	29	657,835	-	(657,835)	-
Gains	33	5,288,048	-	442,658	5,730,706
		124,214,537	-	(180,240)	124,034,297
Total revenue		531,156,390	939,424	27,337,769	559,433,583
Expenditure					
Employee related cost	34	242,064,806	-	268,624	242,333,430
Remuneration of councillors	35	6,828,857	-	-	6,828,857
Bulk purchases	36	15,147,899	-	-	15,147,899
Inventory consumed	37	48,907,396	-	25,511,033	74,418,429
Debt impairment	38	1,448,176	-	(1,441,655)	6,521
Depreciation and amortisation	39	12,131,754	-	2	12,131,756
Finance charges	40	64,957	-	-	64,957
Contracted services	41	-	(501,983)	71,764,109	71,262,126
Transfers and subsidies	42	831,660	-	228,833	1,060,493
Irrecoverable debts written off	43	-	-	3,685,899	3,685,899
Operating leases	44	-	-	2,525,946	2,525,946
Operational cost	45	191,616,571	110,240	(75,998,172)	115,728,639
Losses	33	83,534	-	793,150	876,684
Total expenditure		519,125,610	(391,743)	27,337,769	546,071,636
Surplus for the year		12,030,780	1,331,167	-	13,361,947

Correction of Errors Explanations:

Interest earned from current and non-current assets - Interest on Deposit with Eskom not accounted for in prior year.

Operational revenue - Income received in respect of prior year expenditures refunded.

Contracted services - R501 983 allocated as operating expense instead of Capital expenditure.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

46. Prior year error and reclassification (continued)

Operational costs - No provision made for this operational expenditure in the prior year.

46.3 Adjustments of Cash flow statement items

	Note	Previously reported	Correction of error	Re-classification	Restated
Cash flows from operating activities					
Receipts					
Rate payers, government and other		276,069,873	273,697	2	276,343,572
Operational revenue		188,874,924	-	2	188,874,926
Interest		27,132,139	18,963	-	27,151,102
		492,076,936	292,660	4	492,369,600
Payments					
Suppliers and employees		(467,097,066)	391,743	(1)	(466,705,324)
Finance charges		(64,957)	-	-	(64,957)
		(467,162,023)	391,743	(1)	(466,770,281)
Net cash from(used) operating activities		24,914,913	684,403	3	25,599,319
Cash flows from investing activities					
Receipts					
Proceeds on disposal of fixed and intangible assets		28,100	-	-	28,100
Payments					
Capital assets		(53,382,954)	(501,983)	-	(53,884,937)
Net cash flows from investing activities		(53,354,854)	(501,983)	-	(53,856,837)
Cash flows from financing activities					
Receipts					
Increase in borrowing long-term		46,958,233	-	-	46,958,233
Net increase/ (decrease) in cash		18,518,292	182,420	3	18,700,715

Correction of Errors Explanations:

Operational revenue - Income received in respect of prior year expenditures refunded.

Interest earned from current and non-current assets - Interest on Deposit with Eskom not accounted for in prior year.

Operational costs - No provision made for this operational expenditure in the prior year.

Capital assets - Correction of Capital payments made to Supplier against operations.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
47. Net cash from/(used) operating activities		
Surplus for the year	6,268,436	13,361,947
Adjustments for:		
Depreciation and amortisation	13,116,801	12,131,754
Actuarial Gain/Loss	(607,348)	-
(Gains) / Losses on disposal of assets	(915,990)	83,534
Debt Impairment	893,093	188,726
Movement in employee benefit	9,943,028	1,044,132
Irrecoverable debts written off	1,501,793	-
Loss - Actuarial	1,161,617	-
Loss - Sale of PPE	888,117	-
Movement in Acc surplus	-	(19,985)
Movement in working capital		
(Increase) / Decrease in Receivables from non-exchange transactions	28,837,563	(8,024,168)
(Increase) / Decrease in Inventory	(19,103)	12,497
(Increase) / Decrease in Receivables from exchange transactions	(27,733,173)	(36,665,329)
(Decrease) / Increase VAT	(3,111,825)	10,325,454
(Increase) / Decrease in Current portion of non-current receivables	(470,576)	-
(Increase) / Decrease in Non-current receivables from exchange transaction	(2,079,947)	-
Increase / (Decrease) Distribution	-	318,756
Increase / (Decrease) in Trade and other payables	(15,334,790)	14,321,450
Increase / (Decrease) in Trade and other payables from non-exchange transactions: Unspent Conditional Grants	(1,600,429)	(392,882)
Increase / (Decrease) in Operating lease receivable	1,735	-
Increase / (Decrease) in Deposits	(38,869)	-
Increase / (Decrease) in Distribution	2,356,128	18,913,430
Net cash flows from operating activities	13,056,261	25,599,316

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
48. Unauthorised, irregular, fruitless and wasteful expenditure		
48.1 Irregular expenditure		
Opening balance as previously reported	388,525	78,120
Add: Irregular expenditure - current	2,310,787	217,609
Add: Irregular expenditure – prior period	8,397,281	205,476
Less Amount recoverable – prior period	-	(1,000)
Less: Amounts written-off – current	(1,188,271)	-
Less: Amounts written-off – prior period	(311,405)	(111,680)
Closing balance	9,596,917	388,525

Subsequent to clarity provided by National Treasury, the irregular expenditure relating to the Supply Chain Management regulation 29 has been corrected. There is no non-compliance and no irregular expenditure as the municipality applied MFMA Circular 34 - Guidelines Bid Adjudication Committees dated 28 June 2006.

Reason for Irregular expenditure	Disciplinary steps/criminal proceedings	
Incident 1 - The Supply Chain Management Regulation, paragraph 36 state the Accounting Officer may dispense with the official procurement process in certain circumstances. The reason provided by management for this deviation was found to be invalid	-	406,107
Incident 2 - During the regularity audit it was found that the municipality did not comply with the Supply Chain Management Policy which requires in paragraph 100 that the reasons for obtaining less than three quotations must be recorded and approved quarterly. Additionally, non-compliance with paragraph 101 of the policy was incurred as the reasons for not obtaining three quotes was not reported to the Chief Financial Officer within three days of the end of that specific month.	-	16,978
The municipality reported Telkom SA as irregular expenditure. The reason being that it is not a state owned entity anymore, therefore any payments from 3 December 2018 to date is regarded as irregular.	9,585,552	-
The municipality incurred direct expenditure without following the SCM process with Club Mykonos. The reason for this was to use companies in the West Coast when a workshop was held. This expenditure related to venue hire as well as accommodation.	1,026,814	-
Irregular expenditure - Quotations below R30 000 identified during audit	95,702	-
Total	10,708,068	423,085

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
48. Unauthorised, irregular, fruitless and wasteful expenditure (continued)		
48.2 Fruitless and wasteful expenditure		
Opening balance as previously reported	674,093	635,843
Add: Fruitless and wasteful expenditure – current	-	63,042
Add: Fruitless and wasteful expenditure – prior period	-	53,250
Less Amount recoverable – prior period	(2,600)	(15,000)
Less: Amounts written-off – current	-	(63,042)
Closing balance	671,493	674,093

The municipality identified no incident of fruitless and wasteful expenditure in the current financial year (Previous year one incident identified). Reasonable steps were taken by management to address the control deficiency and the responsible officials and were held accountable for any loss incurred by the municipality.

Incident

Disciplinary steps/criminal proceedings

Incident 1 - An employee's salary was not deposited into the correct bank account.

Case registered with SAPS

- 63,042

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
49. Additional disclosure in terms of Municipal Finance Management Act		
SALGA Contributions		
Current year subscription / fee	2,522,545	2,469,316
Amount paid - current year	(2,522,545)	(2,469,316)
Amount approved by the director and noted by council	-	-
Audit fees		
Current year subscription / fee	4,363,835	4,040,028
Amount paid - current year	(4,363,835)	(4,040,028)
Amount approved by the director and noted by council	-	-
PAYE, UIF and SDL		
Current year subscription / fee	41,958,305	37,304,995
Amount paid - current year	(41,958,305)	(37,304,995)
Amount approved by the director and noted by council	-	-
Pension deductions		
Current year subscription / fee	37,926,554	22,785,102
Amount paid - current year	(37,926,554)	(22,785,102)
Amount approved by the director and noted by council	-	-
Medical aid deductions		
Current year subscription / fee	25,142,278	11,425,936
Amount paid - current year	(25,142,278)	(11,425,936)
Total	-	-
Value Added Tax		
VAT receivable	6,630,249	3,421,408

VAT output payables and VAT input receivables are shown in note 10.

All VAT returns have been submitted by the due date throughout the year.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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49. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

	2025			2024		
	Outstanding less than 90 days	Outstanding more than 90 days	Total	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor	-	-	-	-	-	-

There were no councillor arrear accounts more than 90 days as at Municipal Finance Management Act (Act 56 of 2003).

Non-compliance to laws and regulations

In terms of section 65(2)(e) of the Local Government: Municipal Finance Management Act, the accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statements, unless prescribed otherwise for certain categories of expenditure. This was not done by the relevant officials as prescribed.

Distribution losses

Water distribution losses (KL)

System input	24,831,326	23,684,512
Sales	(22,101,492)	(20,777,649)
	2,729,834	2,906,863

The norm for Water losses is 10%. The losses occurred due to burst pipes and leaks from the reservoirs to the consumers. Water losses are calculated as 10.99% (2024:12.27%).

50. Capital commitments

Authorised capital expenditure:

Capital commitments are specific capital projects approved per tender and budget but still in progress at period end. The municipality has the following capital commitments for this financial period. The capital commitments are presented VAT inclusive.

Approved and contracted for:

Infrastructure - Landfill Site	-	53,822,224
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West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
51. Retirement benefit information		
The municipality provides retirement benefits for all its permanent employees through a defined contribution plan, which is subject to the Pension Fund Act, 1956 as amended. The contributions made by the municipality and the employees to the plan during the year was:		
Cape Joint Pension Fund	104,309	99,321
Cape Joint Retirement Fund	24,892,363	22,685,781
	24,996,672	22,785,102

Cape Joint Pension Fund, which is a defined multi - employer contribution fund. Contribution ratio for employees 9% and Council 18%. The above reflects the 18% Council contributes.

Multi employer funds are treated as defined contribution funds.

52. Related parties

52.1 Nature of related party relationships

The following related parties exist:

Members of key management

D C Joubert - Accounting Officer
 J J F Jomnker - Acting Chief Financial Officer
 W Markus - Director: Community Services
 A C Koch - Director: Infrastructural Services
 Ald R W Strydom - Executive Mayor
 Ald S M Crafford - Deputy Executive Mayor
 Cllr N S Louw - Speaker
 Cllr L Venter - (Mayoral committee member)
 Cllr O M Semelele (Mayoral committee member)
 Cllr M Schrader - (Mayoral committee member)
 Ald M Koen - MPAC Chairperson
 Ald E Plaatjies
 Cllr S A Gxabalashe
 Cllr P Dixon
 Cllr G Stephan
 Cllr S J Tshabalala
 Cllr A J Pool
 Cllr A N Scheepers
 Cllr I S Adams
 Cllr A Small
 Cllr Z S Komani-Nkohla
 Cllr L Mitchell
 Cllr B L Witbooi
 Cllr I S Le Minnie
 Cllr E C O' Kennedy
 Cllr D C Pypers
 Cllr Y Blaauw
 Cllr T F Waldeck
 Cllr B J Penxa

Councillors

Related parties that have been identified by the municipality are section 57 managers and councillors. These related parties are further disclosed in note 34 and note 35.

52.2 Related party transactions

Compensation to councillors - Payments to councillors are for allowances as gazetted. No other payments are made to councillors. Refer to Note 35 for remuneration of councillors.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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53. Financial instruments

53.1 Fair value of financial instruments

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the audited financial statements approximate their fair values. Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of financial position, are as follow:

		2025		2024	
		Carrying amount	Amortised cost	Carrying amount	Amortised cost
Financial assets					
Amortised cost					
Trade and other receivables from exchange transactions	4	76,395,324	76,395,324	80,864,527	80,864,527
Cash and cash equivalents	3	364,376,928	364,376,928	363,029,746	363,029,746
Total financial assets		440,772,252	440,772,252	443,894,273	443,894,273
Financial liabilities					
Amortised cost					
Secured bank facilities:					
Financial liabilities		93,851,509	93,851,509	46,958,233	46,958,233
Trade and other payables:					
Distribution provision		21,269,559	21,269,559	18,913,430	18,913,430
Trade and other payables from exchange transactions	16	13,534,840	13,534,840	34,198,437	34,198,437
Retention		4,698,299	4,698,299	-	-
		39,502,698	39,502,698	53,111,867	53,111,867
Total financial liabilities		133,354,207	133,354,207	100,070,100	100,070,100
Total financial instruments		307,418,045	307,418,045	343,824,173	343,824,173

53.2 Financial risk management objectives

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

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

53.3 Credit risk management

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

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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53. Financial instruments (continued)

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

The carrying amount of financial assets and loans represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Bank and cash balances	3	364,376,928	363,029,746
Trade and other receivables from exchange transactions	4	76,395,324	80,864,527
Maximum credit and interest risk exposure		440,772,252	443,894,273

53.4 Liquidity risk

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

The following are contractual maturities of financial liabilities, including interest payments and excludes the impact of netting agreements:

30 June, 2025

	Carrying Amount	Contractual Cash Flows	Within 1 year	2 to 5 years	5 years +
Non-derivative financial liabilities					
Distribution provision	21,269,559	21,269,559	21,269,559	-	-
Trade and other payables	13,534,840	13,534,840	13,534,840	-	-
Long-term liabilities	93,851,509	218,367,653	11,854,620	63,188,586	143,324,446
Retention	4,698,299	4,698,299	4,698,299	-	-
	133,354,207	257,870,351	51,357,318	63,188,586	143,324,446

30 June, 2024

	Carrying Amount	Contractual Cash Flows	Within 1 year	2 to 5 years	5 years +
Non-derivative financial liabilities					
Distribution provision	18,913,430	18,913,430	18,913,430	-	-
Trade and other payables	34,198,437	34,198,437	34,198,437	-	-
Long-term liabilities	46,958,233	131,931,294	5,935,521	25,945,563	100,050,210
Retention	-	-	-	-	-
	100,070,100	185,043,161	59,047,388	25,945,563	100,050,210

53.5 Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
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53. Financial instruments (continued)

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long term debtors, consumer debtors, other debtors and bank and cash balances. The municipality is exposed to interest rate risk as the municipality's borrowed funds is at a fixed interest rate. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The financial assets are based on the interest rate provided by the banks and National Treasury at the reporting date. The municipality's exposure to interest rate risk and the effective interest rates on financial instruments at reporting date are as follows:

	Within 1 Year	2 - 5 Years	More than 5 Years
Non-derivative financial assets - 2025			
Trade and other receivables (8%)	76,395,324	-	-
Cash and cash equivalents - Cash book balances (Prime less 4%)	364,376,928	-	-
	440,772,252	-	-
Non-derivative financial liabilities - 2025			
Long term liabilities	11,854,620	63,188,586	143,324,446

Sensitivity analysis

An increase of 1% in interest rates at 30 June would have increased / (decreased) financial assets and profit or loss by the amounts shown below. A decrease of 1% in interest at 30 June would have had the equal but opposite effect on the above financial instruments, on the basis that all other variables remain constant. There were no changes in the municipality's approach from the prior year.

	Statement of Financial Position	Profit or loss
Non-derivative financial assets - 2025		
Trade and other receivables	76,395,324	763,953
Cash and cash equivalents - Cash book balances	364,376,928	3,643,769
	440,772,252	4,407,722

53.6 Fair value

Due to their short maturities the fair values of all financial instruments are substantially identical to the values reflected in the Statement of Financial Position.

53.7 Receivables past due

Refer to note 38 for more information regarding the provision for impairment raised against receivables considered to be past due.

No receivables were pledged as security for liabilities and no collateral is held from any consumers.

The following service receivables are past due, but not impaired:

Electricity	186,787	34,103
Water	17,748	540,637
Sewerage	14,189	3,427
Property rentals	224,714	177,985
Refuse	8,726	-
	452,164	756,152

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
53. Financial instruments (continued)		
Past due receivables are aged as follow:		
Past due (31-60 days)	300,767	518,344
Past due (61-90 days)	79,444	153,231
Past due (91-120 days)	69,129	45,592
Past due (121-365 Days)	2,824	38,985
	452,164	756,152

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
54. Contingent assets and liabilities		
Case number 19112/2018	489,000	250,000
The municipality has a claim for breach of contract / damages against West Coast Builders CC. 2 Properties are identified to recover costs. Erf 9956 Saldanha Bay = R90 000 (Original purchase price) & Erf 15605 Vredenburg = R399 000 (Original purchase price)		
Contingent Liability: DWAF	66,029,114	-
The municipality received a request for payment from the Department of Water and Sanitation. To date no documentary evidence could be provided. The contingent liability relates to the Water Concession and not the West Coast District Municipality's main account.		
Contingent Liability: Value-Added Tax (VAT) exposure	195,882,256	-
The municipality has estimated a potential VAT exposure of R195 882 256 relating to the VAT treatment of funding received from the Provincial Department of Infrastructure for the roads function currently performed by the municipality. The estimate has been determined with reference to the applicable VAT legislation, relevant constitutional and legislative provisions, and guidance such as Binding General Ruling 74 issued by the South African Revenue Service (SARS), where applicable. In assessing the contingent liability, management considered available internal analyses, the outcome of consultations with external advisors and legal counsel, correspondence and engagements with the Auditor General of South Africa (AGSA) and SARS, and an assessment of the retrospective periods potentially affected. The disclosure reflects management's best assessment of the potential obligation at reporting date, based on the information available.		
The need for a declaratory order is demonstrated by the fact that the AGSA, the Provincial Department of Infrastructure, and the Municipality all have different interpretations on the VAT treatment of the funding received from the Department of Infrastructure. As a result, the Municipality approached the High Court, through a declaratory order, as contemplated in section 21(1)(c) of the Superior Courts Act 10 of 2013 – confirming that its interpretation of the Act to the effect that output tax is chargeable on the receipt of the appropriations at zero per cent is correct. In terms of GRAP 19.100(b), the municipality must also disclose the uncertainties that may affect the amount or timing of any potential outflow of resources arising from this contingent liability. The ultimate VAT position remains uncertain due to a number of factors, including: - the pending High Court process relating to the VAT treatment of certain transactions; - the outcome of any further rulings or clarifications that may be issued by SARS; - the interpretation and application of Binding General Ruling 74 and other relevant guidance; - constitutional and legislative considerations relating to the allocation and assignment of functions between spheres of government; and - the fact that a SARS audit of the municipality's VAT affairs is ongoing at the reporting date. These matters may result in a change in the amount and/or timing of any potential outflow of resources. At the date of approval of these annual financial statements, no final determination has been made by SARS or the courts, and it is therefore not possible to determine the exact financial impact with certainty. The disclosure above is presented objectively and neutrally, and is intended to comply with the requirements of GRAP 19 relating to contingent liabilities.		

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
55. Deviations from SCM regulations - SCM Regulation 36		
Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.		
Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the audited financial statements. The value of the award is disclosed in the financial statements.		
WJ Cotter Electrical & Electrical Control Specialist - Repairs to sewerage pump motor Ganzekraal -Exceptional case	7,619	-
FRJ Electrical & Maintenance/Electrical problems - Exceptional case and it is impractical or impossible to follow the official procurement processes.	16,028	-
Neuron Logistics CC/Supply and Install of Low power instrumentation - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	94,648	-
Maxal Projects SA (Pty)LtdService of Choline Dosing - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	7,022	-
IRRIPRO/Replacement of Valves - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	63,177	-
Xneelo/Web Hosting - Emergency	5,190	-
CNH Industrial AG and CE (Pty)Ltd Emergency Repairs to Digger loader - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	21,262	-
Adapt IT (Pty)LtdRenewal of Caseware licence for WCDM - Sole Supplier	215,142	-
First Technology/VEEAM Installation - Emergency	4,347	-
Barloworld/500hrs Service-Grader PA135163 - Sole Supplier	31,776	-
ELB Equipment Holdings/Repairs to PA13040 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	49,170	-
Tsebo Solutions /Removal of bees at Ganzekraal - Exceptional case and it is impractical or impossible to follow the official procurement processes.	6,210	-
Sheq Safety Coastal Pty Ltd/Supply and Deliver of Protective clothing - Exceptional case and it is impractical or impossible to follow the official procurement processes.	341,640	-
W J Cotter /Repair to sewerage pump motor Ganzekraal - Exceptional case and it is impractical or impossible to follow the official procurement processes.	6,591	-
Weskaap Bakwerke/Repairs to PA 18076 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	77,018	-
Switch Electrical/Attend to Electrical prob at Ganzekraal - Exceptional case and it is impractical or impossible to follow the official procurement processes.	8,563	-
Rooiheuvel Trust/Storage area for construction material Roads 2160 - Exceptional case and it is impractical or impossible to follow the official procurement processes.	95,373	-
Corporate Cellutions CC/Repair to water pipe in kitchen at Ganzekraal - Exceptional case and it is impractical or impossible to follow the official procurement processes.	15,698	-
Switch Electrical/Attend to electrical problems at Ganzekraal - Exceptional case and it is impractical or impossible to follow the official procurement processes.	3,750	-
CK Coetzee/Hire of machinery to repair road - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	21,850	-
HBC Systems/CEA10780-Nood herstel werk na ongeluk - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	2,788	-

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
55. Deviations from SCM regulations - SCM Regulation 36 (continued)		
Imesa/Annual conference of IMESA on 6-8 Nov 2024 - Exceptional case and it is impractical or impossible to follow the official procurement processes.	35,800	-
Weskus Enjin Herbouers BK /Repairs of Engine -CEA 8397 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	79,237	-
IIA Conference 30-31 Okt 2024 - Exceptional case and it is impractical or impossible to follow the official procurement processes.	8,602	-
RDB Building and Construction/Supply and delivery of Concrete materials MR 310 between N7 and Citrusdal - Emergency	897,345	-
South African Weather Service/Providing daily Weather forecast and FDI 31 Oct'24-30 Apr'25 - Sole Supplier	12,103	-
JB's Nissan /500 hrs Service of grader PA 135163 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	37,427	-
Tricom Africa/Repair to pump at Rustfontein - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	109,869	-
Ignite advisory/Compliance Module - Exceptional case and it is impractical or impossible to follow the official procurement processes.	49,197	-
Drager/Repair works to Drager breathing cylinders and valves - Sole Supplier	11,743	-
Barloworld Equipment/Supply and Fit of Injectors -PA135088 - Sole Supplier	97,785	-
World Wide Spares/Repair Gearbox -PA 180255 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	53,820	-
Jurie Wynand van Dyk -Roux &Van Dyk/Water pipe servitudes - Exceptional case and it is impractical or impossible to follow the official procurement processes.	9,797	-
Wear Check Africa/Technical Training -Oil analysis - Exceptional case and it is impractical or impossible to follow the official procurement processes.	47,641	-
Bertie Smit/Hire of crane for works at withoogte - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	8,625	-
Adapt -ITR/Caseware licence for annual financial systems year end 23"24 - Sole supplier	90,442	-
Stephen Du Plessis Grondverskuiwing/Herstel van R303 Elandskloof - Emergency	1,817,000	-
Weskaap Bakwerke/Repairs to PA 90360 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	96,976	-
Barloworld Equipment/Repairs to Grader PA135076 - Sole Supplier	16,280	-
Barloword Equipment/Repairs to Grader PA135087 - Sole Supplier	8,033	-
FT Spares (Pty)Ltd/Repairs to Grader PA135053 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	79,236	-
Stephen Du Plessis Grondverskuiwing/Emergency repairs to MR310 between N7 and Citrusdal - Emergency	11,502,944	-
Hydraberg Hydraulics/Repairs to MAN Truck PA 180255 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	48,283	-
Hydraberg Hydraulics/New water pump PA 187054 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	62,342	-
JB's Trucks/Repairs to brakes PA 180267 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	64,296	-
Xneelo/Hosting of website subscription for 12 months - Emergency	5,210	-
ITM Africa/Troubleshooting Exchange Issue - Emergency	5,100	-

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
55. Deviations from SCM regulations - SCM Regulation 36 (continued)		
Prof HH Ballard/Service rendered to students 2 day workshop - Exceptional case and it is impractical or impossible to follow the official procurement processes.	28,466	-
Stephen Du Plessis Grondverskuiwing (Pty)Ltd/Emergency repairs to Divisional road 2176 between citrusdal farms and town - Emergency	987,068	-
Barloword Equipment/Urgent repairs to grader PA 135053 - Emergency	64,104	-
Reed Exhibitions(Pty)Ltd Marketing expo at WTM Africa 2025	133,801	-
Stephen Du Plessis Grondverskuiwing (Pty)LtdRepairs to MR310 between N7 and Citrusdal - Emergency	3,952,650	-
FT Spares (Pty)Ltd Urgent repairs to grader PA 135076 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	49,224	-
Baroworld Equipment 1000 Hours service of PA 166163 - Sole Supplier	30,949	-
Barloword Equipment 1000 Hours service PA 135163 - Sole Supplier	38,323	-
Barloword Equipment/1000 Hours service PA 135167 - Sole Supplier	37,051	-
Advance energies Africa/Service to solar edge equipment at Withoogte - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	14,105	-
Microsoft Ireland Operations LTD - Software Licences - Sole Service Provider	1,279,637	-
Struass Automation &Electric /Supply and deliver of secure fencing Besaansklop - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	1,313,714	-
Thetogale Investments and Projects /Repair work on unstable section of WB High rise main supply bulk pipelin3 - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	34,701	-
Vlokskop Foundation/ Booktainer for Matzikama Municipality - Exceptional case and it is impractical or impossible to follow the official procurement processes.	400,000	-
WJ Cotter Electrical & Electronic Control Specialist/Repair sewerage pump motor Ganzekraal Resort - Exceptional case and it is impractical or impossible to follow the official procurement processes.	10,911	-
Advocate Ettienne Vermaak /Advice from labour law practitioner - Exceptional case and it is impractical or impossible to follow the official procurement processes.	15,250	-
Safenet Africa Risk assessment of abetos inventory - Exceptional case and it is impractical or impossible to follow the official procurement processes.	21,862	-
FCS Africa (Pty)Ltd Repair work on unstable section of C rise main supply pipeline - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	1,505,266	-
Startune (Pty)Ltd/Supply and deliver of protective clothing - Exceptional case and it is impractical or impossible to follow the official procurement processes.	107,240	-
CNH Industrial AE and Ce (Pty)Ltd Repair case Backhoe - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	144,645	-
WESGRO/Stand space ant travel indaba - Exceptional case and it is impractical or impossible to follow the official procurement processes.	34,000	-
Barloword Equipment/Urgent repairs to PA 135081 - Emergency	50,531	-
WJ Cotter Electrical & Electronic Control Specialist Call out for electrical repairs at Ganzekraal Resort - Exceptional case and it is impractical or impossible to follow the official procurement processes.	5,683	-
Adapt IT (Pty)LtdCaseware Support - Sole supplier	549,841	-
Nirhvana Holdings - Renovations to furniture and offices WCDM1 - Emergency	323,762	-
Caseware Adapt IT - Sole Suppliers	-	65,954
Walters Kluwer Tax and Accounting Southern Africa (Proprietary) - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	20,988
Vision Elevators - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	32,237

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
55. Deviations from SCM regulations - SCM Regulation 36 (continued)		
Stephen du Plessis Grondverskuiwing (Pty) Ltd - Emergency	-	4,000,000
Hydraberg - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	75,785
Stephen du Plessis Grondverskuiwing (Pty) Ltd - Emergency	-	11,473,001
Prof H Ballard - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	18,694
Xneelo (Pty)Ltd - Emergency	-	2,270
Indecon Instrumentation - Emergency	-	11,293
Xneelo(Pty)Ltd - Emergency	-	2,599
South African Weather Service - Sole supplier	-	11,083
Solvem Consulting - Sole Supplier	-	21,956
Eddy Current Testing SA - Emergency	-	336,628
Jaqueline's Conference and Event Planners - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	5,700
Ignite Advisory services - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	46,368
Rainbow Polyurethane - Sole supplier	-	33,344
North West University - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	88,000
Nexia SAB&T - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	37,618
Barloworld Equipment - Sole supplier	-	98,650
Bell Equipment Sales South-Africa - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	71,867
Spec Hardware - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	1,811,134
Case CE Cape - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	127,472
Paltechnologies - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	4,907,900
FRJ Electrical & Maintenance - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	21,223
Stephan Du Plessis Grondverskuiwing - Emergency	-	3,247,484
Hydraberg Hydraulics - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	228,183
Xneelo(Pty)Ltd - Emergency	-	2,610
Mowers Durbanville - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	2,390
CEA Bande - Emergency	-	6,259
Werner Zybrands - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	8,514
De Kock Panelbeaters & Spraypainters - Emergency	-	9,200
Master Airbrake Truck Services CC - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	17,365
Interactive Trading 498CC - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	23,603
Vetties waste - Emergency	-	85,273
KF Potgieter - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	7,950
FRJ Electrical & Maintenance - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	3,276
West Industries (Pty)Ltd - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	10,511
Rooiheuvel Trust - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	7,950

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
55. Deviations from SCM regulations - SCM Regulation 36 (continued)		
Argos Scientific Africa - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	9,919
Paltechnologies - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	417,795
Eskom - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	2,140
Truck & Marine Centre CC - Emergency	-	6,219
Suizer Pumps - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	108,446
Prof HH Ballard - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	35,602
CIGFARO - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	7,899
Mowers Durbanville - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	2,607
Switch Electrical Projects - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	5,957
Taylor's Automotive Services - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	4,301
Perdeberg Malmesbury - Sole supplier	-	9,128
FRJ Electrical - Sole supplier	-	8,017
Microsoft Ireland Operations Limited - Sole supplier	-	1,290,733
First Technology - Exceptional case and it is impractical or impossible to follow the official procurement processes.	-	9,174
Hasler Business systems (Pty)Ltd - Sole supplier	-	5,710
CNHI - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	9,447
Lawn Mower Meccca - Sole supplier	-	9,127
Greater Cederberg FPA - Emergency	-	12,073
Perdeberg Motors - Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	-	6,750
Total amount approved by the accounting officer and noted by council	27,482,779	28,943,376

Deviation from, and ratification of minor breaches of, the procurement processes

In terms of section 36(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the audited financial statements.

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025 R	2024 R
56. Reconciliation between budget and statement of financial performance		
Reconciliation of budget (surplus)/deficit with the (surplus)/deficit in the statement of financial performance. Please refer to Appendix B3 for more detailed disclosures.		
Net surplus per the statement of financial performance		
Adjusted for:	6,268,437	13,361,947
Exchange Revenue	-	-
Service concession - Electricity	(426,710)	(282,042)
Service concession - Water	21,926,864	7,259,744
Service concession - Waste Water Management	(633)	3,716
Service concession - Waste Management	2,007,703	1,646
Sale of Goods and Rendering of Services	(1,095,832)	(1,806,667)
Roads Function	1,710,630	19,679,300
Interest earned from Receivables	(182,285)	(171,207)
Interest earned from Current and Non-current assets	(14,172,956)	(11,709,100)
Rental from fixed assets	(955,700)	(331,067)
Licenses and permits	(274,395)	(183,975)
Operational Revenue	(168,102)	6,697,453
Non-Exchange Revenue	-	-
Surcharge and taxes	10,000,000	11,000,000
Fines, penalties and forfeits	(21,132)	(34,936)
Transfers recognised - Operational	642,704	(148,893)
Transfers recognised - Capital	(652,335)	746,833
Gains on disposal of Assets	(68,928)	(14,157)
Other Gains	(1,454,408)	(5,716,549)
Expenditure by Type	-	-
Employee Related costs	(2,525,087)	(6,278,831)
Remuneration of Councillors	(544,925)	(766,502)
Inventory	(19,093,488)	(26,273,203)
Debt Impairment	(5,005,833)	-
Depreciation and amortisation	1,878,800	893,753
Finance Charges	(1,541,952)	(9,535,043)
Contracted services	(5,293,162)	(10,682,547)
Transfer and subsidies	(218,428)	(333,964)
Irrecoverable debts written-off	(569,282)	1,722,421
Operational costs	(10,391,011)	4,364,034
Losses on Disposal of Assets	84,843	97,691
Other Losses	247,723	(948,467)
	(19,888,880)	(9,388,612)

57. Change in accounting estimate

The following change in estimate amounting to R794 956 in the current year and (2024: R265 987) was made to depreciation of assets with zero book values but still in use reported in the financial statements of the municipality and is applied prospectively. The effect on future periods are not disclosed because it is impracticable. Refer to Appendix B for detailed disclosure.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

2025
R

2024
R

58. Budget differences

Explanation of variances between approved and final budget amounts

The budget has been prepared on the accrual basis of accounting in accordance with the prescripts of the Municipal budget regulations as well as MFMA budget circulars. In accordance with the Municipal budget regulations, the classification basis the municipality presents its budget is per economic as well as per functional classification (per Vote (Department) and GFS classification). It should be noted that minor budget differences between the basis the budget is prepared (accrual basis and prescripts of NT guidance) and actual financial results (accrual basis in accordance with GRAP) exists, mainly related to technical GRAP adjustments required. These differences are not material and as the basis of preparation is the same (accrual basis) no restatements have been made to the financial information compared to the budgeted amounts, but where found to be material is explained below:

58.1. Statement of financial position

Refer to reasons provided for on the Statement of Comparison of Budget vs Actual amounts for the year. Page 16 to 19.

58.2. Statement of financial performance

Refer to reasons provided for on the Statement of Comparison of Budget vs Actual amounts for the year. Page 11 to 14.

Statement of cash flow

Refer to reasons provided for on the Statement of Comparison of Budget vs Actual amounts for the year. Page 20 to 22.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025	2024
	R	R

59. Awards to close family members - SCM Regulation 45

Awards to close family members of persons in the service of other state departments and entities (not listed above)

In terms of the Supply Chain Regulations No 27636 - 30 May 2005 Section 45 the municipality is allowed to make awards to close family members of persons in the service of the state, or who have been in the service of the state in the previous twelve months. As per the reporting period the municipality made the following awards:

	2025	2024
Supplier name	Capacity	Department
Euraf Agencies CC	Mrs R Fourie	Department of Health
Planscape Urban Planners	Mrs H Langenhoven	West Coast District Municipality
West Coast Radio 92.3 FM	Mr F Julius	WC Department of Education
Adapt IT	Mr D Mbambo	Sanral
Cape Truck & Van (Pty) Ltd	Mrs T Dukwe	City of Cape Town
	Mbambo	
Ducharme Asset Management & Accounting (Pty) Ltd	Mrs L Mbekeni	Dept of Rural Development and Land Reform
Piston Power Chemicals CC	Mrs N Andhee	KZN Department of Education
Blackbird Trading CC	Mrs M Smit	Swartland Municipality
African Oxygen limited	Nomfundo Qanguins, C Wells K Mokhele N Thompson	Gosga Development Corporation
Global Credit Rating Co	Mr M Ngossheng	Gosga Development Corporation
Golden Rewards 1873CC	Mr R de Jager	WC Department of Education
Ithuba Industries	Mrs De Monrey	Sir Lowrys Pass Primary
Bubbles Household Chemicals	C Pieters	City of Cape Town
Koos Smit	M Smit	Swartland Municipality
Indecon Instrumentation	Mrs L Barnard	Schoonspruit Secondary School
Dinah Traders	Mr N Hendricks	WC Department of Education
	2,212,090	4,997,415

60. Events after the reporting date

No event after reporting date.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

		2025 R	2024 R
61. Provisions (current and non-current)			
Rehabilitation Provision - Landfill Sites	61.1	462,829	-
61.1 Rehabilitation Provision - Landfill Sites			
Additional provisions raised		462,829	-
Split between current and non-current			
Current		462,829	-

There is no current portion associated with this provision as the municipality does not intend to rehabilitate the landfill site in the next financial year. The site only became operational during June 2025.

The total obligation at year-end can be attributed to the following site:

Location	Expected Decommissioning Date	Post closure monitoring date		
West Coast Regional Landfill	2080		375,315	-
Post Monitoring and Inspection			87,514	-
			462,829	-

Time value of money (discounting) is considered to be material. The discount rate is the rate associated with a liability of a similar risk and maturity as the provision. Due to the long-term nature of this provision, which is estimated to be settled in 2080, the Long-term Government Bond Yield as published by the Reserve Bank is deemed to be both an appropriate assessment of current markets as well as the timeframes linked to the expected cash flow associated with the liability. The discount rate used was stated as 10.60%.

Estimated area to be rehabilitated (m²)

West Coast Regional Landfill	4,540	-
The cost of rehabilitation per square meter is based on the current cost of construction at each reporting period. The cost per square meter for West Coast Regional Site is (R/m²):		
West Coast Regional Landfill	1,037	-

Based on current cost of construction (ie before any discounting due to time value of money) at each reporting period, the following rehabilitation estimates could be attributed to the site:

West Coast Regional Landfill	4,709,741	-
Total	4,709,741	-

Environmental Specialists were utilised to determine the current cost of rehabilitation of landfill site.

The post monitoring and inspection cost is estimated to occur for a period of 30 years subsequent to the decommissioning date of the facility. The West Coast Regional Landfill is expected to be decommissioned in 2080. The post monitoring and inspection cost is expected to be incurred over the period ranging from 2081 to 2110.

West Coast District Municipality

Audited Financial Statements for the year ended 30 June, 2025

Notes to the Audited Financial Statements

	2025	2024
	R	R

62. Going concern

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

West Coast District Municipality
Appendix A
Schedule of external loans as at 30 June, 2025

External Loans	Interest Rate	Loan Number	Redeemable Date	Balance at 30 June, 2024	Received during the period	Capitalised during the period	Redeemed/ written off during the period	Balance at 30 June, 2025
	%			Rand	Rand	Rand	Rand	Rand
Annuity and other loans								
Landfill Site	12.640 %	1	30/06/2044	46,958,233	46,893,276	-	-	93,851,509
	- %			-	-	-	-	-
				46,958,233	46,893,276	-	-	93,851,509

West Coast District Municipality
Appendix B

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2025

ASSET CATEGORY	COST				ACCUMULATED DEPRECIATION				Carry Value		
	Opening Bal.	Additions	Disposals	Transfers	Closing Bal.	Opening Bal.	Additions	Disposals		Transfers	Closing Bal.
Intangible assets	6,368,890				6,368,890	-4,780,376	-440,904			-5,221,280	1,147,610
Investment property	5,512,774				5,512,774	-1,168,418	-33,210			-1,201,628	4,311,146
PPE - Land	27,776,505				27,776,505						27,776,505
PPE - Transport assets	47,336,509	3,989,059	-602,964	2,182,828	52,905,432	-31,515,918	-2,782,842	542,116	-3,947,644	-37,704,288	15,201,144
PPE - Infrastructure: Electricity	3,430,628	1,770,539		-2,098,458	3,102,709	-411,260	-64,784		278,532	-197,512	2,905,196
PPE - Infrastructure: Water	1,344,098			1,328,655	2,672,753	-378,261	-93,242		-329,639	-801,142	1,871,611
PPE - Infrastructure: Waste management	36,681,431	48,403,654		8,573,745	93,658,830		-650,054			-650,054	93,008,776
PPE - Infrastructure: Network and Communication	833,621			288,683	1,122,304	-191,696	-223,809		-6,735	-422,240	700,064
PPE - Infrastructure: Roads, pavements, bridges	253,448				253,448	-132,285	-8,442		-25,350	-166,077	87,371
PPE - Machinery and equipment	36,450,226	2,638,029	-208,333	2,708,290	41,588,211	-17,564,108	-3,039,736	149,955	-5,162,071	-25,615,960	15,972,251
PPE - Furniture and office equipment	8,539,313	1,092,395	-246,803	994,208	10,379,113	-6,181,532	-592,020	230,928	-531,310	-7,073,935	3,305,178
PPE - Computer equipment	10,253,373	886,197	-226,508	10,157,644	21,070,705	-8,159,908	-2,399,400	220,668	-1,472,125	-11,810,765	9,259,940
PPE - Community assets	37,933,373			630,217	38,563,589	-22,840,522	-1,927,833		-5,558,469	-30,326,823	8,236,766
PPE - Other assets	45,376,376	454,124		-24,721,060	21,109,440	-26,744,172	-860,526		16,710,059	-10,894,639	10,214,802
TOTAL	268,090,565	59,233,997	-1,284,609	44,753	326,084,705	-120,068,457	-13,116,801	1,143,666	-44,753	-132,086,344	193,998,361

West Coast District Municipality
Appendix B

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2024

ASSET CATEGORY	COST				ACCUMULATED DEPRECIATION				Carry Value		
	Opening Bal.	Additions	Disposals	Transfers	Closing Bal.	Opening Bal.	Additions	Disposals		Transfers	Closing Bal.
Intangible assets	5,889,207	479,683			6,368,890	-4,173,460	-606,916			-4,780,376	1,588,514
Investment property	5,512,774				5,512,774	-1,135,117	-33,301			-1,168,418	4,344,356
PPE - Land	27,776,505				27,776,505				0		27,776,505
PPE - Transport assets	40,286,177	7,181,503	-131,171		47,336,509	-28,779,479	-2,854,492	118,053		-31,515,918	15,820,591
PPE - Infrastructure: Electricity	1,624,853	1,805,775			3,430,628	-358,482	-52,778			-411,260	3,019,368
PPE - Infrastructure: Water	1,344,098				1,344,098	-284,765	-93,496			-378,261	965,837
PPE - Infrastructure: Waste management	469,177	36,212,254			36,681,431				0		36,681,431
PPE - Infrastructure: Network and Communication	88,538	745,084			833,621	-116,290	-75,406			-191,696	641,925
PPE - Infrastructure: Roads, pavements, bridges	253,448				253,448	-123,820	-8,465			-132,285	121,163
PPE - Machinery and equipment	31,567,914	4,993,748	-147,508	36,072	36,450,226	-14,685,449	-2,963,665	85,006		-17,564,108	18,886,118
PPE - Furniture and office equipment	7,854,736	846,841	-214,298	52,034	8,539,313	-5,875,050	-512,717	206,234		-6,181,532	2,357,780
PPE - Computer equipment	9,223,391	1,342,183	-224,095	-88,106	10,253,373	-6,224,934	-2,138,043	203,069		-8,159,908	2,093,465
PPE - Community assets	37,933,373				37,933,373	-20,907,426	-1,933,096			-22,840,522	15,092,851
PPE - Other assets	45,109,801	277,866	-11,291		45,376,376	-25,889,158	-859,381	4,366		-26,744,172	18,632,204
TOTAL	214,933,991	53,884,937	-728,363	0	268,090,565	-108,553,431	-12,131,754	616,728	0	-120,068,457	148,022,108

West Coast District Municipality

Appendix B1

Reconciliation of Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)

2024/2025

Description	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjustments budget	Shifting of funds (i.t.o. MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Revenue - Standard											
Governance and administration	149,671,015	(2,033,915)	147,637,100	-	-	147,637,100	154,230,109	-	6,593,009	104 %	103 %
Executive and council	1,622,000	(622,000)	1,000,000	-	-	1,000,000	1,248,352	-	248,352	125 %	77 %
Finance and administration	148,049,015	(1,411,915)	146,637,100	-	-	146,637,100	152,981,688	-	6,344,588	104 %	103 %
Internal audit	-	-	-	-	-	-	69	-	69	- %	- %
Community and public safety	32,222,354	7,514,222	39,736,576	-	-	39,736,576	41,487,315	-	1,750,739	104 %	129 %
Community and social services	-	1,000,000	1,000,000	-	-	1,000,000	555,950	-	(444,050)	56 %	- %
Sport and recreation	4,713,065	4,713,065	4,713,065	-	-	4,713,065	5,575,551	-	862,486	118 %	118 %
Public safety	13,317,000	6,514,222	19,831,222	-	-	19,831,222	20,873,946	-	1,042,724	105 %	157 %
Housing	-	-	-	-	-	-	-	-	-	- %	- %
Health	14,192,289	-	14,192,289	-	-	14,192,289	14,481,868	-	289,579	102 %	102 %
Economic and environmental services	195,873,250	6,000,000	201,873,250	-	-	201,873,250	200,499,085	-	(1,374,165)	99 %	102 %
Planning and development	361,000	-	361,000	-	-	361,000	76,183	-	(284,817)	21 %	21 %
Road transport	195,512,250	6,000,000	201,512,250	-	-	201,512,250	200,422,902	-	(1,089,348)	99 %	103 %
Environmental protection	-	-	-	-	-	-	-	-	-	- %	- %
Trading services	165,384,592	25,000,000	190,384,592	-	-	190,384,592	166,600,391	-	(23,784,201)	88 %	101 %
Energy sources	-	-	-	-	-	-	-	-	-	- %	- %
Water management	151,258,144	25,000,000	176,258,144	-	-	176,258,144	154,352,105	-	(21,906,039)	88 %	102 %
Waste water management	-	-	-	-	-	-	-	-	-	- %	- %
Waste management	14,126,448	-	14,126,448	-	-	14,126,448	12,248,286	-	(1,878,162)	87 %	87 %
Other	-	-	-	-	-	-	134	-	134	- %	- %
Other	-	-	-	-	-	-	134	-	134	- %	- %
Total Revenue - Standard	543,151,211	36,480,307	579,631,518	-	-	579,631,518	562,817,034	-	(16,814,484)	97 %	104 %
Expenditure - Standard											
Governance and administration	76,521,767	17,319,922	93,841,689	-	-	93,841,689	77,468,057	-	(16,373,632)	83 %	101 %
Executive and council	17,361,213	342,558	17,703,771	-	-	17,703,771	17,300,069	-	(403,702)	98 %	100 %
Finance and administration	56,414,441	16,198,364	72,612,805	-	-	72,612,805	57,380,060	-	(15,232,745)	79 %	102 %
Internal audit	2,746,113	779,000	3,525,113	-	-	3,525,113	2,787,928	-	(737,185)	79 %	102 %
Community and public safety	91,691,832	8,671,414	100,363,246	-	-	100,363,246	99,563,658	-	(799,588)	99 %	109 %
Community and social services	3,653,979	1,112,435	4,766,414	-	-	4,766,414	4,376,401	-	(390,013)	92 %	120 %
Sport and recreation	8,041,762	500,000	8,541,762	-	-	8,541,762	7,935,842	-	(605,920)	93 %	99 %
Public safety	47,488,626	7,058,979	54,547,605	-	-	54,547,605	55,260,737	-	713,132	101 %	116 %
Housing	-	-	-	-	-	-	-	-	-	- %	- %
Health	32,507,485	-	32,507,485	-	-	32,507,485	31,990,678	-	(516,807)	98 %	98 %
Economic and environmental services	205,526,495	5,932,700	211,459,195	-	-	211,459,195	208,406,875	-	(3,052,320)	99 %	101 %
Planning and development	10,014,244	(67,300)	9,946,944	-	-	9,946,944	7,978,244	-	(1,968,700)	80 %	80 %
Road transport	195,512,251	6,000,000	201,512,251	-	-	201,512,251	200,428,631	-	(1,083,620)	99 %	103 %
Environmental protection	-	-	-	-	-	-	-	-	-	- %	- %
Trading services	165,202,878	25,308,700	190,511,578	-	-	190,511,578	168,439,063	-	(22,072,515)	88 %	102 %
Energy sources	-	-	-	-	-	-	-	-	-	- %	- %
Water management	151,072,260	25,308,700	176,380,960	-	-	176,380,960	155,657,402	-	(20,723,558)	88 %	103 %
Waste water management	-	-	-	-	-	-	-	-	-	- %	- %
Waste management	14,130,618	-	14,130,618	-	-	14,130,618	12,781,661	-	(1,348,957)	90 %	90 %
Other	3,344,690	-	3,344,690	-	-	3,344,690	2,670,944	-	(673,746)	80 %	80 %

West Coast District Municipality

Appendix B1

Reconciliation of Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)

2024/2025

Description	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Other	3,344,690	-	3,344,690	-	-	3,344,690	2,670,944	-	(673,746)	80 %	80 %
Total Expenditure - Standard	542,287,662	57,232,736	599,520,398	-	-	599,520,398	556,548,597	-	(42,971,801)	93 %	103 %
Surplus/(Deficit) for the year	863,549	(20,752,429)	(19,888,880)	-	-	(19,888,880)	6,268,437	-	26,157,317	(32)%	726 %

**West Coast District Municipality
Appendix B2**

Reconciliation of Budgeted Financial Performance (Revenue and expenditure by Municipal Vote)

2024/2025

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Adjusted Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Adjustments (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Revenue by Vote											
Vote 1 - EXECUTIVE AND COUNCIL	1,842,878	(377,921)	1,464,957	-	-	1,464,957	1,953,484	-	488,507	133 %	106 %
Vote 2 - FINANCE	147,162,359	(1,655,994)	145,506,365	-	-	145,506,365	151,207,249	-	5,700,884	104 %	103 %
Vote 3 - ADMINISTRATION	27,683,289	7,514,222	35,207,511	-	-	35,207,511	36,000,885	-	793,374	102 %	130 %
Vote 4 - TECHNICAL	173,780,435	25,000,000	198,780,435	-	-	198,780,435	176,072,534	-	(22,707,901)	89 %	101 %
Vote 5 - ROADS	192,672,250	6,000,000	198,672,250	-	-	198,672,250	197,582,902	-	(1,089,348)	99 %	103 %
Total Revenue by Vote	543,151,211	36,480,307	579,631,518	-	-	579,631,518	562,817,034	-	(16,814,484)	97 %	104 %
Expenditure by Vote to be appropriated											
Vote 1 - EXECUTIVE AND COUNCIL	33,915,618	3,805,637	37,721,255	-	-	37,721,255	33,683,303	-	(4,037,952)	89 %	99 %
Vote 2 - FINANCE	42,599,082	13,476,316	56,075,398	-	-	56,075,398	42,498,940	-	(13,576,458)	76 %	100 %
Vote 3 - ADMINISTRATION	96,183,902	8,906,429	105,090,331	-	-	105,090,331	104,330,788	-	(759,543)	99 %	108 %
Vote 4 - TECHNICAL	176,916,809	25,044,354	201,961,163	-	-	201,961,163	178,452,664	-	(23,508,499)	88 %	101 %
Vote 5 - ROADS	192,672,251	6,000,000	198,672,251	-	-	198,672,251	197,582,902	-	(1,089,349)	99 %	103 %
Total Expenditure by Vote	542,287,662	57,232,736	599,520,398	-	-	599,520,398	556,548,597	-	(42,971,801)	93 %	103 %
Surplus/(Deficit) for the year	863,549	(20,752,429)	(19,888,880)	-	-	(19,888,880)	6,268,437	-	26,157,317	(32)%	726 %

West Coast District Municipality

Appendix B3

Reconciliation of Budgeted Financial Performance (Revenue and Expenditure) (Appropriation Statement) for the year ended 30 June, 2025

	2024/2025					2023/2024						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue By Source												
Property rates	-	-	-	-	-	-	- %	- %	-	-	-	-
Service concession - Service charges - Electricity revenue	1,294,850	-	1,294,850	1,721,560	-	426,710	133 %	133 %	-	-	-	1,519,949
Service concession - Service charges - Water	151,331,588	25,000,000	176,331,588	154,404,724	(21,926,864)		88 %	102 %	-	-	-	142,416,723
Service concession -Service charges - Waste water management	124,512	-	124,512	125,145	633		101 %	101 %	-	-	-	115,320
Service concession - Service charges - Waste management	2,214,482	-	2,214,482	206,779	(2,007,703)		9 %	9 %	-	-	-	82,517
Sale of goods and rendering of services	30,723,495	6,559,006	37,282,501	38,378,333	1,095,832		103 %	125 %	-	-	-	31,812,556
Rental from fixed assets	3,921,473	-	3,921,473	4,877,173	955,700		124 %	124 %	-	-	-	4,080,084
Interest earned from current and non-current assets	15,442,001	-	15,442,001	29,614,957	14,172,956		192 %	192 %	-	-	-	27,151,102
Interest earned from receivables	177,987	-	177,987	360,272	182,285		202 %	202 %	-	-	-	349,194
Surcharges and Taxes	10,000,000	-	10,000,000	-	(10,000,000)		- %	- %	-	-	-	-
Fines, penalties and forfeits	-	-	-	21,132	21,132		- %	- %	-	-	-	34,936
Licences or permits	269,498	-	269,498	543,893	274,395		202 %	202 %	-	-	-	441,843
Roads Function	192,636,250	6,000,000	198,636,250	196,925,620	(1,710,630)		99 %	102 %	-	-	-	223,635,700
Transfers and subsidies - Operational	119,243,000	(1,078,699)	118,164,301	117,521,597	(642,704)		99 %	99 %	-	-	-	114,789,486
Operational revenue	15,772,075	-	15,772,075	15,940,178	168,103		101 %	101 %	-	-	-	3,794,303
Gains	-	-	-	1,523,336	1,523,336		- %	- %	-	-	-	5,730,706
Total Revenue (excluding capital transfers and contributions)	543,151,211	36,480,307	579,631,518	562,164,699	(17,466,819)		97 %	104 %	-	-	-	555,954,419

West Coast District Municipality

Appendix B3

Reconciliation of Budgeted Financial Performance (Revenue and Expenditure) (Appropriation Statement) for the year ended 30 June, 2025

2024/2025										2023/2024									
Original Budget	Budget Adjustments (i.o.s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
269,277,461	(11,778,167)	257,499,294	254,974,207	-	(2,525,087)	99 %	95 %	-	-	-	242,333,426								
7,988,683	(25,000)	7,963,683	7,418,758	-	(544,925)	93 %	93 %	-	-	-	6,828,857								
1,970,000	3,928,925	5,898,925	893,092	-	(5,005,833)	15 %	45 %	-	-	-	3,692,421								
11,238,001	-	11,238,001	13,116,801	-	1,878,800	117 %	117 %	-	-	-	12,131,754								
12,000,000	-	12,000,000	10,458,048	-	(1,541,952)	87 %	87 %	-	-	-	64,957								
18,212,960	-	18,212,960	18,212,960	-	-	100 %	100 %	-	-	-	15,147,899								
79,124,665	2,869,299	81,993,964	62,900,477	-	(19,093,487)	77 %	79 %	-	-	-	74,418,424								
26,556,155	35,555,407	62,111,562	56,818,400	-	(5,293,162)	91 %	214 %	-	-	-	71,262,122								
767,702	(99,039)	668,663	450,235	-	(218,428)	67 %	59 %	-	-	-	1,060,492								
113,434,668	26,781,311	140,216,179	129,255,887	-	(10,960,292)	92 %	114 %	-	-	-	118,254,602								
1,717,167	-	1,717,167	2,049,733	-	332,566	119 %	119 %	-	-	-	876,685								
542,287,662	57,232,736	599,520,398	556,548,598	-	(42,971,800)	93 %	103 %	-	-	-	546,071,639								
863,549	(20,752,429)	(19,888,880)	5,616,101	-	25,504,981	(28)%	650 %	-	-	-	9,882,780								
-	-	-	652,335	-	652,335	- %	- %	-	-	-	3,479,167								
-	-	-	-	-	-	- %	- %	-	-	-	-								
-	-	-	-	-	-	- %	- %	-	-	-	-								
863,549	(20,752,429)	(19,888,880)	6,268,436	-	26,157,316	(32)%	726 %	-	-	-	13,361,947								
-	-	-	-	-	-	- %	- %	-	-	-	-								
-	-	-	-	-	-	- %	- %	-	-	-	-								
863,549	(20,752,429)	(19,888,880)	6,268,436	-	26,157,316	(32)%	726 %	-	-	-	13,361,947								
-	-	-	-	-	-	- %	- %	-	-	-	-								
863,549	(20,752,429)	(19,888,880)	6,268,436	-	26,157,316	(32)%	726 %	-	-	-	13,361,947								

Expenditure By Type

Employee related cost																			
Remuneration of councillors																			
Debt impairment																			
Depreciation and amortisation																			
Finance charges																			
Bulk purchases																			
Inventory consumed																			
Contracted services																			
Transfers and subsidies																			
Operational cost																			
Losses																			
Total Expenditure																			

Surplus/(Deficit)

Transfers and subsidies - Capital
Transfers and subsidies - capital
(monetary allocations) (National /
Provincial Departmental
Agencies, Households, Non-profit
Institutions, Private Enterprises,
Public Corporations, Higher
Educational Institutions)
Transfers and subsidies - capital
(in-kind - all)

Surplus/(Deficit) after capital transfers & contributions

Taxation

Surplus/(Deficit) after taxation

Attributable to minorities

Surplus/(Deficit) attributable to municipality

West Coast District Municipality
Appendix B3
Reconciliation of Budgeted Financial Performance (Revenue and Expenditure) (Appropriation Statement)
for the year ended 30 June, 2025

2024/2025										2023/2024			
Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome		
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
-	-	-	-	-	-	- %	- %	-	-	-	-	-	-
863,549	(20,752,429)	(19,888,880)	6,268,436	26,157,316	(32)%	726 %					13,361,947		

Share of surplus/ (deficit) of associate

Surplus/(Deficit) for the year

West Coast District Municipality

Appendix B4

Reconciliation of Budgeted Capital Expenditure by Vote, Standard Classification and Funding

2024/2025

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustments Budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Capital expenditure - Vote Multi-year expenditure											
Vote 1 - EXECUTIVE AND COUNCIL	-	400,000	400,000	-	-	400,000	400,000	-	-	100 %	- %
Vote 2 - FINANCE	1,500,000	3,500,000	5,000,000	-	-	5,000,000	792,168	-	(4,207,832)	16 %	53 %
Vote 3 - ADMINISTRATION	1,610,000	824,908	2,434,908	-	-	2,434,908	1,861,192	-	(573,716)	76 %	116 %
Vote 4 - TECHNICAL	3,300,000	51,682,165	54,982,165	-	-	54,982,165	52,036,141	-	(2,946,024)	95 %	1,577 %
	-	-	-	-	-	-	-	-	-	- %	- %
	-	-	-	-	-	-	-	-	-	- %	- %
Capital multi-year expenditure sub-total	6,410,000	56,407,073	62,817,073	-	-	62,817,073	55,089,501	-	(7,727,572)	88 %	859 %
Single-year expenditure											
Vote 1 - EXECUTIVE AND COUNCIL	1,100,000	161,000	1,261,000	-	-	1,261,000	261,586	-	(999,414)	21 %	24 %
Vote 2 - FINANCE	600,000	200,000	800,000	-	-	800,000	645,291	-	(154,709)	81 %	108 %
Vote 3 - ADMINISTRATION	2,090,000	1,381,657	3,471,657	-	-	3,471,657	2,972,052	-	(499,605)	86 %	142 %
Vote 4 - TECHNICAL	300,000	150,000	450,000	-	-	450,000	265,568	-	(184,432)	59 %	89 %
	-	-	-	-	-	-	-	-	-	- %	- %
	-	-	-	-	-	-	-	-	-	- %	- %
Capital single-year expenditure sub-total	4,090,000	1,892,657	5,982,657	-	-	5,982,657	4,144,497	-	(1,838,160)	69 %	101 %
Total Capital Expenditure - Vote	10,500,000	58,299,730	68,799,730	-	-	68,799,730	59,233,998	-	(9,565,732)	86 %	564 %

**West Coast District Municipality
Appendix B4**

Reconciliation of Budgeted Capital Expenditure by Vote, Standard Classification and Funding

2024/2025

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustments Budget	Shifting of funds (i.t.o. MFMA)	Virement (i.t.o. Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	%	%
Capital Expenditure - Standard											
Governance and administration											
Executive and council	3,215,000	2,807,208	6,022,208	-	-	6,022,208	2,357,355	-	(3,664,853)	39 %	73 %
Finance and administration	1,100,000	261,000	1,361,000	-	-	1,361,000	544,209	-	(816,791)	40 %	49 %
Internal audit	2,115,000	2,546,208	4,661,208	-	-	4,661,208	1,813,146	-	(2,848,062)	39 %	86 %
Community and public safety											
Community and social services	3,650,000	3,660,357	7,310,357	-	-	7,310,357	4,567,393	-	(2,742,964)	62 %	125 %
Sport and recreation	1,050,000	370,865	1,420,865	-	-	1,420,865	1,130,753	-	(290,112)	80 %	108 %
Public safety	1,000,000	2,200,000	3,200,000	-	-	3,200,000	1,000,719	-	(2,199,281)	31 %	100 %
Housing	1,400,000	1,089,492	2,489,492	-	-	2,489,492	2,262,907	-	(226,585)	91 %	162 %
Health	-	-	-	-	-	-	-	-	-	- %	- %
Economic and environmental services											
Planning and development	200,000	-	200,000	-	-	200,000	173,014	-	(26,986)	87 %	87 %
Road transport	135,000	2,600,000	2,735,000	-	-	2,735,000	1,321,651	-	(1,413,349)	48 %	979 %
Environmental protection	-	-	-	-	-	-	-	-	-	- %	- %
Trading services											
Energy sources	3,500,000	49,232,165	52,732,165	-	-	52,732,165	50,987,598	-	(1,744,567)	97 %	1,457 %
Water management	-	800,000	4,300,000	-	-	4,300,000	3,274,109	-	(1,025,891)	76 %	94 %
Waste water management	-	-	-	-	-	-	-	-	-	- %	- %
Waste management	-	48,432,165	48,432,165	-	-	48,432,165	47,713,489	-	(718,676)	99 %	- %
Other											
Other	-	-	-	-	-	-	-	-	-	- %	- %
Total Capital Expenditure - Standard	10,500,000	58,299,730	68,799,730	-	-	68,799,730	59,233,997	-	(9,565,733)	86 %	564 %
Funded by:											
National Government	-	-	-	-	-	-	-	-	-	- %	- %
Provincial Government	500,000	367,565	867,565	-	-	867,565	652,335	-	(215,230)	75 %	130 %
District Municipality	-	-	-	-	-	-	-	-	-	- %	- %
Other transfers and grants	-	-	-	-	-	-	-	-	-	- %	- %
Transfers recognised - capital	500,000	367,565	867,565	-	-	867,565	652,335	-	(215,230)	75 %	130 %
Public contributions & donations	-	-	-	-	-	-	-	-	-	- %	- %
Borrowing	-	43,251,336	43,251,336	-	-	43,251,336	46,501,995	-	3,250,659	108 %	- %
Internally generated funds	10,000,000	14,680,829	24,680,829	-	-	24,680,829	12,079,667	-	(12,601,162)	49 %	121 %
Total Capital Funding	10,500,000	58,299,730	68,799,730	-	-	68,799,730	59,233,997	-	(9,565,733)	86 %	564 %

West Coast District Municipality
Appendix B5
Reconciliation of Budgeted Cash Flows
for the year ended 30 June, 2025

	2024/2025					2023/24				
	Original Budget	Budget Adjustments (i.f.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome		
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand		
Cash flow from operating activities										
Receipts										
Property rates	-	-	-	-	-	- %	- %	-		
Service charges	153,956,003	15,000,000	168,956,003	304,668,153	135,712,150	180 %	- %	276,343,570		
Other revenue	360,113,528	6,559,006	366,672,534	225,760,583	(140,911,951)	62 %	- %	188,874,924		
Government - operating	34,989,000	1,648,000	36,617,000	-	(36,617,000)	- %	- %	-		
Government - capital	-	-	-	-	-	- %	- %	-		
Interest	15,619,988	-	15,619,988	29,576,088	13,956,100	189 %	- %	27,151,102		
Dividends	-	-	-	-	-	- %	- %	-		
Payments										
Suppliers and employees	(528,194,297)	(44,535,856)	(572,730,153)	(536,490,514)	36,239,639	94 %	- %	(466,705,325)		
Finance charges	(12,291,355)	(350,000)	(12,641,355)	(10,458,049)	2,183,306	83 %	- %	(64,957)		
Transfers and Grants	(767,702)	(94,079)	(861,781)	(267,240)	594,541	31 %	- %	-		
Net cash flow from/used operating activities	23,405,165	(21,772,929)	1,632,236	12,789,021	11,156,785	784 %	- %	25,599,314		
Cash flow from investing activities										
Receipts										
Proceeds on disposal of PPE	-	-	-	-	-	- %	- %	28,100		
Decrease (increase) in non-current debtors	-	-	-	-	-	- %	- %	-		
Decrease (increase) other non-current receivables	-	-	-	-	-	- %	- %	-		
Decrease (increase) in non-current investments	-	-	-	-	-	- %	- %	-		
Payments										
Capital assets	(10,500,000)	(57,932,165)	(68,432,165)	(58,771,164)	9,661,001	86 %	- %	(53,884,937)		
Net cash flow from/used investing activities	(10,500,000)	(57,932,165)	(68,432,165)	(58,771,164)	9,661,001	86 %	- %	(53,856,837)		
Cash flow from financing activities										

West Coast District Municipality
Appendix B5
Reconciliation of Budgeted Cash Flows
for the year ended 30 June, 2025

	2024/2025					2023/24		
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Receipts								
Short term loans	-	-	-	-	-	- %	- %	-
Borrowing long term/refinancing	-	100,000,000	100,000,000	46,893,276	(53,106,724)	47 %	- %	46,958,233
Increase (decrease) in consumer deposits	-	-	-	-	-	- %	- %	-
Payments								
Repayment of borrowing	-	-	-	-	-	- %	- %	-
Net cash flow from/used in financing activities	-	100,000,000	100,000,000	46,893,276	(53,106,724)	47 %	- %	46,958,233
Net increase/(decrease) in cash held	12,905,165	20,294,906	33,200,071	911,133	(32,288,938)	3 %	- %	18,700,710
Cash/cash equivalents at the year begin:						%	%	344,329,042
Cash/cash equivalents at the year end:	12,905,165	20,294,906	33,200,071	911,133	(32,288,938)	3 %	- %	

West Coast District Municipality Appendix C

Disclosure of Grants and Subsidies in Terms of Section 123 of the MFMA, 56 of 2003

Quarterly Receipts

Quarterly Expenditure (Capital and Operating)

Description	Opening Balance 1 July, 2024	Restate-ments	Restated Opening Balance 1 July, 2024	Sep	Dec	Mar	Jun	Total	Sep	Dec	Mar	Jun	Total	Closing Balance 30 June, 2025
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
National Government (Unconditional Grant)														
G/F : EQUITABLE SHARE/FUEL LEVY	-	-	-	45,670,000	36,128,000	27,810,000	-	109,608,000	(45,670,000)	(36,128,000)	(27,810,000)	-	109,608,000	-
	-	-	-	45,670,000	36,128,000	27,810,000	-	109,608,000	(45,670,000)	(36,128,000)	(27,810,000)	-	109,608,000	-
National Government (Conditional Grant)														
G/F : Expanded Public Works Program	-	-	-	321,000	577,000	384,000	-	1,282,000	(361,937)	(288,576)	(191,587)	(439,900)	(1,282,000)	-
G/F : Local Government Finance Management	-	-	-	1,000,000	-	-	-	1,000,000	(217,204)	(97,158)	(55,211)	(630,427)	(1,000,000)	-
G/F : Rural Roads Asset Management	408,050	-	408,050	1,988,000	-	852,000	-	3,248,050	(472,225)	(1,120,550)	(508,301)	(1,146,974)	(3,248,050)	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	408,050	-	408,050	3,309,000	577,000	1,236,000	-	5,530,050	(1,051,366)	(1,506,284)	(755,099)	(2,217,301)	(5,530,050)	-
Provincial Government (Conditional Grant)														
G/F : LG GRADUATE INTERNSHIP	267,710	-	267,710	-	-	-	-	267,710	-	(267,710)	-	-	(267,710)	-
G/F : LG INTERNSHIP	-	-	-	-	-	400,000	-	400,000	-	-	-	(200,000)	(200,000)	200,000
G/F : BURSARIES	-	-	-	-	-	150,000	-	150,000	-	-	-	(150,000)	(150,000)	-
G/F : COMMUNITY DEVELOPMENT WORKERS	-	-	-	-	76,000	-	-	76,000	-	-	(3,040)	(72,960)	(76,000)	-
G/F : WATER RESILIENCE	179,732	-	179,732	-	-	600,000	-	779,732	-	-	-	(334,070)	(334,070)	445,862
G/F : WOSA	467,180	-	467,180	1,000,000	-	-	-	1,467,180	(479,180)	(561,399)	(374,339)	(312,278)	(1,727,196)	(260,016)
G/F : FIRE SERVICES	514,222	-	514,222	500,000	-	-	-	1,014,222	-	-	-	(1,014,222)	(1,014,222)	-
G/F : SPATIAL DEVELOPMENT FRAMEWORK	640	-	640	-	-	-	-	640	-	-	-	-	-	640
G/F : PUBLIC EMPLOYMENT SUPPORT	149,181	-	149,181	-	-	-	-	149,181	(149,181)	-	-	-	(149,181)	-
G/F : MUNICIPAL SERVICE DELIVERY MODEL	99	-	99	-	-	-	-	99	-	-	-	-	-	99
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,578,764	-	1,578,764	1,500,000	76,000	1,150,000	-	4,304,764	(628,361)	(829,109)	(377,379)	(2,083,530)	(3,918,379)	386,385
Other Grants (Unconditional Grant)														
G/F : SETA	-	-	-	63,554	101,526	223,431	-	388,511	(63,554)	(101,526)	(223,431)	-	(388,511)	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	63,554	101,526	223,431	-	388,511	(63,554)	(101,526)	(223,431)	-	(388,511)	-
Guarantees and Donations														
G/F : MAYOR'S CHARITY FUND	(265)	-	(265)	-	-	-	-	(265)	-	-	-	-	-	(265)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(265)	-	(265)	-	-	-	-	(265)	-	-	-	-	-	(265)
Total	1,986,549	-	1,986,549	50,542,554	36,882,526	30,419,431	-	119,831,060	(47,413,281)	(38,564,919)	(29,165,909)	(4,300,831)	119,444,940	386,120