

NAMAKWA

DISTRICT MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2025

List of Abbreviations

ASB	Accounting Standards Board
CIGFARO	Chartered Institute of Government, Finance, Audit and Risk Officers
COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DSACR	Department of Sport, Arts, Culture and Recreation
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
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
MSIG	Municipal System Improvement grant
mSCOA	Municipal Standard Chart of Accounts
SALGA	South African Local Government Association
COGTA	Cooperative Governance and Traditional Affairs (National)
COGHSTA	Cooperative Governance Human Settlements and Traditional Affairs (Province)
SAPS	South African Police Services
SCM	Supply Chain Management
MSA	Municipal Structures Act
MSA	Municipal System Act
NDPG	Neighbourhood Development and Partnership Grant
SRAC	Sports, Recreation, Arts and Culture
RRAMS	Rural Roads Asset Management Support
VAT	Value Added Tax
SARS	South African Revenue Service
CRR	Capital Replacement Reserve
EPWP	Expanded Public Works Programme
SETA	Sector Education Training Association
FMG	Local Government Finance Management Grant
MSIG	Municipal Systems Improvement Grant
IMATU	Independent Municipal and Allied Trade Union
SAMWU	South African Municipal Workers' Union,
NC	Northern Cape
RSC levies	Regional Services Council levies
COVID-19	Coronavirus Disease of 2019
NCEDA	Northern Cape Economic Development, Trade and Investment Promotion Agency
MTREF	Medium Term Revenue and Expenditure Framework
PIMSS	Planning Implementation Management Support System
PPE	Property, Plant and Equipment
CSD	Central Suppliers Database
MEC	Minister of Executive Council
MPAC	Municipal Public Accounts Committee
PAYE	Pay as You Earn
UIF&W	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
B-BBEE	Broad-Based Black Economic Empowerment Act
GFS	General Finance Statistics
SLP	Social Labour Plan

NAMAKWA DISTRICT MUNICIPALITY

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NAMAKWA DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

NATURE OF BUSINESS

Namakwa Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Namakwa District Municipality includes the municipal areas of Khai-Ma Municipality, Nama Khoi Municipality, Richtersveld Municipality, Kamiesberg Municipality, Hantam Municipality and Karoo Hoogland Municipality.

EXECUTIVE MAYOR

MJ Cloete

SPEAKER

GY Pieters

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE

Executive Mayor

Executive Councillor

Executive Councillor

Executive Councillor

MJ Cloete

PA Van Heerden

JH Wilschut

EC Oliphant

MUNICIPAL MANAGER

SC Adams

CHIEF FINANCIAL OFFICER

Q Cloete

REGISTERED OFFICE

Private Bag X20

SPRINGBOK

8240

AUDITORS

Office of the Auditor-General South Africa

PRINCIPLE BANKERS

Nedbank

CONTACT INFORMATION

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NAMAKWA DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

ATTORNEYS

Schreuders Attorneys
Wessels and Smith Inc
Webber Wentzel Attorneys

RELEVANT LEGISLATION

Constitution (Act no.108 of 1998)
Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE NAMAKWA DISTRICT MUNICIPALITY

MJ Cloete	Mayor
GY Pieters	Speaker
PA Van Heerden	Member of the Executive Committee
JH Wilschut	Member of the Executive Committee
EC Oliphant	Member of the Executive Committee
BC Brandt	Chief Whip
RJ Cloete	Chairperson - MPAC
E Hough	Member
AM Julie	Member
CR Warne	Member
CA Waterboer	Member
TF Bantom	Member
RD Thomas	Member
ZP De Jongh	Member
AM Beukes	Member
GJ Coetzee (Terminated - 05/07/2024)	Member
JE Van Den Heever	Member
JC Losper (Resigned - 25/03/2025)	Member
S Cloete	Member
RH Cloete	Member
R Claasen	Member

NAMAKWA DISTRICT MUNICIPALITY

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2025, which are set out on pages 1 to 106 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2026 and I am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.



SC Adams

31/08/2025

Date

Municipal Manager

NAMAKWA DISTRICT MUNICIPALITY

Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Namakwa District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Namakwa District Municipality set out on pages **xx** to **xx**, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement, reportable segments and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Namakwa District Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Auditor – General

Kimberley
30 November 2025



NAMAKWA DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R	2024 R
ASSETS			
Non-Current Assets		11 981 229	13 373 113
Property, Plant and Equipment	2	10 881 476	12 157 320
Investment Property	3	589 273	615 867
Intangible Assets	4	510 480	599 925
Current Assets		21 475 833	17 074 788
Operating Lease Asset	5	185 262	141 336
Receivables from Exchange Transactions	6	3 678 637	1 141 482
Receivables from Non-exchange Transactions	7	301 516	1 133 360
Taxes	15.3	255 893	328 079
Cash and Cash Equivalents	8.1	17 054 525	14 330 531
Total Assets		33 457 062	30 447 901
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		18 577 794	18 854 756
Long-term Borrowings	9	8 795	253 756
Non-current Employee Benefits	10	18 569 000	18 601 000
Current Liabilities		8 566 239	8 844 388
Consumer Deposits	11	11 785	8 005
Current Employee Benefits	12	5 340 618	4 939 665
Trade and Other Payables from Exchange Transactions	13	2 717 841	3 531 175
Unspent Transfers and Subsidies	14	309 474	226 686
Current Portion of Long-term Borrowings	9	186 520	138 856
Total Liabilities		27 144 033	27 699 144
Net Assets		6 313 029	2 748 757
Capital Replacement Reserve	16	294 166	294 166
Accumulated Surplus/(Deficit)		6 018 863	2 454 591
Total Net Assets and Liabilities		33 457 062	30 447 901

NAMAKWA DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 R
REVENUE			
Revenue from Non-exchange Transactions		77 179 927	67 132 008
Transfer Revenue		74 869 551	66 872 197
Government Grants and Subsidies	17	74 869 551	64 444 833
Contributed Property, Plant and Equipment	18	-	2 427 364
Other Revenue		2 310 376	259 811
Actuarial Gains	10	1 326 984	259 811
Debt settlement by National Treasury		983 392	-
Revenue from Exchange Transactions		7 785 180	7 847 700
Sales of Goods and Rendering of Services	19	3 500 831	3 974 706
Rental from Fixed Assets	20	1 612 323	1 557 057
Interest Earned - External Investments	21	2 400 642	2 086 178
Interest Earned - Exchange Transactions	22	126 174	139 217
Operational Revenue	23	145 211	90 541
Total Revenue		84 965 107	74 979 708
EXPENDITURE			
Employee related costs	24	(43 619 305)	(42 679 816)
Remuneration of Councillors	25	(5 011 099)	(4 829 302)
Bad Debts Written Off		-	(629 102)
Contracted Services	26	(15 087 929)	(6 578 472)
Depreciation and Amortisation	27	(2 350 347)	(1 347 313)
Actuarial Losses	10	(137 244)	(723 601)
Finance Costs	28	(2 159 525)	(2 013 428)
Operating Leases		(2 904)	(22 704)
Transfers and Subsidies	29	(775 028)	(785 924)
Operational Costs	30	(11 742 979)	(10 957 638)
Total Expenditure		(80 886 361)	(70 567 300)
Operating Surplus/(Deficit) for the Year		4 078 746	4 412 408
Reversal of Impairment Loss/(Impairment Loss) on Receivables	31	(511 820)	488 267
Gains/(Loss) on Sale of Fixed Assets	32	(2 654)	-
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	33	-	(21 177)
NET SURPLUS/(DEFICIT) FOR THE YEAR		3 564 272	4 879 498

NAMAKWA DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Capital Replacement Reserve R	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2023	26 965	(2 157 705)	(2 130 740)
Restated balance	26 965	(2 157 705)	(2 130 740)
Net Surplus/(Deficit) for the year	-	4 879 498	4 879 498
Net Surplus/(Deficit) previously reported	-	4 876 831	4 876 831
Effects of Correction of Errors - Note 35.2	-	2 666	2 666
Transfer to/from CRR	1 028 035	(1 028 035)	-
Property, Plant and Equipment purchased	(760 834)	760 834	-
Restated balance at 30 June 2024	294 166	2 454 591	2 748 757
Net Surplus/(Deficit) for the year	-	3 564 272	3 564 272
Balance at 30 June 2025	294 166	6 018 863	6 313 029

NAMAKWA DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Other Revenue		2 214 499	6 360 105
Government - Operating		74 895 758	64 029 054
Government - Capital		56 580	75 427
Interest		2 400 642	2 086 178
Rental of fixed assets		1 896 155	1 212 907
Cash payments			
Employees		(49 136 711)	(48 842 789)
Suppliers		(27 574 963)	(18 105 526)
Finance Charges		(94 525)	(41 428)
Transfers and Grants		(775 028)	(785 924)
Net Cash from Operating Activities	36	3 882 408	5 988 004
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(883 113)	(836 261)
Purchase of Intangible Assets		(31 023)	-
Net Cash from Investing Activities		(914 135)	(836 261)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Borrowing		(244 279)	(122 806)
Net Cash from Financing Activities		(244 279)	(122 806)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2 723 993	5 028 938
Cash and Cash Equivalents at the beginning of the year		14 330 532	9 301 594
Cash and Cash Equivalents at the end of the year	37	17 054 525	14 330 532
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2 723 993	5 028 938

NAMAKWA DISTRICT MUNICIPALITY
REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

For management purposes, the municipality is organised and operates in 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.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Municipal Manager	1.1 - Council: Councillors	Aggregated	Governance and Administration	Supporting service departments
	1.2 - Council Expenditure	Aggregated	Governance and administration	Supporting service departments
	1.3 - Executive Mayor	Aggregated	Governance and administration	Supporting service departments
	1.4 - Internal Audit and Audit Committee	Aggregated	Governance and administration	Supporting service departments
	1.5 - Mayor - PA	Aggregated	Governance and administration	Supporting service departments
	1.6 - Municipal Manager	Aggregated	Governance and administration	Supporting service departments
	1.7 - Municipal Manager - Admin	Aggregated	Governance and administration	Supporting service departments
	1.8 - Housing	Individually Reported	Housing	Housing
	1.9 - Speaker	Aggregated	Governance and administration	Supporting service departments
	1.10 - Speaker PA	Aggregated	Governance and administration	Supporting service departments
Vote 2 - Manager: Corporate Services	2.1 - Administration	Aggregated	Governance and administration	Supporting service departments
	2.2 - Human Resources	Aggregated	Governance and administration	Supporting service departments
	2.3 - Council Buildings	Aggregated	Governance and administration	Supporting service departments
	2.4 - Council Vehicles	Aggregated	Governance and administration	Supporting service departments
	2.5 - Equitable Share Admin	Aggregated	Governance and administration	Supporting service departments
Vote 3 - Manager: Economic Development	3.1 - Economic Development	Aggregated	Economic and environmental services	Economic Development
	3.2 - Fish Factory	Aggregated	Economic and environmental services	Economic Development
	3.3 - Harbour	Aggregated	Economic and environmental services	Economic Development
	3.4 - Project Manager SLP	Aggregated	Economic and environmental services	Economic Development
	3.5 - Tourism	Individually Reported	Other	Tourism
	3.6 - Working for Water	Aggregated	Economic and environmental services	Economic Development
	3.7 - Planning	Aggregated	Economic and environmental services	Economic Development
	3.8 - Council Projects	Aggregated	Economic and environmental services	Economic Development
	3.9 - Project Management	Aggregated	Economic and environmental services	Economic Development
	3.10 - Housing	Aggregated	Economic and environmental services	Economic Development
Vote 4 - Manager Environmental Health	4.1- Ambulance	Aggregated	Community and public safety	Supporting service departments
	4.2 - Environmental Health	Aggregated	Community and public safety	Municipal Health Services and Environmental Health Services
	4.3 - Law Enforcement	Aggregated	Community and public safety	
	4.4 - Primary Health	Aggregated	Community and public safety	
	4.5 - Safety	Aggregated	Community and public safety	
Vote 5 - Manager: Finance	5.1 - Finance	Aggregated	Governance and administration	Supporting service departments
Vote 6 - Manager: Roads	6.1 - Plant and Equipment	Aggregated	Economic and environmental services	Roads Function
	6.2 - Roads	Aggregated	Economic and environmental services	
Vote 7 - Manager: Municipal Support Unit	7.1 - Municipal Support Unit	Aggregated	Governance and administration	Supporting service departments

SECONDARY SEGMENTS

mSCOA Functional Segments identified	Aggregation	Aggregation	Reportable Segment	Types of Goods/Services delivered
• Governance and Administration	Executive and Council	Aggregated	Governance and Administration	Supporting service departments
	Finance and Administration	Aggregated	Governance and Administration	Supporting service departments
	Internal Audit	Aggregated	Governance and Administration	Supporting service departments
• Community and Public Safety	Community and Social Services	Aggregated	Community and public safety	Municipal Health Services, Environmental Health Services and Housing.
	Public safety	Aggregated	Community and public safety	
	Housing	Aggregated	Community and public safety	
	Health	Aggregated	Community and public safety	
• Economic and Environmental Services	Planning and Development	Aggregated	Economic and environmental services	Local Economic Development
	Road Transport	Aggregated	Economic and environmental services	Roads Function
	Environmental Protection	Aggregated	Economic and environmental services	Environmental Protection
• Housing	Housing	Individually Reported	Housing	Housing
• Other	Tourism	Individually Reported	Other	Tourism

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).

Management does not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive.

NAMAKWA DISTRICT MUNICIPALITY PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025						
	Governance and Administration	Community and Public Safety	Housing	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	7 873 027	142 291	-	11 705	-	8 027 023
Service Charges - Electricity Revenue	-	-	-	-	-	-
Service Charges - Water Revenue	-	-	-	-	-	-
Service Charges - Sanitation Revenue	-	-	-	-	-	-
Service Charges - Refuse Revenue	-	-	-	-	-	-
Rental of Facilities and Equipment	-	-	-	-	-	-
Interest Earned - External Investments	2 400 642	-	-	-	-	2 400 642
Interest Earned - Exchange Transactions	126 174	-	-	-	-	126 174
Licences and Permits	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-
Other Revenue	5 346 212	142 291	-	11 705	-	5 500 208
External revenue from non-exchange transactions	64 354 418	8 553 940	-	4 029 726	-	76 938 083
Fines	-	-	-	-	-	-
Transfers Recognised - Operational	63 027 434	8 553 940	-	4 029 726	-	75 611 099
Property Rates	-	-	-	-	-	-
Availability Charges	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Gains	1 326 984	-	-	-	-	1 326 984
Revenue from transactions with other segments	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	72 227 445	8 696 231	-	4 041 431	-	84 965 107
SEGMENT EXPENDITURE						
Employee Related Costs	(23 213 801)	(8 514 428)	-	(10 148 101)	(1 742 974)	(43 619 305)
Remuneration of Councillors	(5 011 099)	-	-	-	-	(5 011 099)
Debt Impairment	(511 820)	-	-	-	-	(511 820)
Depreciation and Asset Impairment	(2 200 984)	(41 943)	-	(81 708)	(25 713)	(2 350 347)
Finance Costs	(2 159 525)	-	-	-	-	(2 159 525)
Bulk Purchases	-	-	-	-	-	-
Inventory Consumed	-	-	-	-	-	-
Contracted Services	(5 711 878)	(21 847)	-	(9 354 204)	-	(15 087 929)
Transfers and Grants	(775 028)	-	-	-	-	(775 028)
Other Expenditure	(9 750 563)	(1 079 231)	-	(848 561)	(67 528)	(11 745 883)
Losses	(139 898)	-	-	-	-	(139 898)
Expenditure from transactions with other segments	-	-	-	-	-	-
Internal Charges	-	-	-	-	-	-
Total Segment Expenditure	(49 474 597)	(9 657 450)	-	(20 432 573)	(1 836 215)	(81 400 835)
Surplus/(Deficit)	22 752 848	(961 219)	-	(16 391 143)	(1 836 215)	3 564 272

	Governance and Administration	Community and Public Safety	Housing	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	22 752 848	(961 219)	-	(16 391 143)	(1 836 215)	3 564 272
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	22 752 848	(961 219)	-	(16 391 143)	(1 836 215)	3 564 272
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	22 752 848	(961 219)	-	(16 391 143)	(1 836 215)	3 564 272
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	22 752 848	(961 219)	-	(16 391 143)	(1 836 215)	3 564 272

	Governance and Administration	Community and Public Safety	Housing	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	33 457 062	33 457 062
Segment liabilities	-	-	-	-	(27 144 033)	(27 144 033)
Additions to non-current assets	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-

NAMAKWA DISTRICT MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Community and Public Safety	Economic and Environmental Services	Trading Services				Other	Governance and Administration	Housing	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	R
SEGMENT REVENUE										
External revenue from exchange transactions	142 291	11 705	-	-	-	-	-	7 873 027	-	8 027 023
Service Charges - Electricity Revenue	-	-	-	-	-	-	-	-	-	-
Service Charges - Water Revenue	-	-	-	-	-	-	-	-	-	-
Service Charges - Sanitation Revenue	-	-	-	-	-	-	-	-	-	-
Service Charges - Refuse Revenue	-	-	-	-	-	-	-	-	-	-
Rental of Facilities and Equipment	-	-	-	-	-	-	-	-	-	-
Interest Earned - External Investments	-	-	-	-	-	-	-	2 400 642	-	2 400 642
Interest Earned - Exchange Transactions	-	-	-	-	-	-	-	126 174	-	126 174
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-	-	-	-	-
Other Revenue	142 291	11 705	-	-	-	-	-	5 346 212	-	5 500 208
External revenue from non-exchange transactions	8 553 940	3 919 726	-	-	-	-	-	64 354 418	110 000	76 938 083
Dividends Received	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-	-	-	-	-
Transfers Recognised - Operational	8 553 940	3 919 726	-	-	-	-	-	63 027 434	110 000	75 611 099
Property Rates	-	-	-	-	-	-	-	-	-	-
Availability Charges	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Gains	-	-	-	-	-	-	-	1 326 984	-	1 326 984
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and	8 696 231	3 931 431	-	-	-	-	-	72 227 445	110 000	84 965 107
SEGMENT EXPENDITURE										
Employee Related Costs	(8 514 428)	(9 183 011)	-	-	-	-	(1 742 974)	(23 213 801)	(965 089)	(43 619 305)
Remuneration of Councillors	-	-	-	-	-	-	-	(5 011 099)	-	(5 011 099)
Debt Impairment	-	-	-	-	-	-	-	(511 820)	-	(511 820)
Depreciation and Asset Impairment	(41 943)	(81 708)	-	-	-	-	(25 713)	(2 200 984)	-	(2 350 347)
Finance Costs	-	-	-	-	-	-	-	(2 159 525)	-	(2 159 525)
Bulk Purchases	-	-	-	-	-	-	-	-	-	-
Inventory Consumed	-	-	-	-	-	-	-	-	-	-
Contracted Services	(21 847)	(9 354 204)	-	-	-	-	-	(5 711 878)	-	(15 087 929)
Transfers and Grants	-	-	-	-	-	-	-	(775 028)	-	(775 028)
Other Expenditure	(1 079 231)	(804 166)	-	-	-	-	(67 528)	(9 750 563)	(44 395)	(11 745 883)
Losses	-	-	-	-	-	-	-	(139 898)	-	(139 898)
Internal charges	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	(9 657 450)	(19 423 089)	-	-	-	-	(1 836 215)	(49 474 597)	(1 009 485)	(81 400 835)
Surplus/(Deficit)	(961 219)	(15 491 658)	-	-	-	-	(1 836 215)	22 752 848	(899 485)	3 564 272

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Housing	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	R
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	(961 219)	(15 491 658)	-	-	-	-	(1 836 215)	22 752 848	(899 485)	3 564 272
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(961 219)	(15 491 658)	-	-	-	-	(1 836 215)	22 752 848	(899 485)	3 564 272
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(961 219)	(15 491 658)	-	-	-	-	(1 836 215)	22 752 848	(899 485)	3 564 272
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(961 219)	(15 491 658)	-	-	-	-	(1 836 215)	22 752 848	(899 485)	3 564 272

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Housing	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	R
OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	33 457 062	-	-	33 457 062
Segment liabilities	-	-	-	-	-	-	(27 144 033)	-	-	(27 144 033)
Additions to non-current assets	-	-	-	-	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2025

Total Segment Revenue (including capital transfers and contributions)	84 965 107
Total Revenue as per Statement of Financial Performance	84 965 107
Difference	-

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2025

Total Segment Expenditure	(81 400 835)
Total Expenditure as per Statement of Financial Performance	(80 886 361)
Difference	(514 475)
Reconciling items	(514 475)
<i>Loss on Sale of Assets disclosed inaggregated with Gains on Sale of Assets in Statement of Financial Performance</i>	(2 654)
<i>Reversal of Impairment Loss/(Impairment Loss) on Receivables</i>	(511 820)
<i>Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets</i>	-

Reconciliation of the Statement of Financial Performance as at 30 June 2025 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus/(Deficit) for the year as per Segments	3 564 272
Surplus/(Deficit) for the year as per Statement of Financial Performance	3 564 272
Difference - as explained above	0

See the explanations for differences above under Revenue and Expenses.

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2025

Total Segment Assets	33 457 062
Total Assets as per Statement of Financial Position	33 457 062
Difference	-

Management does not monitor assets per segments as it does not at present have reliable separate financial information for decision-making purposes. The cost to develop this seperately would be excessive, based on the Municipality's current financial position.

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2025

Total Segment Liabilities	(27 144 033)
Total Liabilities as per Statement of Financial Position	(27 144 033)
Difference	-

Management does not monitor liabilities per segments as it does not at present have reliable separate financial information for decision-making purposes. The cost to develop this seperately would be excessive, based on the Municipality's current financial position.

NAMAKWA DISTRICT MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Governance and Administration	Community and Public Safety	Housing	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	7 272 403	87 426	-	61 036	-	7 420 864
Service Charges - Electricity Revenue	-	-	-	-	-	-
Service Charges - Water Revenue	-	-	-	-	-	-
Service Charges - Sanitation Revenue	-	-	-	-	-	-
Service Charges - Refuse Revenue	-	-	-	-	-	-
Rental of Facilities and Equipment	-	-	-	-	-	-
Interest Earned - External Investments	2 086 178	-	-	-	-	2 086 178
Interest Earned - Exchange Transactions	139 217	-	-	-	-	139 217
Licences and Permits	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-
Other Revenue	5 047 008	87 426	-	61 036	-	5 195 469
External revenue from non-exchange transactions	63 747 003	-	-	3 811 841	-	67 558 844
Dividends Received	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Licences and Permits	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-
Transfers Recognised - Operational	63 747 003	-	-	3 811 841	-	67 558 844
Property Rates	-	-	-	-	-	-
Availability Charges	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Gains	-	-	-	-	-	-
Revenue from transactions with other segments	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and	71 019 406	87 426	-	3 872 876	-	74 979 708
SEGMENT EXPENDITURE						
Employee Related Costs	(24 450 580)	(9 421 693)	-	(7 845 469)	(1 685 674)	(43 403 417)
Remuneration of Councillors	(4 829 302)	-	-	-	-	(4 829 302)
Debt Impairment	488 267	-	-	-	-	488 267
Depreciation and Asset Impairment	(1 135 483)	(169 361)	-	(31 120)	(11 350)	(1 347 313)
Finance Costs	(2 013 428)	-	-	-	-	(2 013 428)
Bulk Purchases	-	-	-	-	-	-
Inventory Consumed	-	-	-	-	-	-
Contracted Services	(3 980 034)	-	-	(2 598 438)	-	(6 578 472)
Transfers and Grants	(785 924)	-	-	-	-	(785 924)
Other Expenditure	(10 058 337)	(978 564)	-	(508 963)	(63 579)	(11 609 444)
Losses	(21 177)	-	-	-	-	(21 177)
Internal charges	-	-	-	-	-	-
Total Segment Expenditure	(46 785 999)	(10 569 618)	-	(10 983 991)	(1 760 603)	(70 100 210)
Surplus/(Deficit)	24 233 407	(10 482 192)	-	(7 111 115)	(1 760 603)	4 879 498

	Governance and Administration	Community and Public Safety	Housing	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	24 233 407	(10 482 192)	-	(7 111 115)	(1 760 603)	4 879 498
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	24 233 407	(10 482 192)	-	(7 111 115)	(1 760 603)	4 879 498
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	24 233 407	(10 482 192)	-	(7 111 115)	(1 760 603)	4 879 498
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	24 233 407	(10 482 192)	-	(7 111 115)	(1 760 603)	4 879 498

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	30 447 901	30 447 901
Segment liabilities	-	-	-	-	(27 699 144)	(27 699 144)
Additions to non-current assets	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-

NAMAKWA DISTRICT MUNICIPALITY
SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Community and public safety	Economic and Environmental Services	Trading Services				Other	Governance and Administration	Housing	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	R
SEGMENT REVENUE										
External revenue from exchange transactions	87 426	61 036	-	-	-	-	-	7 272 403	-	7 420 864
Service Charges - Electricity Revenue	-	-	-	-	-	-	-	-	-	-
Service Charges - Water Revenue	-	-	-	-	-	-	-	-	-	-
Service Charges - Sanitation Revenue	-	-	-	-	-	-	-	-	-	-
Service Charges - Refuse Revenue	-	-	-	-	-	-	-	-	-	-
Rental of Facilities and Equipment	-	-	-	-	-	-	-	-	-	-
Interest Earned - External Investments	-	-	-	-	-	-	-	2 086 178	-	2 086 178
Interest Earned - Exchange Transactions	-	-	-	-	-	-	-	139 217	-	139 217
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-	-	-	-	-
Other Revenue	87 426	61 036	-	-	-	-	-	5 047 008	-	5 195 469
External revenue from non-exchange transactions	-	3 561 841	-	-	-	-	-	63 747 003	250 000	67 558 844
Dividends Received	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-	-	-	-	-
Transfers Recognised - Operational	-	3 561 841	-	-	-	-	-	63 747 003	250 000	67 558 844
Property Rates	-	-	-	-	-	-	-	-	-	-
Availability Charges	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Gains on Disposal of PPE	-	-	-	-	-	-	-	-	-	-
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and	87 426	3 622 876	-	-	-	-	-	71 019 406	250 000	74 979 708

	Community and public safety	Economic and environmental services	Trading services				Other	Governance and Administration	Housing	Total
			Energy Sources	Water Management	Waste water management	Waste management services				
	R	R	R	R	R	R	R	R	R	R
SEGMENT EXPENDITURE										
Employee Related Costs	(9 421 693)	(7 146 064)	-	-	-	-	(1 685 674)	(24 450 580)	(699 406)	(43 403 417)
Remuneration of Councillors	-	-	-	-	-	-	-	(4 829 302)	-	(4 829 302)
Debt Impairment	-	-	-	-	-	-	-	488 267	-	488 267
Depreciation and Asset Impairment	(169 361)	(31 120)	-	-	-	-	(11 350)	(1 135 483)	-	(1 347 313)
Finance Costs	-	-	-	-	-	-	-	(2 013 428)	-	(2 013 428)
Bulk Purchases	-	-	-	-	-	-	-	-	-	-
Inventory Consumed	-	-	-	-	-	-	-	-	-	-
Contracted Services	-	(2 598 438)	-	-	-	-	-	(3 980 034)	-	(6 578 472)
Transfers and Grants	-	-	-	-	-	-	-	(785 924)	-	(785 924)
Other Expenditure	(978 564)	(486 085)	-	-	-	-	(63 579)	(10 058 337)	(22 878)	(11 609 444)
Losses	-	-	-	-	-	-	-	(21 177)	-	(21 177)
Internal charges	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	(10 569 618)	(10 261 707)	-	-	-	-	(1 760 603)	(46 785 999)	(722 284)	(70 100 210)
Surplus/(Deficit)	(10 482 192)	(6 638 831)	-	-	-	-	(1 760 603)	24 233 407	(472 284)	4 879 498
	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Housing	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	R
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	(10 482 192)	(6 638 831)	-	-	-	-	(1 760 603)	24 233 407	(472 284)	4 879 498
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(10 482 192)	(6 638 831)	-	-	-	-	(1 760 603)	24 233 407	(472 284)	4 879 498
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(10 482 192)	(6 638 831)	-	-	-	-	(1 760 603)	24 233 407	(472 284)	4 879 498
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(10 482 192)	(6 638 831)	-	-	-	-	(1 760 603)	24 233 407	(472 284)	4 879 498

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Housing	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	R
OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	30 447 901	-	-	30 447 901
Segment liabilities	-	-	-	-	-	-	(27 699 144)	-	-	(27 699 144)
Additions to non-current assets	-	-	-	-	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2024

Total Segment Revenue (including capital transfers and	74 979 708
Total Revenue as per Statement of Financial Performance	74 979 708
Difference	-

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2024

Total Segment Expenditure	(70 100 210)
Total Expenditure as per Statement of Financial Performance	(70 546 124)
Difference	445 913

Reconciling items 445 913**Items disclosed separately on the face of the Statement of Financial Performance**

Loss on Sale of Assets disclosed in aggregated with Gains on Sale of Assets in Statement of Financial Performance

Reversal of Impairment Loss/(Impairment Loss) on Receivables

Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets

488 267

(42 354)

Reconciliation of the Statement of Financial Performance as at 30 June 2024 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus/(Deficit) for the year as per Segments	4 879 498
Surplus/(Deficit) for the year as per Statement of Financial Performance	4 879 498
Difference - as explained above	0

See the explanations for differences above under Revenue and Expenses.

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2024

Total Segment Assets	30 447 901
Total Assets as per Statement of Financial Position	30 447 901
Difference	-

Management does not monitor assets per segments as it does not at present have reliable separate financial information for decision-making purposes. The cost to develop this separately would be excessive, based on the Municipality's current financial position.

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2024

Total Segment Liabilities	(27 699 144)
Total Liabilities as per Statement of Financial Position	(27 699 144)
Difference	-

Management does not monitor liabilities per segments as it does not at present have reliable separate financial information for decision-making purposes. The cost to develop this separately would be excessive, based on the Municipality's current financial position.

NAMAKWA DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2025 R	%
ASSETS									
Current Assets									
Cash and cash equivalents		9 797 526	1 082 526	10 880 052	-	-	10 880 052	17 054 525	56,75%
Trade and other receivables from exchange transactions		2 181 986	-	2 181 986	-	-	2 181 986	3 678 637	68,59%
Receivables from non-exchange transactions		-	-	-	-	-	-	301 516	100,00%
VAT		-	-	-	-	-	-	255 893	100,00%
Other current assets		-	-	-	-	-	-	185 262	100,00%
Total Current Assets	40.2.1	11 979 512	1 082 526	13 062 038	-	-	13 062 038	21 475 833	64,41%
Non-Current Assets									
Investment property		395 034	-	395 034	-	-	395 034	589 273	49,17%
Property, plant and equipment		6 796 059	1 006 400	7 802 459	-	-	7 802 459	10 881 476	39,46%
Intangible assets		292 849	-	292 849	-	-	292 849	510 480	74,31%
Total Non-Current Assets	40.2.2	7 483 942	1 006 400	8 490 342	-	-	8 490 342	11 981 229	41,12%
TOTAL ASSETS		19 463 454	2 088 926	21 552 380	-	-	21 552 380	33 457 062	55,24%
LIABILITIES									
Current Liabilities									
Financial liabilities		19 487	-	19 487	-	-	19 487	186 520	857,15%
Consumer deposits		8 005	-	8 005	-	-	8 005	11 785	47,22%
Trade and other payables from exchange transactions		4 191 099	-	4 191 099	-	-	4 191 099	2 717 841	-35,15%
Trade and other payables from non-exchange transactions		-	-	-	-	-	-	309 474	100,00%
Provisions		3 854 739	-	3 854 739	-	-	3 854 739	5 340 618	38,55%
Total Current Liabilities	40.2.3	8 073 330	-	8 073 330	-	-	8 073 330	8 566 239	6,11%
Non-Current Liabilities									
Borrowing		84 834	-	84 834	-	-	84 834	8 795	-89,63%
Provisions		21 024 262	-	21 024 262	-	-	21 024 262	18 569 000	-11,68%
Total Non-Current Liabilities	40.2.4	21 109 096	-	21 109 096	-	-	21 109 096	18 577 794	-11,99%
TOTAL LIABILITIES		29 182 426	-	29 182 426	-	-	29 182 426	27 144 033	-6,99%
NET ASSETS									
Accumulated Surplus/(Deficit)		(9 718 972)	2 088 926	(7 630 046)	-	-	(7 630 046)	6 018 863	-178,88%
Funds and Reserves		-	-	-	-	-	-	294 166	100,00%
TOTAL NET ASSETS	40.2.5	(9 718 972)	2 088 926	(7 630 046)	-	-	(7 630 046)	6 313 029	-182,74%

NAMAKWA DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2025 R	%
REVENUE									
Exchange Revenue									
	Sale of Goods and Rendering of Services	7 922 621	(3 119 821)	4 802 800	-	-	4 802 800	3 500 831	-27,11%
	Interest earned from Receivables	77 985	-	77 985	-	-	77 985	126 174	61,79%
	Interest earned from Current and Non Current Assets	1 284 015	1 100 000	2 384 015	-	-	2 384 015	2 400 642	0,70%
	Rental from Fixed Assets	1 481 859	200 000	1 681 859	-	-	1 681 859	1 612 323	-4,13%
	Operational Revenue	1 009 066	-	1 009 066	-	-	1 009 066	145 211	-85,61%
Non-Exchange Revenue									
	Licences or permits	31 167	-	31 167	-	-	31 167	-	-100,00%
	Transfer and subsidies - Operational	67 900 260	8 416 000	76 316 260	-	-	76 316 260	74 812 971	-1,97%
	Operational Revenue	-	-	-	-	-	-	983 392	100,00%
Total Revenue (excluding capital transfers and contributions)									
	40.2.6	79 706 973	6 596 179	86 303 152	-	-	86 303 152	83 581 543	-3,15%
EXPENDITURE									
	Employee related costs	48 393 421	(3 651 423)	44 741 998	-	-	44 741 998	42 429 565	-5,17%
	Remuneration of councillors	4 900 755	-	4 900 755	-	-	4 900 755	5 011 099	2,25%
	Inventory consumed	205 046	-	205 046	-	-	205 046	-	-100,00%
	Debt impairment	-	-	-	-	-	-	511 820	100,00%
	Depreciation and amortisation	1 128 896	-	1 128 896	-	-	1 128 896	2 350 347	108,20%
	Interest	167 928	-	167 928	-	-	167 928	2 159 525	1185,98%
	Contracted services	13 221 418	5 811 102	19 032 520	-	-	19 032 520	15 087 929	-20,73%
	Transfers and subsidies	481 135	739 174	1 220 309	-	-	1 220 309	775 028	-36,49%
	Operational costs	12 291 624	1 608 400	13 900 024	-	-	13 900 024	11 745 883	-15,50%
Total Expenditure									
	40.2.7	80 790 223	4 507 253	85 297 476	-	-	85 297 476	80 073 851	-6,12%
Surplus/(Deficit)									
	(1 083 250)	2 088 926	1 005 676	-	-	1 005 676	3 507 692	248,79%	
	Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	56 580	100,00%
	Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	
Surplus/(Deficit) after Capital Transfers & Contributions									
	(1 083 250)	2 088 926	1 005 676	-	-	1 005 676	3 564 272	254,42%	
	Taxation	-	-	-	-	-	-	-	
Surplus/(Deficit) after Taxation									
	(1 083 250)	2 088 926	1 005 676	-	-	1 005 676	3 564 272	254,42%	
	Attributable to Minorities	-	-	-	-	-	-	-	
Surplus/(Deficit) Attributable to Municipality									
	(1 083 250)	2 088 926	1 005 676	-	-	1 005 676	3 564 272	254,42%	
	Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year									
	(1 083 250)	2 088 926	1 005 676	-	-	1 005 676	3 564 272	254,42%	

Financial Performance: Explanation of Variances between Approved Budget and Actual

Employee Related Costs:

Included in the actual outcome for employee related costs is net actuarial losses of R 463 790 of post retirement benefits.

	R
Actual outcome as per Budgeted Statement of Financial Performance	42 429 565
Actuarial gains and losses seperately disclosed on the Statement of Financial Performance	1 189 740
Employee related costs as per Statement of Financial Performance	43 619 305

NAMAKWA DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2025 R	%
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Other Revenue		9 876 659	(1 959 821)	7 916 838	-	-	7 916 838	2 214 499	-72,03%
Government – Operating		67 900 260	8 556 000	76 456 260	-	-	76 456 260	74 895 758	-2,04%
Government – Capital		-	-	-	-	-	-	56 580	100,00%
Interest		1 284 015	-	1 284 015	-	-	1 284 015	2 400 642	86,96%
Dividends		-	-	-	-	-	-	1 896 155	
Payments									
Suppliers and Employees		(78 228 905)	(5 589 876)	(83 818 781)	-	-	(83 818 781)	(76 711 673)	-8,48%
Finance costs		(167 928)	-	(167 928)	-	-	(167 928)	(94 525)	-43,71%
Transfers and Grants		(481 135)	-	(481 135)	-	-	(481 135)	(775 028)	61,08%
Net Cash from/(used) Operating Activities	40.2.8	182 966	1 006 303	1 189 269	-	-	1 189 269	3 882 408	226,45%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Debtors		-	-	-	-	-	-	-	
Decrease/(Increase) in Other Non-Current Receivables		-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Investments		-	-	-	-	-	-	-	
Payments									
Capital Assets		-	(1 006 401)	(1 006 401)	-	-	(1 006 401)	(914 135)	-9,17%
Net Cash from/(used) Investing Activities	40.2.9	-	(1 006 401)	(1 006 401)	-	-	(1 006 401)	(914 135)	-9,17%
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
Short Term Loans		-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	0,00%
Increase/(Decrease) in Consumer Deposits		-	-	-	-	-	-	-	
Payments									
Repayment of Borrowing		(235 513)	-	(235 513)	-	-	(235 513)	(244 279)	3,72%
Net Cash from/(used) Financing Activities	40.2.10	(235 513)	-	(235 513)	-	-	(235 513)	(244 279)	3,72%
NET INCREASE/(DECREASE) IN CASH HELD									
Cash and Cash Equivalents at the year begin:		(52 547)	(98)	(52 645)	-	-	(52 645)	2 723 993	-5274,31%
		9 850 074	-	9 850 074	-	-	9 850 074	14 330 532	45,49%
Cash and Cash Equivalents at the year end:		9 797 527	(98)	9 797 429	-	-	9 797 429	17 054 525	74,07%

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost conventions unless specified otherwise.

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements except where an exemption or transitional provision have been granted. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Property, Plant and Equipment, Investment Property and Intangible Assets where the acquisition cost of an asset could not be determined.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going-concern basis.

1.4. COMPARATIVE INFORMATION

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 restatements of comparative information. The nature and reason

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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.

1.5. CONSISTENT AND NEW ACCOUNTING POLICIES

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made based on the financial statements. Materiality depends on the nature or size of the omission or misstatements 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 determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

Management has determined materiality to explain variances between the final budget amounts and actual results included in the annual financial statements, as R70 540 and a variance of more than 10%.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts is disclosed as separate additional financial statements, namely Statements of comparison of budget and actual amounts.

Budget information is presented on an accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- The approved and final budget amounts;
- Actual amounts and final budget amounts;

The approved budget is the expenditure authority derived from laws, appropriation bills, regulations and other decisions related to the anticipated revenue or receipts for the budgetary period. Thus, this is the budget as approved by Council.

The final budget is the approved budget adjusted for transfers, allocations, supplemental appropriations, and other changes applicable to the budget period. Therefore, the final budget includes all changes subsequently made to Council approval (e.g. virements).

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

A reconciliation is provided in the budget comparison regarding classification differences between the approved budget and the actual amounts.

Explanations for differences between the approved and final budget are included in the Notes to the Financial Statements.

Explanations for material differences between the final budget amounts and actual amounts are included in the notes to the annual financial statements.

Explanatory comments are provided for overall growth or decline in the budget and motivations for over or under-spending on line items. The municipality considers a variance between the actual and budget of more than 10%.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards and Interpretations of the Standards of GRAP have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 103	<u>Heritage assets</u> There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting. The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
GRAP 104	<u>Financial Instruments</u> The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.	1 April 2025

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

REFERENCE	TOPIC	EFFECTIVE DATE
	The Municipality might need to revise the categories of financial instruments and the impairment model.	
GRAP 1: Going concern	<u>Presentation of Financial statements: Going concern</u> The objective of this Standard is to prescribe the basis for presentation of general-purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. Adjustments for going concern proposed to provide guidance on the preparation of AFS as going concern and the related disclosure. The transitional provisions are specified in the revised Standard. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
Improvement to GRAP standards (2023)	<u>Improvement to GRAP standards (2023)</u> The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
GRAP 105, GRAP 106 and GRAP	<u>Transfer of Functions and Mergers</u> The amendments to the Standards are approved by the Board. The amendments may not be	Unknown

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

REFERENCE	TOPIC	EFFECTIVE DATE
107 (amendments)	applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.	
Guideline	<u>Application of Materiality of Financial Statements</u> The guideline is not authoritative but only encourage. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	No effective date as only encouraged
iGRAP 22	Foreign Currency Transactions and Advanced Consideration The interpretation is to provide guidance on determining the transaction date for purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. Early adoption of the Interpretation is encouraged. No significant impact is expected as the foreign currency transactions and advance consideration is not relevant to the operations of the Municipality.	1 April 2025

1.9. RESERVES

1.9.1. Capital Replacement Reserve (CRR)

To finance the provision of infrastructure and other items of property, plant and equipment from internal sources, funds are transferred from the accumulated surplus / (deficit) to the CRR. The cash funds in the CRR can only be utilized for purchasing/ construction items of property, plant and equipment and may not be

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

used for the maintenance of these items. The CRR is reduced and the accumulated surplus / (Deficit) is credited by a corresponding amount when the amounts in the CRR are utilized.

1.10. LEASES

1.10.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to disclosure of finance liability and the de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.10.2. Municipality as Lessor

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to disclosure of financial assets and the derecognition and impairment of financial instruments are applied to lease receivables.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

1.11. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered to be a financial instrument.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met is transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.12. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, 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 of the provision can be made. Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
 - The business or part of a business concerned;
 - The principal locations affected;
 - The location, function and approximate number of employees who will be compensated for terminating their services;
 - The expenditures that will be undertaken; and
 - When the plan will be implemented.
- (b) The Municipality 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.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

1.13. EMPLOYEE BENEFITS

(a) *Pension and Retirement Fund Obligations*

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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

(b) *Post-Retirement Medical Obligations*

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as a contribution and the remaining 40% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the net defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high-quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The net interest cost of the defined benefit obligation is recognised as a finance cost in the Statement of Financial Performance, as it meets the definition of Interest Cost in GRAP 25. The liability was calculated using the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(c) *Long Service Awards*

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set off against the net defined benefit liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of net interest in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

(d) Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year-end and also on the total remuneration package of the employee.

Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

(e) Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year-end is based on a bonus accrued at year-end for each employee.

(f) Other Short-term Employee Benefits

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.

1.14. CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits represent rental deposits and are levied in line with the council's policy when the property is rented. When the rental agreement expires or is terminated, the outstanding deposit is utilised against any arrear accounts the tenant might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific tenant.

1.15. PROPERTY, PLANT AND EQUIPMENT

1.15.1. Initial Recognition

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 for more than one year.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The following items will be regarded as Property, plant and equipment rather than investment property:

- Owner-occupied property (including held for future use);
- Owner-occupied property held for development;
- Property occupied by employees for housing;
- Owner-occupied property held for disposal;
- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation and;
- Property held by the municipality for strategic purposes.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on the acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired, including any transaction costs.

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

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Where an asset is acquired through a non-exchange transaction, any transaction costs incurred are recognised as part of the cost of the asset.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.15.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.15.3. Depreciation and Impairment

The land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated useful lives:

<u>Land and Buildings</u>	<u>Years</u>
Land	Indefinite
Buildings	5-50
<u>Community</u>	
Recreation Facilities	20-30
Housing	20-30
Community Halls	20-30
Libraries	20-30
Parks and Gardens	20-30
Clinics	20-30
Security and Policing	5
<u>Finance lease assets</u>	
Office equipment	1-10
Other Assets	1-10
<u>Other</u>	
Motor Vehicles	1-10

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Furniture and other Office equipment	1-22
Plant and Equipment	1-15
Computer equipment	1-16
Other Buildings	50

The depreciation charge is recognised in the Statement of Financial Performance.

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

1.15.4. De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.16. INTANGIBLE ASSETS

1.16.1. Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- Is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or

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- Arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only 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.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- The municipality intends to complete the intangible asset for use or sale;
- It is technically feasible to complete the intangible asset;
- The municipality has the resources to complete the project;
- The municipality has the ability to use or sell the intangible asset;
- It is probable that the municipality will receive future economic benefits or service potential; and
- The Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

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

1.16.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.16.3. Amortisation and Impairment

Amortisation is charged to write off the cost or valuation of intangible assets over their estimated useful lives using the straight-line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year's end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

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<u>Intangible Assets</u>	<u>Years</u>
Computer Software	1 - 20

The amortisation charge is recognised in the Statement of Financial Performance.

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

1.16.4. De-recognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.17. INVESTMENT PROPERTY

1.17.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

- It is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- The cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or held for sale, the land is regarded as held for capital appreciation);

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- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases;
- A property owned by the municipality and leased out at a below-market rental; and
- Property that is being constructed or developed for future use as an investment property.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e., where it acquired the investment property for no or a nominal value), its cost is its fair value as of the date of acquisition, including transaction cost. The cost of self-constructed investment property is measured at cost.

Transfers are made to or from investment property only when there is a change in use.

For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

For a transfer from investment property to inventory (view sale), the deemed cost for subsequent accounting is the fair value as of the date of the change.

For a transfer from owner-occupied property becomes an investment property measured at fair value, the difference between the carrying value and fair value at the reporting date shall be treated as a revaluation.

For a transfer from inventory to investment property (operating lease), the municipality shall apply an accounting policy for operating leases

1.17.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and accumulated impairment losses. The land is not depreciated as it is deemed to have an indefinite useful life.

1.17.3. Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The land is not depreciated as it is deemed to have an indefinite useful life.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year's end, with the effect of any changes in estimate accounted for on a prospective basis.

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Investment Property

Buildings

Years

50

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

1.17.4. De-recognition

Investment property is derecognised when it is disposed of or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.18. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.18.1. Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

- (a) External sources of information
 - During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
 - Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
 - Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- (b) Internal sources of information
 - Evidence is available of obsolescence or physical damage of an asset;

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- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation 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 shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

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1.18.2. Non-cash-generating assets

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

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *Depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the

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asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through the replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

- *Restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *Service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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.

An impairment loss is recognised immediately in surplus or deficit unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an 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 an 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. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. 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. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

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1.19. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions). The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as a financial instrument.

1.19.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.19.2. Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.19.2.1. Receivables

Receivables are classified as financial assets at amortised cost and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments. If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying

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amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

When a receivable is considered uncollectible, the bad debt written off is recognised as an expense in the Statement of Financial Performance.

1.19.2.2. *Payables and Annuity Loans*

Financial liabilities consist of trade and other payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.19.2.3. *Cash and Cash Equivalents*

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.19.2.4. *Non-Current Investments*

Investments which include investments in municipal entities and fixed deposits invested in registered commercial banks are stated at amortised cost.

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Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.19.3. De-recognition

1.19.3.1. Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

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1.19.3.2. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.19.4. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.20. STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments. Statutory receivables can arise from both exchange and non-exchange transactions.

1.20.1. Initial Recognition

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition and recognition criteria of an asset.

1.20.2. Subsequent Measurement

The Municipality initially measures the 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 reflect any:

- (a) Interest or other charges that may have accrued on the receivable;
- (b) Impairment losses; and
- (c) Amounts derecognised.

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable 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 is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement

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of Financial Performance. In estimating future cash flows, the 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 Municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

The municipality considers the following as indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent;
- It is probable that the debtor will enter sequestration, liquidation or another 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.

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 by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.20.3. *Derecognition*

The Municipality derecognises a statutory receivable when:

- (a) The rights to the cash flows from the receivable are settled, expire or are waived;
- (b) The Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- (c) 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 Municipality:
 - i. Derecognise the receivable; and
 - ii. Recognise separately any rights and obligations created or retained in the transfer.

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1.21. REVENUE

1.21.1. Revenue from *Non-Exchange Transactions*

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is recognised when:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity and;
- The fair value of the asset can be measured reliably.

Government Grants and Subsidies received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition, the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of IGRAP 1, as there is no intention of collecting this revenue.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment when such items of property, plant and equipment qualify for recognition and first become available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e., insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment qualify for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 36 months expires when all unclaimed deposits into the Municipality's bank account will be treated

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as revenue. This policy is in line with the prescribed debt principle as enforced by the law.

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

Debt forgiven is recognised when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners. Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a 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 present 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 will be recognised as revenue.

Services in-kind that are significant to the Municipality's operations are recognised as assets and 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.

If the services in-kind are not significant to the Municipality's operations or do not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition are satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality, therefore, recognises an expense and related revenue for the consumption of services in-kind.

NAMAKWA DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Revenue arising from the legislation is recognised in accordance with the approved tariff.

1.21.2. Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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 costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the services rendered is recognised when:

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

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

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

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

NAMAKWA DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising from a transaction is usually determined by an agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.22. RELATED PARTIES

The Municipality resolved to adopt the disclosure requirements as per GRAP 20 – “Related Party Disclosures”.

A related party is a person or an entity:

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

- 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.

The following are regarded as related parties of the Municipality:

- (a) A person or a close member of that person's family is related to the Municipality if that person:
- Has control or joint control over the Municipality.
 - Has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
 - Is a member of the management of the Municipality or its controlling entity.

- (b) An entity is related to the Municipality if any of the following conditions apply:
- The entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - The entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
 - The entity is controlled or jointly controlled by a person identified in (a).
 - A person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).
 - The entity, or any member of a group of which it is part, provides management services to the reporting entity or to the controlling entity of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) Are married or live together in a relationship similar to a marriage; or
- (b) Are separated by no more than two degrees of natural or legal consanguinity or affinity.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Management includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- (a) All members of the governing body of the Municipality;
- (b) A member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- (c) Any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- (d) The senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee;
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived from services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.23. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is an expenditure that has not been budgeted, an expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and an expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.24. IRREGULAR EXPENDITURE

Irregular expenditure is an expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (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 (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at the actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be 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 will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities and contingent assets.

1.27. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the carrying amounts represented in the annual financial statements and related disclosures. The use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about

NAMAKWA DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

Post-retirement medical obligations and Long service awards

The cost of post-retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 10 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Impairment of Statutory Receivables

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such receivables. When insufficient information is available to assess individual debtors, debtors are grouped into appropriate aggregated grouping levels. Aggregation is based on best practice. Thereafter receivables are assessed based on the historical information available.

Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

NAMAKWA DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides were used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

For deemed cost applied to land and buildings as per the adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per the adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding,

NAMAKWA DISTRICT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and the valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.

For deemed cost applied to Investment Property as per the adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Provisions, Contingent Liabilities and Contingent Assets

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities and contingent assets. Provisions are discounted where the time value effect is material.

Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at the reporting date. This provision will be realised as employees take leave or when employment is terminated.

Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by the management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.28. TAXES – VALUE-ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value-added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

NAMAKWA DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.29. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represent the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

1.30. EVENTS AFTER REPORTING DATE

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

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

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.31. SEGMENT REPORTING

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);
- 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

Management identifies reportable segments in accordance with the monthly section 71 report, which are regularly reviewed by management. Management reviews the performance on an aggregated basis of total revenue and total expenditure.

The municipality manages its assets and liability as a whole and are not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

The measurement basis per the monthly reports is the same as the annual financial statements.

The restatement of segment information is only done if there was a change in the reportable structure of the municipality and information is readily available.

NAMAKWA DISTRICT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2025

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses							Carrying Value
	Opening Balance	Correction of Error	Additions	Transfers	Disposals	Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals	Impairment	Closing Balance	
Other Assets															
Land	2 086 548	-	-	-	-	-	2 086 548	-	-	-	-	-	-	-	2 086 548
Buildings	9 419 421	-	-	-	-	-	9 419 421	5 047 836	-	193 292	-	-	-	5 241 128	4 178 293
Computer Equipment	2 721 329	-	104 571	-	(35 397)	-	2 790 502	1 586 130	-	334 257	-	(33 250)	-	1 887 137	903 365
Furniture and Office Equipment	3 133 955	-	19 311	-	(42 830)	-	3 110 436	2 485 979	-	146 363	-	(40 745)	-	2 591 597	518 839
Machinery and Equipment	1 964 931	-	88 900	-	(10 086)	-	2 043 745	1 251 980	-	291 669	-	(9 579)	-	1 534 070	509 675
Transport Assets	9 093 105	-	670 331	-	-	-	9 763 436	6 191 978	-	1 004 135	-	-	-	7 196 112	2 567 324
	28 419 290	-	883 113	-	(88 314)	-	29 214 088	16 563 904	-	1 969 715	-	(83 574)	-	18 450 044	10 764 044
Leases															
Furniture and Office Equipment	610 152	-	46 982	-	-	-	657 134	308 218	-	231 484	-	-	-	539 702	117 432
	610 152	-	46 982	-	-	-	657 134	308 218	-	231 484	-	-	-	539 702	117 432
Total	29 029 442	-	930 095	-	(88 314)	-	29 871 223	16 872 122	-	2 201 199	-	(83 574)	-	18 989 746	10 881 476

2.2 30 JUNE 2024

	Cost/Revaluation							Accumulated Depreciation and Impairment Losses							Carrying Value
	Opening Balance	Correction of Error	Additions	Transfers	Disposals	Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals	Impairment	Closing Balance	
Other Assets															
Land	2 086 548	-	-	-	-	-	2 086 548	-	-	-	-	-	-	-	2 086 548
Buildings	9 399 421	-	-	20 000	-	-	9 419 421	4 848 341	-	188 895	10 600	-	-	5 047 836	4 371 585
Computer Equipment	2 529 185	(33 245)	277 938	-	-	(52 549)	2 721 329	1 380 936	(29 973)	258 058	-	(52 548)	29 657	1 586 130	1 135 199
Furniture and Office Equipment	2 989 746	(27 715)	188 189	-	-	(16 265)	3 133 955	2 454 987	(32 178)	72 728	-	(16 266)	6 708	2 485 979	647 976
Machinery and Equipment	1 789 936	(20 393)	294 837	-	-	(99 449)	1 964 931	1 237 436	(49 674)	156 349	-	(99 447)	7 316	1 251 980	712 951
Transport Assets	6 590 445	-	2 502 660	-	-	-	9 093 105	5 846 848	-	345 130	-	-	-	6 191 978	2 901 127
	25 385 280	(81 353)	3 263 625	20 000	-	(168 262)	28 419 290	15 768 547	(111 825)	1 021 160	10 600	(168 261)	43 682	16 563 904	11 855 386
Leases															
Furniture and Office Equipment	448 021	-	247 803	-	(85 672)	-	610 152	190 529	-	203 361	-	(85 672)	-	308 218	301 934
	448 021	-	247 803	-	(85 672)	-	610 152	190 529	-	203 361	-	(85 672)	-	308 218	301 934
Total	25 833 301	(81 353)	3 511 428	20 000	(85 672)	(168 262)	29 029 442	15 959 076	(111 825)	1 224 521	10 600	(253 933)	43 682	16 872 122	12 157 320

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

		2025 R	2024 R
2.3	The municipality has no Property, Plant and Equipment which is in the process of being constructed or developed.		
2.4	The municipality has no Property, Plant and Equipment that is taking a significantly longer period of time to completed than expected.		
2.5	The municipality has no Property, Plant and Equipment where construction or development has been halted.		
2.6	Expenditure incurred to repair and maintain Property, Plant and Equipment:		
	Contracted Services		
	- Maintenance of Buildings and Facilities	190 738	286 564
	- Maintenance of Equipment	226 680	204 966
	- Maintenance of Unspecified Assets	50 247	17 198
	Other Expenditure	-	-
	Total Repairs and Maintenance	467 665	508 728
2.7	Assets pledged as security:		
	Leased Property, Plant and Equipment of R117 432 (2024: R301 934) is secured for leases as set out in Note 8 and Appendix A.		
2.8	Impairment losses of Property, Plant and Equipment		
	Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:		
	Other	-	43 682
	Total Impairment Losses	-	43 682
2.9	Effect of changes in accounting estimates		
	The effect of the Change in Accounting estimates due to the review of useful lives are as follows:		
		2025 R	2027 R
	Increase / (Decrease) in depreciation of assets for the year	9 861	9 861

NAMAKWA DISTRICT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 R	2024 R
2.10 Land is not controlled, but Namakwa District Municipality is the legal owner/custodian		
Farm number 265 Verjaagfontein	2 650 000	2 650 000
	2 650 000	2 650 000

The farm number 265 Verjaagfontein farm situated in the Fraserburg region was transferred to the Karoo-Hoogland Municipality during the amalgamation process in 2001.

The property was never registered in the name of Karoo-Hoogland Municipality. The Namakwa District Municipality undertakes to initiate a transfer process for the property in question as soon as possible.

3 INVESTMENT PROPERTY

3.1 Net Carrying amount at 1 July

Cost	1 302 319	1 322 319
Accumulated Depreciation	(686 451)	(670 805)
Accumulated Impairment Loss	-	-
Transfer from/(to) Property, Plant and Equipment - Note 2	-	(9 400)
Cost	-	(20 000)
Accumulated Depreciation	-	10 600
Additions	-	-
Depreciation for the year	(26 594)	(26 246)
Balance previously reported	(26 594)	(26 246)
Correction of Error - Note 35.2	-	-
Net Carrying amount at 30 June	589 273	615 867
Cost	1 302 319	1 302 319
Accumulated Depreciation	(713 045)	(686 451)
Accumulated Impairment Loss	-	-

3.2 Revenue from Investment Property

Revenue derived from the rental of Investment Property	1 170 051	1 238 437
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3.3 No operating expenditure incurred on Investment Property during the year.

3.4 The municipality has no Investment Property which is in the process of being constructed or developed.

3.5 The municipality has no Investment Property that is taking a significantly longer period of time to competed than expected.

3.6 The municipality has no Investment Property where construction or development has been halted.

3.7 There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

4 INTANGIBLE ASSETS

4.1 Net Carrying amount at 1 July

Cost	3 133 582	3 133 582	704 435
Accumulated Amortisation and Impairment Loss	(2 533 658)	(2 533 658)	3 425 369
Additions	31 023		(2 720 933)
Impairment	-		-
Amortisation	(120 468)		(5 138)
Balance previously reported	(120 468)		(96 546)
Correction of Error - Note 35.3	-		(96 546)
Carrying value of disposals	-		(2 827)
Cost	-		(36 820)
Correction of Error - Note 35.3	-		(254 966)
Accumulated Amortisation and Impairment Loss	-		36 820
Correction of Error - Note 35.3	-		252 139
Net Carrying amount at 30 June	510 479	599 924	599 924
Cost	3 164 605	3 133 582	3 133 582
Accumulated Amortisation and Impairment Loss	(2 654 126)	(2 533 658)	(2 533 658)

4.2 The municipality has no Intangible assets which are in the process of being constructed or developed.

4.3 The municipality has no Intangible assets that are taking a significantly longer period of time to competed than expected.

4.4 The municipality has no Intangible assets where construction or development has been halted.

4.5 No intangible asset were assed having an indefinite useful life.

4.6 There are no internally generated intangible assets at reporting date.

4.7 There are no intangible assets whose title is restricted.

4.8 There age no intangible assets pledged as security for liabilities.

4.9 There are no contractual commitments for the acquisition of intangible assets.

4.10 Effect of changes in accounting estimates

The effect of the Change in Accounting estimates due to the review of useful lives are as follows:

	2025 R	2026 R	2027 R
Increase / (Decrease) in depreciation of assets for the year	(738)	(738)	(738)

5 OPERATING LEASE ARRANGEMENTS

5.1 The Municipality as Lessor

Operating Lease Asset

	185 262	141 336
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Disclosed as follows:

Current Operating Lease Asset

	185 262	141 336
	185 262	141 336

Reconciliation

Balance at the beginning of the year

Movement during the year

Balance at the end of the year

	141 336	64 792	
	43 926	76 544	
	185 262	141 336	

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 R	2024 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	626 068	440 343
1 to 5 Years	689 156	1 315 224
More than 5 Years	-	-
Total Operating Lease Arrangements	1 315 224	1 755 568

This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.

Rental of office space

- Period: 1 November 2022 - 31 October 2027
- Monthly rate range: R11 300 to R 20 957
- Escalation: 8%

RECEIVABLES FROM EXCHANGE TRANSACTIONS

Property Rentals	1 313 176	1 597 007
B-Municipalities	3 056 008	850 936
Prepayments and Advances	92 626	89 785
Total: Receivables from exchange transactions (before provision)	4 461 809	2 537 728
Less: Provision for Debt Impairment	(783 172)	(1 396 246)
Total: Receivables from exchange transactions (after provision)	3 678 637	1 141 482

(Property Rentals): Ageing

Current (0 - 30 days)	220 107	128 049
31 - 60 Days	216 371	124 406
61 - 90 Days	215 518	123 643
+ 90 Days	661 180	1 220 909
Total	1 313 176	1 597 007

B-Municipalities: Ageing

Current (0 - 30 days)	313 833	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	2 742 175	850 935
Total	3 056 008	850 935

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	1 396 246	848 198
Contribution to provision	(613 074)	548 047
Reversal of provision	-	-
Balance at end of year	783 172	1 396 246

The total amount of this provision is R 783 172 and consist of:

Property Rentals	783 172	1 396 246
Other Debtors	-	-
Total Provision for Debt Impairment on Receivables from exchange transactions	783 172	1 396 246

Ageing of amounts past due but not impaired:

1 month past due	216 371	55 013
2+ months past due	3 207 178	939 414
	3 423 549	994 427

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Reconciliation of bad debts

Property Rentals

2025 R	2024 R
-	175 891
-	175 891

Long outstanding amounts were written-off by Council in the prior year after an investigation.

7

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Department of Roads and Public Works
Sundry Debtor - Department Agriculture, Forestry and Fisheries
Other Receivables

3 426 186	2 808 032
8 783 074	8 783 074
857 851	1 182 954
13 067 110	12 774 060
(12 765 594)	(11 640 700)
301 516	1 133 360

Less: Provision for Debt Impairment

Total Receivables from non-exchange transactions

Reconciliation of Provision for Debt Impairment

Balance at beginning of year
Contribution to provision
Reversal of provision
Balance at end of year

11 640 700	12 677 014
1 124 894	-
-	(1 036 314)
12 765 594	11 640 700

The total amount of this provision is R 12 765 594 and consists of:

Sundry Debtor - Department Agriculture, Forestry and Fisheries
Department of Roads and Public Works
Other receivables

8 783 074	8 783 074
3 426 186	2 808 032
556 335	49 594
12 765 594	11 640 700

Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions

Ageing of amounts past due but not impaired:

1 month past due
2+ months past due

11 209	23 058
835 433	1 083 673
846 642	1 106 731

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Reconciliation of bad debts

Other receivables
Department of Roads and Public Works

-	158 247
-	294 963
-	453 211

Long outstanding amounts were written-off by Council after an investigation.

8

BANK ACCOUNTS

8.1

Cash and Cash Equivalents

Current Accounts
Call Deposits and Investments
Cash On-hand

7 903 095	4 301 997
9 150 929	10 028 035
500	500
17 054 525	14 330 532

Total Cash and Cash Equivalents - Assets

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.
Call Investments Deposits to an amount of R 301 738 are held to fund the Unspent Conditional Grants (2024: R 219 022).

The municipality has the following bank accounts:

Current Accounts

Nedbank Limited - Account Number 1140945939 (Primary Bank Account):

7 903 095	4 301 997
7 903 095	4 301 997

NAMAKWA DISTRICT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 R	2024 R
<u>Call Deposits and Investments</u>		
Nedbank Limited - Account Number 03/7662031837 (Capital Replacement Reserve):	294 166	294 166
Nedbank Private Wealth - Account Number NAMAK001/83 (Call Deposit):	3 733 926	4 693 983
Nedbank Limited - Account Number 03/7662031896 (Leave Reserve):	1 429 434	1 429 434
Nedbank Limited - Account Number 03/7662031799 (Finance Management Grant):	1 905	1 000
Nedbank Limited - Account Number 03/7662031845 (Municipal System Improvement Grant):	1 359	1 359
Nedbank Limited - Account Number 03/7662031780 (EPWP):	1 000	1 000
Nedbank Limited - Account Number 03/7662031950 (Depositor Plus):	3 388 338	3 388 338
Nedbank Limited - Account Number 03/7662031926 (RRAMS):	80 823	1 001
Nedbank Limited - Account Number 03/7662031977 (PIMSS):	-	11
Nedbank Limited - Account Number 03/7662031853 (Training Fund SETA):	3 842	3 842
Nedbank Limited - Account Number 03/7662031918 (Work for Water):	3 326	3 091
Nedbank Limited - Account Number 03/7662031756 (Civil Defence Grant):	210 810	210 810
Nedbank Limited - Account Number 03/7881190175 (Municipal Disaster Response Grant):	2 000	-
	9 150 929	10 028 037
The Municipality has the following current bank account:		
<i>Nedbank Limited - Account Number 1140945939 (Primary Bank Account):</i>		
Cash book balance at beginning of year	4 301 997	868 293
Cash book balance at end of year	7 903 095	4 301 997
Bank statement balance at beginning of year	4 301 997	868 293
Bank statement balance at end of year	7 903 095	4 301 997
Details of call investment accounts are as follow:		
<i>Nedbank Limited - Account Number 03/7662031837 (Capital Replacement Reserve):</i>		
Cash book balance at beginning of year	294 166	26 965
Cash book balance at end of year	294 166	294 166
Bank statement balance at beginning of year	294 166	26 965
Bank statement balance at end of year	294 166	294 166
<i>Nedbank Private Wealth - Account Number NAMAK001/83 (Call Deposit):</i>		
Cash book balance at beginning of year	4 693 983	4 316 772
Cash book balance at end of year	3 733 926	4 693 983
Bank statement balance at beginning of year	4 693 983	4 316 772
Bank statement balance at end of year	3 733 926	4 693 983
<i>Nedbank Limited - Account Number 03/7662031896 (Leave Reserve):</i>		
Cash book balance at beginning of year	1 429 434	1 356 762
Cash book balance at end of year	1 429 434	1 429 434
Bank statement balance at beginning of year	1 429 434	1 356 762
Bank statement balance at end of year	1 429 434	1 429 434
<i>Nedbank Limited - Account Number 03/7662031799 (Finance Management Grant):</i>		
Cash book balance at beginning of year	1 000	1 438
Cash book balance at end of year	1 905	1 000
Bank statement balance at beginning of year	1 000	1 438
Bank statement balance at end of year	1 905	1 000
<i>Nedbank Limited - Account Number 03/7662031845 (Municipal System Improvement Grant):</i>		
Cash book balance at beginning of year	1 359	1 359
Cash book balance at end of year	1 359	1 359
Bank statement balance at beginning of year	1 359	1 359
Bank statement balance at end of year	1 359	1 359

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 R	2024 R
<i>Nedbank Limited - Account Number 03/7662031780 (EPWP):</i>		
Cash book balance at beginning of year	1 000	1 454
Cash book balance at end of year	1 000	1 000
Bank statement balance at beginning of year	1 000	1 000
Bank statement balance at end of year	1 000	1 000
<i>Nedbank Limited - Account Number 03/7662031950 (Depositor Plus):</i>		
Cash book balance at beginning of year	3 388 338	2 494 581
Cash book balance at end of year	3 388 338	3 388 338
Bank statement balance at beginning of year	3 388 338	2 494 581
Bank statement balance at end of year	3 388 338	3 388 338
<i>Nedbank Limited - Account Number 03/7662031926 (RRAMS):</i>		
Cash book balance at beginning of year	1 001	2 300
Cash book balance at end of year	80 823	1 001
Bank statement balance at beginning of year	1 001	2 300
Bank statement balance at end of year	80 823	1 001
<i>Nedbank Limited - Account Number 03/7662031977 (PIMSS):</i>		
Cash book balance at beginning of year	11	11
Cash book balance at end of year	-	11
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
<i>Nedbank Limited - Account Number 03/7662031772 (Electronic Filing System):</i>		
Cash book balance at beginning of year	-	4 798
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	4 798
Bank statement balance at end of year	-	-
<i>Nedbank Limited - Account Number 03/7662031853 (Training Fund SETA):</i>		
Cash book balance at beginning of year	3 842	3 842
Cash book balance at end of year	3 842	3 842
Bank statement balance at beginning of year	3 842	3 842
Bank statement balance at end of year	3 842	3 842
<i>Nedbank Limited - Account Number 03/7662031918 (Work for Water):</i>		
Cash book balance at beginning of year	3 091	2 863
Cash book balance at end of year	3 326	3 091
Bank statement balance at beginning of year	3 091	2 863
Bank statement balance at end of year	3 326	3 091
<i>Nedbank Limited - Account Number 03/7662031756 (Civil Defence Grant):</i>		
Cash book balance at beginning of year	210 810	219 658
Cash book balance at end of year	210 810	210 810
Bank statement balance at beginning of year	210 810	219 658
Bank statement balance at end of year	210 810	210 810
<i>Nedbank Limited - Account Number 03/7881190175 (Municipal Disaster Response Grant):</i>		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	2 000	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	2 000	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

9

LONG-TERM BORROWINGS

Capitalised Lease Liability - At amortised cost

Less: Current Portion transferred to Current Liabilities
Capitalised Lease Liability - At amortised cost

	2025 R	2024 R
	195 315	392 612
	195 315	392 612
	(186 520)	(138 856)
	(186 520)	(138 856)
	8 795	253 756
	8 795	253 756

Total Long-term Borrowings

9.1 The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

Payable within one year

Payable within two to five years

Payable after five years

	214 830	309 365
	35 432	185 975
	-	-
	250 262	495 340
	(54 947)	(102 728)
	195 315	392 612

Less: Future finance obligations

Present value of finance lease obligations

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Nashua	Copiers	15,38% -			31/07/2023 -
MTN	Laptops, Cell phone & IPADs	18,69%	0%	3 Years	31/08/2025
Vodacom	Laptops, Cell phone & Tablets	31,06%	0%	2 Years	27/05/2026
		54,77%	0%	2 Years	27/05/2026
MTN	Laptops, Cell phone & IPADs	19,72% -			16/09/2024-
		71,59%	0%	2 Years	16/09/2026
Vodacom	Laptops, Cell phone & Tablets	51,26%	0%	2 Years	27/09/2024-
					27/09/2026

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Finance Leases are secured by property, plant and equipment - Note 2

10

NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits

Provision for Long Service Awards

Total Non-current Employee Benefits

	16 421 000	16 897 000
	2 148 000	1 704 000
	18 569 000	18 601 000

Post Retirement Health Care Benefits

Balance 1 July

Contribution for the year

Expenditure for the year

Actuarial Loss/(Gain)

	18 775 000	17 426 000
	2 370 000	2 374 000
	(1 743 016)	(1 748 601)
	(1 326 984)	723 601

Total provision 30 June

	18 075 000	18 775 000
	(1 654 000)	(1 878 000)
	16 421 000	16 897 000

Less: Transfer of Current Portion to Current Provisions - Note 12

Balance 30 June

Long Service Awards

Balance 1 July

Contribution for the year

Expenditure for the year

Actuarial Loss/(Gain)

	1 926 000	2 374 000
	357 000	401 000
	(237 244)	(589 189)
	137 244	(259 811)

Total provision 30 June

	2 183 000	1 926 000
	(35 000)	(222 000)
	2 148 000	1 704 000

Less: Transfer of Current Portion to Current Provisions - Note 12

Balance 30 June

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Reconciliation of present value of net defined benefit liability

	2025 R	2024 R
Present value of fund obligation at the beginning of the year	18 775 000	17 426 000
Total expenses	2 370 000	2 374 000
Current service cost		
Interest Cost	305 000	402 000
Remeasurement of net defined benefit liability	2 065 000	1 972 000
Return on plan assets (excl interest)	(1 326 984)	723 601
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	(1 326 984)	723 601
Changes in effect of limiting	-	-
Past service cost	-	-
Gains and losses from settlement	-	-
Effect of change in foreign exchange rates	-	-
Contributions to plan from employer	-	-
Contributions to plan from employee	-	-
Benefits Paid	(1 743 016)	(1 748 601)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	18 075 000	18 775 000

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Sensitivity Analysis on the Accrued Liability on 30 June 2025

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)		
Central Assumptions	4,149	13,926	18,075		
The effect of movements in the assumptions are as follows:					
Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation rate	1%	4,598	14,717	19,315	7%
Health care inflation rate	-1%	3,587	13,164	16,751	-7%
Discount rate	1%	3,497	13,041	16,538	-9%
Discount rate	-1%	4,974	14,94	19,914	10%
Post-employment mortality	+1 year	4,045	13,394	17,439	-4%
Post-employment mortality	-1 year	4,252	14,466	18,718	4%
Average retirement age	-1 year	4,617	13,926	18,543	3%
Continuation of membership at retirement	-10%	3,63	13,926	17,556	-3%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)		
Central Assumptions	305 000	2 065 000	2 370 000		
The effect of movements in the assumptions are as follows:					
Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation rate	1%	340 000	2 216 000	2 556 000	8%
Health care inflation rate	-1%	262 000	1 907 000	2 169 000	-8%
Discount rate	1%	260 000	2 053 000	2 313 000	-2%
Discount rate	-1%	360 000	2 077 000	2 437 000	3%
Post-employment mortality	+1 year	296 000	1 989 000	2 285 000	-4%
Post-employment mortality	-1 year	312 000	2 141 000	2 453 000	4%
Average retirement age	-1 year	335 000	2 110 000	2 445 000	3%
Continuation of membership at retirement	-10%	267 000	2 018 000	2 285 000	-4%

Experience adjustments were calculated as follows:	2025 Rm	2024 Rm
Liabilities: (Gain) / loss	(1,624)	0,845
Assets: Gain / (loss)	—	—

The adjustments in respect of periods commencing prior to the comparative year has been

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Material analysis

Future Year	Expected Benefit Payments	Future Year	Expected Benefit Payments	Future Year	Expected Benefit Payments
1	1,739	6 to 10	8,752	31 to 40	39,314
2	1,763	11 to 15	10,138	41 to 50	32,668
3	1,748	16 to 20	12,495	51 to 60	17,338
4	1,740	21 to 25	15,514	61 to 70	5,033
5	1,738	26 to 30	18,190	71 to 80	0,600

Opinion	Percentage
Yes	10,30%
No	11,56%
Don't know	7,15%
Refuse to answer	4,12%
Other	6,10%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The PA(90) – 1 ultimate table, with 1% improvement p.a from 2010 was used by the actuaries

iii) **Normal Retirement Age**

The normal retirement age for employees of the municipality is 62 years

iv) **Expected rate of salary increases**

2025/2026 – CPI + 1,25%

The amounts recognised in the Statement of Financial Position are as follows:

	2025 R	2024 R
Present value of fund obligations	2 183 000	1 926 000
Fair value of plan assets	-	-
Unrecognised past service cost	2 183 000	1 926 000
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	2 183 000	1 926 000
Reconciliation of present value of net defined benefit liability		
Present value of fund obligation at the beginning of the year	1 926 000	2 374 000
Total expenses	357 000	401 000
Current service cost	155 000	169 000
Interest Cost	202 000	232 000
Remeasurement of net defined benefit liability	137 244	(259 811)
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	137 244	(259 811)
Changes in effect of limiting	-	-
Past service cost	-	-
Gains and losses from settlement	-	-
Effect of change in foreign exchange rates	-	-
Contributions to plan from employer	-	-
Contributions to plan from employee	-	-
Benefits Paid	(237 244)	(589 189)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	2 183 000	1 926 000
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025
R

2024
R

10.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

LA RETIREMENT FUND (PREVIOUSLY CAPE JOINT PENSION FUND)

The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2024 revealed that the fund has a funding level of 118,5% (30 June 2023 - 120,3%).

Contributions paid recognised in the Statement of Financial Performance

120 264	111 825
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CONSOLIDATED RETIREMENT FUND (PREVIOUSLY CAPE JOINT RETIREMENT FUND)

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2024 revealed that the fund is in a sound financial position with a funding level of 117,3% (30 June 2023 - 120,1%).

Contributions paid recognised in the Statement of Financial Performance

2 934 221	2 624 848
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DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Government Employees Pension Fund
SAMWU National Provident Fund

55 941	91 715
880 336	907 908
936 277	999 624
11 785	8 005
11 785	8 005

11 CONSUMER DEPOSITS

Rental Properties

Total Consumer Deposits

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

12 CURRENT EMPLOYEE BENEFITS

Staff Bonuses

Staff Leave

Current Portion of Non-Current Provisions

Current Portion of Post Retirement Benefits - Note 10

Current Portion of Long-Service Provisions - Note 10

Total Provisions

998 962	852 533
2 652 656	1 987 132
1 689 000	2 100 000
1 654 000	1 878 000
35 000	222 000
5 340 618	4 939 665

The movement in current provisions are reconciled as follows:

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

12.1 Staff Bonuses

Balance at beginning of year		
Contribution to current portion	852 533	968 267
Expenditure incurred	2 227 782	1 993 343
	(2 081 353)	(2 109 077)
Balance at end of year	<u>998 962</u>	<u>852 533</u>

Bonuses are being paid to all municipal staff. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

12.2 Staff Leave

Balance at beginning of year	1 987 132	1 695 256
Contribution to current portion	966 712	986 863
Expenditure incurred	(301 188)	(694 988)
Balance at end of year	<u>2 652 656</u>	<u>1 987 132</u>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

13 **TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Payables	148 178	462 640
Advance Payments	31 886	560 887
Department of Environmental affairs - Work for Water	2 525	2 525
Department Economic Development and Tourism	49 968	49 968
Other Payables	2 485 284	2 455 157
Balance previously stated		2 430 180
Correction of Error - Note 35.1		24 977
Total Trade Payables	<u>2 717 841</u>	<u>3 531 175</u>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

14 **UNSPENT TRANSFERS AND SUBSIDIES**

Unspent Transfers and Subsidies	309 474	226 686
National Government Grants	87 508	4 359
Provincial Government Grants	218 125	218 485
Other Sources	3 842	3 842
<u>Less:</u> Unpaid Transfers and Subsidies	-	-
National Government Grants	-	-
Provincial Government Grants	-	-
District Municipality	-	-
Other Sources	-	-
Total Unspent Transfers and Subsidies	<u>309 474</u>	<u>226 686</u>

See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

		2025 R	2024 R
15 TAXES			
15.1	VAT Payable	-	-
	VAT Output in Suspense	(211 528)	(49 636)
	<u>Less:</u> Contribution to Provision for Doubtful Debt Impairment	-	-
	Total VAT Payable	(211 528)	(49 636)
15.2	VAT Receivable	268 466	393 454
	VAT Input in Suspense	198 956	(15 740)
	Total VAT Receivable	467 421	377 715
15.3	Net VAT (Payable)/Receivable	255 893	328 079
	VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
16 NET ASSET RESERVES			
	RESERVES	294 166	294 166
	Capital Replacement Reserve	294 166	294 166
	Total Net Asset Reserve and Liabilities	294 166	294 166
16.1	The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
17 GOVERNMENT GRANTS AND SUBSIDIES			
	Government Grants and Subsidies - Operating	74 812 971	64 369 406
	Equitable Share	58 871 000	57 516 000
	Expanded Public Works Programme Integrated Grant	1 206 000	950 454
	Local Government Financial Management Grant	1 942 516	2 025 010
	Rural Road Asset Management Systems Grant	3 178 177	2 875 194
	Civil Defence Subsidy	-	-
	NC Housing	110 000	250 000
	Training Reserve (SETA)	951 338	752 748
	Municipal Disaster Relief Grant	8 553 940	-
	Government Grants and Subsidies - Capital	56 580	75 427
	Financial Management Grant	56 580	75 427
	Total Government Grants and Subsidies	74 869 551	64 444 833
	Included in above are the following grants and subsidies received:		
	<u>Unconditional</u>	58 871 000	57 516 000
	Equitable Share	58 871 000	57 516 000
	<u>Conditional</u>	15 998 551	6 928 833
	Local Government Financial Management Grant	1 999 096	2 100 437
	Rural Road Asset Management Systems Grant	3 178 177	2 875 194
	NC Housing	110 000	250 000
	Training Reserve (SETA)	951 338	752 748
	Expanded Public Works Programme Integrated Grant	1 206 000	950 454
	Municipal Disaster Relief Grant	8 553 940	-
	Total Government Grants and Subsidies	74 869 551	64 444 833
	Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
	Equitable share - Administration	10 323 000	9 920 000
	Executive and Council	4 983 000	4 601 454
	Finance and Administration	47 721 434	46 798 185
	Public Safety	8 553 940	-
	Planning and Development	3 288 177	3 125 194

Total Government Grants and Subsidies	74 869 551	64 444 833
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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

	2025 R	2024 R
17.1		
<u>Finance Management Grant</u>		
Opening balance	1 000	1 437
Grants received	2 000 000	2 100 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 942 516)	(2 025 010)
Conditions met - Capital	(56 580)	(75 427)
Conditions still to be met	1 905	1 000

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary

17.2		
<u>RSC Levies Replacement Grant</u>		
Opening balance	-	-
Grants received	44 771 000	43 945 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(44 771 000)	(43 945 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

This is an unconditional grant established to make provision for income for the District Municipalities after the RSC levies were terminated.

17.3		
<u>Equitable Share</u>		
Opening balance	-	-
Grants received	10 323 000	9 920 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(10 323 000)	(9 920 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

17.4		
<u>Concillors Remuneration Grant</u>		
Opening balance	-	-
Grants received	3 777 000	3 651 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(3 777 000)	(3 651 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

This is an unconditional grant to co-funding the councillors remuneration.

17.5		
<u>Municipal System Improvement Grant</u>		
Opening balance	1 359	1 359
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	1 359	1 359

The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

17.6 Rural Roads Asset Management Grant

Opening balance	1 001	2 300
Grants received	3 258 000	3 118 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(3 178 177)	(3 119 299)
Conditions met - Capital	-	-
Conditions still to be met	80 824	1 001

This grant was established to make provision for the establishment of a roads network.

17.7 Municipal Disaster Relief Grant

Opening balance	361	361
Grants received	8 556 000	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(8 553 940)	-
Conditions met - Capital	-	-
Conditions still to be met	2 421	361

This grant is used to assist the municipality with response to disaster

17.8 Civil Defence Subsidy

Opening balance	210 810	210 810
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	210 810	210 810

This conditional grant is to establish a disaster management centre.

17.9 Expanded Public Works Program

Opening balance	1 000	1 454
Grants received	1 206 000	950 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 206 000)	(950 454)
Conditions met - Capital	-	-
Conditions still to be met	1 000	1 000

This grant service to establish work in local communities.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

17.10 NC Housing

Opening balance	-	
Grants received	110 000	250 000
Conditions met - Operating	(110 000)	(250 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

This grant is to establish a housing unit at the District level.

17.11 Khotso Pula Nala

Opening balance	2 517	2 517
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	2 517	2 517

This grant originated from the Department Roads and Public Works and is used for projects determined by the Department.

17.12 Electronic Filing System

Opening balance	4 798	4 798
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	4 798	4 798

The grant was used to implement an electronic filing system.

17.13 Training Reserve (SETA)

Opening balance	3 842	342 003
Grants received	951 338	414 586
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(951 338)	(752 748)
Conditions met - Capital	-	-
Conditions still to be met	3 842	3 842

This is the amount claimed back from SETA for training and is utilised for training.

17.14 Total Grants

Opening balance	226 686	567 038
Grants received	74 952 338	64 348 586
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(74 812 971)	(64 613 511)
Conditions met - Capital	(56 580)	(75 427)
Conditions still to be met/(Grant expenditure to be recovered)	309 474	226 686

NAMAKWA DISTRICT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Disclosed as follows:

Unspent Conditional Government Grants and Receipts	2025 R	2024 R
Unpaid Conditional Government Grants and Receipts	309 474	226 686
Total	309 474	226 686

18 CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT

Springbok Superspar	-	-
MTN	-	38 552
SMEG	-	1 723 979
Ou Mutual	-	664 833
Total Contributed Property, Plant and Equipment	-	2 427 364

Disclosed as follows:

Revenue from Non-Exchange Transactions	-	2 427 364
Revenue from Exchange Transactions	-	-
Total Contributed Property, Plant and Equipment	-	2 427 364

19 SALES OF GOODS AND RENDERING OF SERVICES

Rendering of Services - B Municipalities	2 481 185	1 725 997
Rendering of Services - NCEDA	741 549	686 646
Services Rendered Department of Health	23 174	61 057
Services Rendered Department Economic Development	28 280	1 274 632
Management Fees	226 643	226 374
Total Sales of Goods and Rendering of Services	3 500 831	3 974 706

20 RENTAL FROM FIXED ASSETS

Rental of facilities	1 612 323	1 557 057
Total Rental from Fixed Assets	1 612 323	1 557 057

21 INTEREST EARNED - EXTERNAL INVESTMENTS

Financial assets	2 400 642	2 086 178
Total Interest Earned - External Investments	2 400 642	2 086 178

22 INTEREST EARNED - EXCHANGE TRANSACTIONS

Other Receivables	126 174	139 217
Total Interest Earned - Outstanding Receivables	126 174	139 217

23 OPERATIONAL REVENUE

Commission	2 419	3 115
Inspection Fees	142 291	87 426
Staff Recoveries	500	-
Total Operational Revenue	145 211	90 541

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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EMPLOYEE RELATED COSTS

	2025 R	2024 R
Basic Salaries and Wages	30 709 785	29 782 434
Balance previously stated		29 757 457
Correction of Error - Note 35.2		24 977
Pension and UIF Contributions	4 938 802	4 618 215
Medical Aid Contributions	1 397 663	1 398 427
Overtime	72 520	77 122
Bonuses	2 227 782	1 993 343
Motor Vehicle Allowance	1 935 387	2 193 606
Cell Phone Allowance	200 716	202 562
Housing Allowances	506 208	529 071
Other benefits and allowances	70 426	234 900
Payments in lieu of leave	966 712	986 864
Workmen's Compensation Fund	288 303	261 274
Post-retirement Benefit Obligations	305 000	402 000
	43 619 305	42 679 816
	-	-
	-	-
	-	-
Total Employee Related Costs	43 619 305	42 679 816

Less: Employee Costs allocated elsewhere

Cost Capitalised to PPE
Cost allocated to Inventory

Total Employee Related Costs

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager - SC Adams (current)

Annual Remuneration	687 195	744 467
13th Cheque	57 266	51 257
Allowances	256 071	243 097
Contributions to UIF, Medical and Pension Funds	180 516	179 903
Other benefits and allowances	165 099	-
Total	1 346 148	1 218 725

Remuneration of the Chief Financial Officer - Q Cloete (current)

Annual Remuneration	517 950	-
Allowances	113 413	-
Contributions to UIF, Medical and Pension Funds	94 825	-
Total	726 188	-

Remuneration of the Chief Finance Officer - R Datadin (previous)

Annual Remuneration	-	355 490
13th Cheque	-	43 170
Allowances	-	32 504
Contributions to UIF, Medical and Pension Funds	-	45 508
Payments in lieu of leave	-	133 226
Total	-	609 898

Remuneration of Senior Manager: Corporate and Municipal Health Services - GE Cloete

Annual Remuneration	1 154 301	1 098 922
13th Cheque	58 118	55 615
Allowances	156 389	153 287
Contributions to UIF, Medical and Pension Funds	128 367	122 254
Long service awards	-	40 043
Total	1 497 175	1 470 120

Remuneration of Senior Manager: Municipal Support Unit - HW Niehaus

Annual Remuneration	-	428 815
13th Cheque	-	40 052
Allowances	-	230 867
Contributions to UIF, Medical and Pension Funds	-	1 594
Acting allowance	-	128 128
Payments in lieu of leave	-	28 013
Total	-	857 470

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Line Managers

	2025 R	2024 R
<i>Remuneration of Manager: Projects - I Smith</i>		
Annual Remuneration	728 904	683 088
13th Cheque	60 913	56 924
Allowances	193 034	195 658
Contributions to UIF, Medical and Pension Funds	168 669	157 892
Long service awards	29 238	-
Total	1 180 758	1 093 562
<i>Remuneration of Manager: Maintenance and Household Services - E Bezuidenhout</i>		
Annual Remuneration	-	320 440
13th Cheque	-	58 747
Allowances	-	80 559
Contributions to UIF, Medical and Pension Funds	-	68 657
Payments in lieu of leave	-	68 415
Long service awards	-	30 762
Early Retirement package	-	769 056
Total	-	1 396 636
<i>Remuneration of Head Accountant: Budget and Treasury - L Links (current)</i>		
Annual Remuneration	369 376	-
13th Cheque	7 638	-
Allowances	108 242	-
Contributions to UIF, Medical and Pension Funds	110 056	-
Total	595 312	-
<i>Remuneration of Head Accountant: Budget and Treasury - C Brown (previous)</i>		
Annual Remuneration	-	442 032
13th Cheque	-	61 723
Allowances	-	106 344
Contributions to UIF, Medical and Pension Funds	-	124 272
Payments in lieu of leave	-	142 635
Long service awards	-	29 627
Total	-	906 633
<i>Remuneration of Manager: Municipal Health Services - D Smith</i>		
Annual Remuneration	668 136	621 252
13th Cheque	55 401	51 771
Allowances	147 404	151 424
Contributions to UIF, Medical and Pension Funds	148 929	138 589
Long service awards	-	24 850
Total	1 019 870	987 887
<i>Remuneration of Manager: Internal Audit - V Fitzpatrick</i>		
Annual Remuneration	649 287	572 891
13th Cheque	55 401	48 215
Allowances	151 676	160 351
Contributions to UIF, Medical and Pension Funds	163 140	146 645
Total	1 019 504	928 102
<i>Remuneration of Manager: Municipal Planning - G Bezuidenhout</i>		
Annual Remuneration	552 688	-
13th Cheque	45 828	-
Allowances	143 766	-
Contributions to UIF, Medical and Pension Funds	167 313	-
Total	909 595	-
<i>Remuneration of Manager: Maintenance & Projects - M Bouwers</i>		
Annual Remuneration	604 112	-
13th Cheque	50 385	-
Allowances	156 940	-
Contributions to UIF, Medical and Pension Funds	172 858	-
Total	984 295	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 R	2024 R
Total Key Management Remuneration		
Annual Remuneration	5 931 950	5 267 396
13th Cheque	390 950	467 474
Allowances	1 426 935	1 354 092
Contributions to UIF, Medical and Pension Funds	1 334 673	985 314
Acting allowance	-	128 128
Other benefits and allowances	165 099	-
Payments in lieu of leave	-	372 290
Long service awards	29 238	125 282
Early Retirement package	-	769 056
	9 278 845	9 469 032
Total	9 278 845	9 469 032

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REMUNERATION OF COUNCILLORS

MJ Cloete - Councillor - Executive Mayor	1 046 305	1 003 681
G'Y Pieters - Councillor - Speaker	846 446	812 867
PA Van Heerden - Councillor	465 121	448 803
E Hough - Councillor	363 226	351 537
CR Warne - Councillor	363 226	351 537
ZP De Jongh - Councillor	20 121	19 216
AM Beukes - Councillor	363 226	351 537
AM Julie - Councillor	20 121	19 216
JH Wilschut - Councillor	122 002	116 483
CA Waterboer - Councillor	20 121	19 217
TF Bantom - Councillor	20 121	19 216
EC Oliphant - Councillor	122 002	116 483
RD Thomas - Councillor	19 314	13 636
JC Losper - Councillor	15 231	20 375
SJ Cloete - Councillor	20 121	19 216
RJ Cloete - Councillor	781 425	750 788
RH Cloete - Councillor	363 226	351 537
BC Brandt - Councillor	26 619	24 742
GJ Coetzee - Councillor	1 545	19 217
JE van den Heever - Councillor	11 581	-
	5 011 099	4 829 302

Total Councillors' Remuneration

Remuneration paid to Councillors can be summarised as follows:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Executive Mayor	999 301	-	47 004	-	1 046 305
Speaker	799 442	-	47 004	-	846 446
Chief Whip	26 619	-	-	-	26 619
Executive Committee Members	557 592	104 529	47 004	-	709 125
Section 79 Committee Chairperson	550 816	183 605	47 004	-	781 425
Councillors	1 096 937	316 227	188 016	-	1 601 180
Total Councillors' Remuneration	4 030 706	604 362	376 032	-	5 011 099

In-kind Benefits

The Executive Mayor, Speaker are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor as well as the Speaker may utilise official Council transportation when engaged in official duties.

Councillors receive the use of laptops upon commencing their term in order to perform their daily tasks. Upon completion of their term, they must return the laptops and devices.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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CONTRACTED SERVICES

Outsourced Services	32 270	10 600
Burial Services	17 249	-
Human Resources	15 022	10 600
Consultants and Professional Services	14 263 763	5 817 764
Business and Advisory	4 901 878	3 164 133
Accounting and Auditing	2 206 412	1 017 196
Audit Committee	129 294	100 596
Actuaries	71 739	95 652
Business and Financial Management	1 494 019	989 005
Project Management	28 280	424 600
Research and Advisory	968 340	520 143
Qualification Verification	3 793	16 941
Infrastructure and Planning	9 349 056	2 593 542
Civil	9 319 403	2 512 108
Town Planner	29 653	81 434
Laboratory Services	689	-
Water	689	-
Legal Cost	12 140	60 089
Legal Advice and Litigation	12 140	60 089
Contractors	791 896	750 108
Artists and Performers	-	3 500
Building	135 655	18 229
Catering Services	123 656	171 732
Electrical	-	1 889
Employee Wellness	27 567	13 939
Maintenance of Buildings and Facilities	190 738	286 564
Maintenance of Equipment	226 680	203 648
Maintenance of Unspecified Assets	50 247	17 198
Safeguard and Security	37 353	33 408
Total Contracted Services	15 087 929	6 578 472

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DEPRECIATION AND AMORTISATION

Property, Plant and Equipment	2 203 285	1 224 521
Intangible Assets	120 468	96 546
Investment Property carried at cost	26 594	26 246
Total Depreciation and Amortisation	2 350 347	1 347 313

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FINANCE COSTS

Long-term Borrowings	94 525	41 428
Non-current Employee Benefits	2 065 000	1 972 000
Total Finance Costs	2 159 525	2 013 428

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

		2025 R	2024 R
29	TRANSFERS AND SUBSIDIES		
	Capital	16 304	198 945
	Allocations In-kind	16 304	198 945
	Households	-	198 945
	Non-profit Institutions	16 304	-
	Operational	758 724	586 979
	Allocations In-kind	42 000	66 979
	Households	6 000	66 979
	Non-profit Institutions	36 000	-
	Monetary Allocations	716 724	520 000
	Namakwa Sports Council	150 000	270 000
	Unspecified	566 724	250 000
	Total Transfers and Subsidies	775 028	785 924
30	OPERATIONAL COSTS		
	Advertising, Publicity and Marketing	174 343	91 506
	Assets less than the Capitalisation Threshold	7 586	9 351
	Audit Fees	2 682 160	2 629 588
	Bank Charges, Facility and Card Fees	48 214	42 078
	Bursaries (Employees)	78 851	89 610
	Courier and Delivery Services	320	-
	Communication	310 151	274 330
	Deeds	1 321	563
	External Computer Service	1 074 363	917 840
	Insurance Underwriting	334 345	387 512
	Licences	25 109	24 556
	Municipal Services	1 382 238	1 202 669
	Printing, Publications and Books	176 862	147 253
	Professional Bodies, Membership and Subscription	583 432	500 000
	Registration Fees	20 122	14 586
	Skills Development Fund Levy	405 795	388 592
	Transport Provided as Part of Departmental Activities	-	25 290
	Travel and Subsistence	3 309 418	2 819 661
	Uniform and Protective Clothing	25 624	17 231
	Vehicle Tracking	66 819	58 235
	Wet Fuel	725 287	811 235
	Inventory consumed - Consumables	119 890	127 506
	Inventory consumed - Materials and Supplies	188 010	378 445
	Total Operational Costs	11 742 979	10 957 638
31	REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
	Receivables from Exchange Transactions - Note 6	613 074	(548 047)
	Receivables from Non-exchange Revenue - Note 7	(1 124 894)	1 036 314
	Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	(511 820)	488 267
32	GAINS/(LOSS) ON SALE OF FIXED ASSETS		
	Intangible Assets	-	-
	Property, Plant and Equipment	(2 654)	-
	Total Gains/ (Loss) on Sale of Fixed Assets	(2 654)	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

33	REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON FIXED ASSETS		
	Intangible Assets		
	Property, Plant and Equipment	2025 R	2024 R
		-	5 138
		-	16 039
	Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets	-	21 177

34 **RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA**

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has realigned items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. New mSCOA Charts are issued annually, resulting into an annual reclassification of items in the financial statements. Changes in the current mSCOA charts for 2024/25 financial year did not result in any reclassifications of 2024 balances previously reported.

35 **CORRECTION OF ERROR IN TERMS OF GRAP 3**

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the Standards of GRAP incorrectly applied in prior years:

35.1	Property, Plant and Equipment		
	Balance previously reported	2025 R	2024 R
	Cost	-	12 126 849
		-	(81 353)
	Computer Equipment not derecognised in 2023/2024 - Note 2	-	(33 245)
	Plant and Equipment not derecognised in 2023/2024 - Note 2	-	(20 393)
	Furniture and Office Equipment not derecognised in 2023/2024 - Note 2	-	(27 715)
	Accumulated Depreciation	-	111 825
	Depreciation on Computer Equipment recognised incorrectly in 2023/2024 - Note 2	-	29 469
	Impairment on Computer Equipment recognised incorrectly in 2023/2024 - Note 2	-	504
	Depreciation on Furniture and Office Equipment recognised incorrectly in 2023/2024 - Note 2	-	32 138
	Impairment on Furniture and Office Equipment recognised incorrectly in 2023/2024 - Note 2	-	40
	Depreciation on Plant and Equipment recognised incorrectly in 2023/2024 - Note 2	-	49 600
	Impairment on Plant and Equipment recognised incorrectly in 2023/2024 - Note 2	-	74
	Restated Balance	-	12 157 320

35.2	Intangible Assets		
	Balance previously reported	2025 R	2024 R
	Cost	-	602 752
		-	(254 966)
	Intangible Assets not derecognised in 2023/2024 - Note 4	-	(254 966)
	Accumulated Amortisation	-	252 139
	Amortisation recorded incorrectly in 2023/2024 - Note 4	-	252 139
	Restated Balance	-	599 925

Intangible Assets not derecognised in prior year.

35.3 **Trade and Other Payables from Exchange Transactions**

	Balance previously reported		
	Payables recognised incorrectly in periods before 1 July 2021 - Note 13	-	3 506 199
	Payables recognised incorrectly in 2023/2024 - Note 13	-	-
		-	24 977
	Restated Balance	-	3 531 175

Creditors recognised incorrectly in previous years.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

35.4 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not correctly applied in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Government Grants and Subsidies		64 444 833	-	64 444 833
Contributed Property, Plant and Equipment		2 427 364	-	2 427 364
Actuarial Gains		259 811	-	259 811
Sales of Goods and Rendering of Services		3 974 706	-	3 974 706
Rental from Fixed Assets		1 557 057	-	1 557 057
Interest Earned - External Investments		2 086 178	-	2 086 178
Interest Earned - Exchange Transactions		139 217	-	139 217
Operational Revenue		90 541	-	90 541
Total		74 979 708	-	74 979 708
Expenditure				
Employee related costs	35.1	(42 654 839)	(24 977)	(42 679 816)
Remuneration of Councillors		(4 829 302)	-	(4 829 302)
Bad Debts Written Off		(629 102)	-	(629 102)
Contracted Services	35.3	(6 578 472)	-	(6 578 472)
Depreciation and Amortisation	35.1 & 35.2	(1 347 313)	-	(1 347 313)
Actuarial Losses		(723 601)	-	(723 601)
Finance Costs		(2 013 428)	-	(2 013 428)
Operating Leases		(22 704)	-	(22 704)
Transfers and Subsidies	35.3	(785 924)	-	(785 924)
Operational Costs		(10 957 638)	-	(10 957 638)
Total		(70 542 324)	(24 977)	(70 567 300)
Gains and Losses				
Reversal of Impairment Loss/(Impairment Loss) on Receivables		488 267	-	488 267
Gains/(Loss) on Sale of Fixed Assets		-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(48 820)	27 643	(21 177)
Total		439 447	27 643	467 090
Net Surplus/(Deficit) for the year		4 876 831	2 666	4 879 498

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RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS

	2025 R	2024 R
Surplus/(Deficit) for the year	3 564 272	4 879 498
Adjustments for:		
Depreciation and Amortisation	2 348 261	1 347 313
Loss/(Gain) on Sale of Fixed Assets	4 740	(195 904)
Impairment Loss/(Reversal of Impairment Loss)	-	217 081
Contributed Property, Plant and Equipment	-	(2 427 364)
Government Grants and Subsidies received	74 952 338	64 348 586
Government Grants and Subsidies recognised as revenue	(74 869 551)	(64 688 938)
Contribution from/to provisions - Non-Current Employee Benefits	746 740	437 210
Contribution from/to provisions - Non-Current Employee Benefits	137 244	(259 811)
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	(1 326 984)	723 601
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	811 953	176 142
Contribution from/to - Current Employee Benefits	511 820	548 047
Debt Impairment	-	(1 036 314)
Reversal of Provision for Bad Debt	(43 926)	(76 544)
Operating lease income accrued	6 836 908	3 992 604
Operating Surplus/(Deficit) before changes in working capital	(2 954 500)	1 995 400
Changes in working capital		
Increase/(Decrease) in Trade and Other Payables	(813 335)	(97 039)
Increase/(Decrease) in Taxes	72 185	(424 697)
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(1 924 081)	847 024
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(293 050)	1 670 113
Cash generated/(absorbed) by operations	3 882 407	5 988 004

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CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Current Accounts - Note 8	7 903 095	4 301 997
Call Deposits and Investments - Note 8	9 150 929	10 028 035
Cash Floats - Note 8	500	500
Total cash and cash equivalents	17 054 525	14 330 532

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RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 37	17 054 525	14 330 532
Less:	(309 474)	(226 686)
Unspent Transfers and Subsidies - Note 14	(309 474)	(226 686)
Net cash resources available for internal distribution	16 745 051	14 103 845
Allocated to:		
Capital Replacement Reserve	(294 166)	(294 166)
Resources available for working capital requirements	16 450 884	13 809 679

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UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term Liabilities - Note 9	195 315	392 612
Used to finance property, plant and equipment - at cost	(195 315)	(392 612)
Cash set aside for the repayment of long-term liabilities		
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

2025	2024
R	R

40 BUDGET INFORMATION

The Annual Budget of the Municipality is prepared for a 2024/25 MTREF period and is applicable from 1 July 2024 until 30 June 2025.

A reconciliation is provided on the face of the Statement of comparison of budget and actual amounts for the classification disclosure differences resulting between the Budget and the Annual financial statements.

40.1 Explanation of variances between approved and final budget amounts

Variances between the approved and final budgets are mainly due to virements, and additional budget allocated for dissater project. Alignment of Employee Related cost taking into account vacancies that exist.

Explanation of variances greater than 10%: Final Budget and Actual Amounts

40.2 Statement of Financial Position

40.2.1 Current Assets

Cash and cash equivalents

Increase in Cash and Cash Equivalents as a result of better than anticipated bank balance outcome. Operational efficiencies contributed to surplus generated

Trade and other receivables from exchange transactions

Increase in Receivables as a result of debt raised for B-Municipalities

Receivables from non-exchange transactions

Functions that were devolved to Department of Public Works Roads and Transport. Debts raised for past obligations payable by the Municipality on behalf of the Department Public Works Roads and Transport .

Current portion of non-current receivables

VAT

VAT not included in budget.

Other current assets

Operating Lease Asset not included in budget.

40.2.2 Non-Current Assets

Investment property

Budget amounts were based on the 2024 Fixed Asset register before any adjustments were incorporated.

Property, plant and equipment

Budget amounts were based on the 2024 Fixed Asset register before any adjustments were incorporated.

Intangible assets

Budget amounts were based on the 2024 Fixed Asset register before any adjustments were incorporated.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

40.2.3 Current Liabilities

Financial liabilities

Current lease agreement on photocopier and electronic devices

Trade and other payables from exchange transactions

Decrease due to payment of invoices within 30 days.

Trade and other payables from non-exchange transactions

Grant funding not spent on year-end for which application for roll-over was made.

Consumer deposits

Increase due to current rental deposits.

Provisions

Increase due to upward adjustment of salaries of staff. (Cost of Living)

Other current liabilities

Increase in provision for staff leave and increase in the provision of post retirement benefits.

40.2.4 Non-Current Liabilities

Borrowing

Decrease due to reduction in future obligations.

Other non-current liabilities

Decrease due to actuarial gain on post-retirement benefits.

40.2.5 Net Assets

Accumulated Surplus/(Deficit)

Increase due to actual operating surpluses.

Funds and Reserves

Increase due to capital budget funded out of Capital Replacement Reserve.

Statement of Financial Performance

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

40.2.6 Revenue

Sale of Goods and Rendering of Services

Decrease due to decline in assistance requested by B-Municipalities.

Interest earned from Receivables

Increase due to non-payment by Government Departments.

Sale of Goods and Rendering of Services

Decrease due to B-Municipalities not settling outstanding accounts for services rendered.

Interest

Increase due to outstanding debtors.

Operational Revenue - Exchange

Rendering of services to Provincial Departments and Entities incorrectly included under Operational Revenue Budget

Operational Revenue - Non-Exchange

Debt settlement by National Treasury was not budgeted for due to confirmation received after Adjustment Budget was tabled.

Licences or permits

Permits issued incorrectly budget under Licences and permits.

40.2.7 Expenditure

Employee related costs

Decrease due to rationalisation process on vacant posts and alignment of budget.

Inventory consumed

No inventory purchased during the year.

Debt impairment

Reversal of debt impairment.

Depreciation and amortisation

Increase due to review of useful life of assets in the prior year which was not incorporated in the Budget.

Interest

Interest paid on post-retirement benefits budgeted as part of employee-related cost.

Contracted services

Decrease as result of less services rendered to municipalities and other departments.

Transfers and subsidies

Re-priorisation of needs and alignment of strategic properties that took place.

Irrecoverable debts written off

No debts written off for the period under review.

Operational costs

Decrease as a result of operational efficiencies contributing to reduced operating expenditure.

Surplus/(Deficit)

Transfers Recognised - Capital (monetary allocations)

Portion of Finance Management Grant was spent on capital expenditure.

Cash Flow Statement

40.2.8 Net Cash from Operating Activities

Receipts

Decrease as a result of revenue not collected as anticipated from B- Municipalities for services rendered.

Interest

Increase as a result of withdrawal of interest earned on Long Term Investment to fund purchase of Speaker vehicle and computer equipment.

Finance costs

Decreased as a result of reduction in future obligation of leases

Transfers and Grants

Re-priorisation of needs and alignment of strategic properties that took place.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

41 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

41.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance	528 096	371 074
Correction of prior period error	-	-
Restated opening balance	528 096	371 074
Unauthorised expenditure current year - operational	76 668	-
Unauthorised expenditure current year - capital	-	528 096
Written off by Council on 29 August 2025	(528 096)	(371 074)
Current	-	-
Prior Period	(528 096)	(371 074)
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	76 668	528 096
	2025 R	2024 R

Unauthorised expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings
Over expenditure of approved capital budget - 2023/24	None

The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:

Non-cash	-	528 096
Cash	-	-
	-	528 096
	2025 R	2024 R
Analysed as follows: Non-cash		
Cell phones financed by finance leases	-	1 803
Receipt of contributed assets from Private Enterprises	-	526 293
	-	528 096
	2025 R	2024 R

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The overspending of the Budget per municipal vote can be summarised as follows:

Unauthorised expenditure current year - operating

	2025 Actual R	2025 Final Budget R	2025 Variance R	2025 Unauthorised R
Vote 1 - Municipal Manager	20 801 234	21 288 132	(486 898)	-
Vote 2 - Manager: Corporate Services	14 236 781	15 078 372	(841 591)	-
Vote 3 - Manager: Economic Development	21 332 926	22 109 502	(776 576)	-
Vote 4 - Manager: Environmental Health	10 707 428	10 771 798	(64 370)	-
Vote 5 - Manager: Finance	8 012 346	7 935 678	76 668	76 668
Vote 6 - Manager: Roads	-	520 604	(520 604)	-
Vote 7 - Manager: Municipal Support Unit	6 310 120	7 592 570	(1 282 450)	-
	81 400 835	85 296 656	(3 895 821)	76 668

Unauthorised expenditure current year - capital

	2025 Actual R	2025 Final Budget R	2025 Variance R	2025 Unauthorised R
Vote 1 - Municipal Manager	48 605	60 000	(11 395)	-
Vote 2 - Manager: Corporate Services	746 357	760 001	(13 644)	-
Vote 3 - Manager: Economic Development	96 800	106 400	(9 600)	-
Vote 4 - Manager: Environmental Health	20 183	30 000	(9 817)	-
Vote 5 - Manager: Finance	49 200	50 000	(800)	-
Vote 6 - Manager: Roads	-	-	-	-
Vote 7 - Manager: Municipal Support Unit	-	-	-	-
	961 145	1 006 401	(45 256)	-

41.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	6 789	-
Restated opening balance	6 789	-
Fruitless and wasteful expenditure current year	24 386	6 789
Written off by Council on 29 August 2025	(31 175)	-
Current	(24 386)	-
Prior Period	(6 789)	-
Fruitless and wasteful expenditure awaiting condonement	-	6 789

Transactions include VAT unless it relates to exempt and zero-rated supplies.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025
R

2024
R

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	
Interest on late payment of invoices received - 2023/24	Referred to Financial Disciplinary Board	
		6 789
	-	6 789
	2025 R	2024 R
41.3 <u>Irregular expenditure</u>		
Reconciliation of irregular expenditure:		
Opening balance	1 819 336	165 026
Correction of prior period error	-	-
Restated opening balance	1 819 336	165 026
Irregular expenditure prior year identified in current year	831 144	-
Irregular expenditure current year	10 236 488	1 914 063
Expenditure authorised i.t.o. Section 32 of MFMA by Council on 29 August 2025	(11 383 302)	(259 753)
Current	(8 732 822)	(117 627)
Prior Period	(2 650 480)	(142 126)
Irregular expenditure awaiting further action	1 503 665	1 819 336

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025
R

2024
R

Irregular expenditure awaiting further action can be summarised as follows:

Incident	Disciplinary steps/criminal proceedings	
Invalid reasons for SCM deviations - 2023/24	None	
Non-Compliance with SCM Regulation 12 - 2023/24	None	290 332
Non-Compliance with SCM Regulation (3 quotations not obtained) - 2023/24	None	96 600
Over expenditure on contract value - 2023/24	None	18 876
Incorrect recruitment process followed for	None	1 413 528
Senior Manager acting for more than 3 months	None	778 472
Non-Compliance with SCM Regulation 36 - 2024/25	None	52 672
Non-Compliance with section 8(1) of the Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers, 2006"	None	605 259
Competitive bidding process not followed	None	67 266
		831 140
		1 503 665
		2 650 480

Transactions include VAT unless it relates to exempt and zero-rated supplies.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

		2025 R	2024 R
42	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
42.1	<u>Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)</u>		
	Opening balance	-	-
	Council subscriptions	583 432	500 000
	Amount paid - current year	(583 432)	(500 000)
	Balance unpaid (included in creditors)	-	-
42.2	<u>Audit fees - [MFMA 125 (1)(c)]</u>		
	Opening balance	-	334 055
	Correction of prior period error	-	-
	Restated opening balance	-	334 055
	Current year audit fee	2 682 160	2 629 588
	External Audit - Auditor-General		
	Internal Audit	2 682 160	2 629 588
	Audit Committee	-	-
	Amount paid - current year	(1 825 489)	(2 629 588)
	National Treasury Settlement	(856 671)	
	Amount paid - previous year	-	(334 055)
	Balance unpaid (included in creditors)	-	-
42.3	<u>VAT - [MFMA 125 (1)(c)]</u>		
	Opening balance	393 454	174 117
	Restated opening balance	393 454	174 117
	Amounts received - previous year	(393 454)	-
	Amounts received - current year	(2 122 015)	(915 102)
	Amount claimed - current year	2 390 480	1 134 439
	Amount claimed - previous year	-	-
	Closing balance	268 465	393 454
	VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.		
42.4	<u>PAYE and UIF - [MFMA 125 (1)(c)]</u>		
	Opening balance	-	-
	Correction of prior period error	-	-
	Restated opening balance	-	-
	Current year payroll deductions	7 888 815	7 527 729
	Amount paid - current year	(7 888 815)	(7 527 729)
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	-	-
42.5	<u>Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</u>		
	Opening balance	-	-
	Correction of prior period error	-	-
	Restated opening balance	-	-
	Current year payroll deductions and Council Contributions	12 409 616	11 781 635
	Amount paid - current year	(12 409 616)	(11 781 635)
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	-	-

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

42.6 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2025

	<u>Type of Deviation</u>			
	Total	Single Supplier	Impossible	Impractical
July	14 138	6 468	-	7 670
August	48 998	29 005	-	19 398
September	23 428	12 747	-	10 681
October	82 324	33 787	-	48 536
November	87 001	2 550	-	84 451
December	20 228	12 075	-	8 153
January	20 179	13 053	-	7 126
February	13 051	3 701	-	9 350
March	734	734	-	-
April	33 121	5 323	-	27 798
May	730 418	710 723	-	19 695
June	13 288	6 238	-	7 050
	1 086 908	836 404	-	249 909
				595

30 June 2024

	<u>Type of Deviation</u>			
	Total	Single Supplier	Impossible	Impractical
July	16 252	-	-	16 252
August	68 295	20 394	-	47 901
September	40 482	3 512	-	36 970
October	40 723	-	-	40 723
November	9 191	3 795	-	5 396
December	6 011	500	-	5 511
January	140 599	26 714	-	113 885
February	44 792	403	-	42 789
March	12 521	787	-	11 734
April	36 850	230	-	36 620
May	63 642	-	-	63 642
June	21 555	-	-	18 355
	500 913	56 335	-	439 778
				4 800

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FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

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

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:
 1% (2024: 1%) Increase in interest rates
 1% (2024: 1%) Decrease in interest rates

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of lessees and governmental debt, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All services are payable within 30 days from invoice date. Refer to note 6 and 7 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Since the majority of the debt is intergovernmental the collectibility is highly likely.

Property Rentals
Other

	2025 %	2025 R	2024 %	2024 R
	7,53%	1 313 176	10,49%	1 597 007
	92,47%	16 123 118	89,51%	13 624 995
	100,00%	17 436 294	100,00%	15 222 003

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 6 and 7 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

Other
Property Rentals

	2025 %	2025 R	2024 %	2024 R
	94,22%	12 765 594	89,29%	11 640 700
	5,78%	783 172	10,71%	1 396 246
	100,00%	13 548 766	100,00%	13 036 946

The provision for bad debts could be allocated between the different categories of receivables as follow:

Government
Industrial
Residential

	2025 %	2025 R	2024 %	2024 R
	90,11%	12 209 259	88,91%	11 591 106
	4,11%	556 335	0,38%	49 594
	5,78%	783 172	10,71%	1 396 246
	100,00%	13 548 766	100,00%	13 036 946
				Non-exchange Receivables

Ageing of amounts past due but not impaired are as follow:

2025

1 month past due
2+ months past due

	216 371	11 209
	3 207 178	835 433
	3 423 549	846 642

2024

1 month past due
2+ months past due

	55 013	23 058
	939 414	1 083 673
	994 427	1 106 731

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

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

	2025	2024
Receivables from exchange transactions	4 461 809	2 537 728
Receivables from non-exchange transactions	13 067 110	12 774 060
Cash and Cash Equivalents	17 054 025	14 330 032
	<u>34 582 944</u>	<u>29 641 820</u>

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

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

An amount of R1 522 908 included in trade payables is significantly past due. The municipality has not recognised the discounting on this payable, as the full amount remains payable. The timing of the settlement cannot currently be determined.

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

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2025				
Long-term Liabilities	214 830	35 432	-	-
Trade and Other Payables	2 717 841	-	-	-
	<u>2 932 671</u>	<u>35 432</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2024				
Long-term Liabilities	309 365	185 975	-	-
Trade and Other Payables	3 531 176	-	-	-
	<u>3 840 541</u>	<u>185 975</u>	<u>-</u>	<u>-</u>

44 FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

44.1 Financial Assets

Classification

	2025 R	2024 R
Receivables from Exchange Transactions		
Property Rentals	1 313 176	1 597 007
B-Municipalities	3 056 008	850 936
Cash and Cash Equivalents		
Bank Balances	7 903 095	4 301 997
Call Deposits	9 150 929	10 028 035
Total Financial Assets	<u>21 423 208</u>	<u>16 777 975</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

SUMMARY OF FINANCIAL ASSETS

Financial Instruments at amortised cost:

Receivables from Exchange Transactions	Property Rentals	1 313 176	1 597 007
Receivables from Exchange Transactions	B-Municipalities	3 056 008	850 936
Cash and Cash Equivalents	Bank Balances	7 903 095	4 301 997
Cash and Cash Equivalents	Call Deposits	9 150 929	10 028 035
		21 423 208	16 777 975
		21 423 208	16 777 975

Total Financial Assets

44.2 Financial Liabilities

Long-term Liabilities

Capitalised Lease Liability

Trade and Other Payables

Trade Payables

Advance Payments

Department of Environmental affairs - Work for Water

Other Payables

Classification

Financial Instruments at amortised cost	195 315	392 612
Financial Instruments at amortised cost	148 178	462 640
Financial Instruments at amortised cost	31 886	560 887
Financial Instruments at amortised cost	2 525	2 525
Financial Instruments at amortised cost	2 485 284	2 455 157
	2 863 188	3 873 820

SUMMARY OF FINANCIAL LIABILITIES

Financial instruments at amortised cost:

Long-term Liabilities

Trade and Other Payables

Trade and Other Payables

Trade and Other Payables

Trade and Other Payables

Capitalised Lease Liability

Trade Payables

Advance Payments

Control, Clearing and Interface Accounts

Other Payables

	195 315	392 612
	148 178	462 640
	31 886	560 887
	2 525	2 525
	2 485 284	2 455 157
	2 863 188	3 873 820

45 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

Taxes

VAT Receivable

	268 466	393 454
Total Statutory Receivables (before provision)	268 466	393 454
<u>Less:</u> Provision for Debt Impairment	-	-
Total Statutory Receivables (after provision)	268 466	393 454

Statutory Receivables arises from the following legislation:

Taxes - Value Added Tax Act (No 89 of 1991)

Statutory receivables are initially measured at transaction value, and subsequently at cost.

Interest Received from Statutory Receivables

Taxes

	-	-
	-	-

46 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

47 CONTINGENT LIABILITY

On 22 April 2022, the Municipality awarded a tender for the supply, deliver, installation, maintenance and servicing of new printers for a period of 3 years. The Municipality, however, received a formal objection / appeal against the award. Pursuant to the outcome of the objection / appeal process, the aggrieved party instituted legal proceedings on 11 August 2022 which is currently pending. Any potential damages / costs awarded against Council if claimant is successful in their action cannot be determined at the current stage.

48 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

Senior managers and councillors are considered as Related Parties as they have the authority and responsibility for planning, directing and controlling the activities of the municipality, directly or indirectly.

48.1 Compensation of key management personnel and Councillors

The compensation of key management personnel is set out in note 24 and the remuneration of Councillors in note 25 to the Annual Financial Statements.

48.2 Current Employee Benefits

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2025:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
SC Adams	Municipal Manager (current)	120 836	28 633	168 082
Q Cloete	Chief Financial Officer	20 276	-	34 032
	Head: Corporate and Municipal Health Services	121 018	29 550	61 227
		262 130	58 183	263 341

The transactions above were concluded in arm's length.

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2024:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
SC Adams	Municipal Manager (current)	87 852	28 633	176 063
R Datadin	Chief Financial Officer	-	-	1 555
	Head: Corporate and Municipal Health Services	82 461	27 808	72 463
GE Cloete	Head: Municipal Support Unit	-	-	19 340
HW Niehaus		170 312	56 441	269 421

The transactions above were concluded in arm's length.

48.3 Councillors short-term employee benefits and any other benefits received

Name	Position	Allowances	Remuneration	Total
MJ Cloete	Executive Mayor	17 624		17 624
GY Pieters	Speaker	14 082		14 082
PA Van Heerden	Councillor	5 147	41 718	46 865
E Hough	Councillor	3 063	31 744	34 807
CR Warne	Councillor	338	15 004	15 342
ZP De Jongh	Councillor	169	2 370	2 539
AM Beukes	Councillor	1 183	11 616	12 799
AM Julie	Councillor	338		338
JH Wilschut	Councillor	11 118	121 993	133 111
CA Waterboer	Councillor	845	24 598	25 443
TF Bantom	Councillor	2 577	26 077	28 654
EC Oliphant	Councillor	4 647	52 447	57 094
RD Thomas	Councillor	3 253	29 194	32 447
JC Losper	Councillor	1 690	23 697	25 387

NAMAKWA DISTRICT MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

SJ Cloete	Councillor	1 218	8 433	9 651
RJ Cloete	Councillor	5 295	67 728	73 023
RH Cloete	Councillor	338	4 837	5 175
BC Brandt	Councillor	169	10 191	10 360
JE Van Den Heever	Councillor		4 104	4 104
		73 094	475 749	548 843

		2025	2024
		R	R

48.4 Other related party transactions in terms of section 45 of the SCM regulations

The following awards were made where immediate family members are in service of the state:

Company Name	Relationship	2025	2024
GPJ Solar Electric (Pty) Ltd	Wife (Namakwa District Municipality)	-	12 650
DX Plumelect Solutions (Pty) Ltd	Father (SAPS employee)	-	2 062
Powerbar Electrical	Spouse works at Nama-Khoi Municipality	32 500	-
Fancy Yellow Guest House	Spouse is a Doctor at RMS Hospital	8 100	-
		40 600	14 712

The transactions above were concluded in arm's length.

Related party transactions with Rudge Enterprise and Etienne Vermaak was not disclosed in the previous year.

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FINANCIAL SUSTAINABILITY

Financial Indicators

We draw attention to the fact that, as at 30 June 2025, several factors exist that might influence the ability of the municipality to continue as a going concern.

These factors include:

- The non-current employee benefit liability is not cashed back;
- The provision for impairment of receivables is high at R 13 548 766 (2024: R 13 036 946) whereby the majority of impairment is due to debts owed by government departments;
- The Municipality's total assets exceeds its liabilities with R6 313 029
- The Municipality incurred a net surplus for the year under review of R 3 564 272 (R2024: R 4 879 498);
- The accumulated surplus is R 6 018 893 (2024: R 2 454 591);
- The Municipality had positive cashflows of R 2 723 993 (2024: R 5 028 938).

Even though the above uncertainties exist regarding the municipality's ability to continue as a going concern, the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors, most significant of these being the ability to procure funding for the ongoing operations of the municipality.

Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the budget. The cash management processes is complemented by regular reporting, highlighting the actual cash position.

The cost containment circular issued by National Treasury has been adopted by Council and is currently implemented in the municipality.

The municipality has budgeted for negative cash flows of R 53 000 for the 2024/25 financial year.

Business plans / proposals have been compiled by management to obtain funds from external parties to increase our revenue resources in order to fund the operations and to render municipal support services on a shared services basis to the local municipalities in the district.

Innovative strategic management is deployed to better the financial health of the Namakwa District Municipality in the long term.

Political intervention and strategic direction is given to the municipal administration by the Executive Mayor of the municipality to sustain the financial health of the municipality.

The fair value of Land and Buildings exceeds their carrying value amount with R14 875 159 (2024: R14 523 600).

Creditor payment days > 30 days

2025 - 35 Days

2024 - 50 Days

Current liabilities (excluding unspent

2025 - 34%

2024 - 35%

Debtors days > 30 days

2025 - 264 days

2024 - 139 days

As the municipality will continue to receive funding from government, as is evident from the Equitable Share allocations as published in the Division of Revenue Act and the fact that the Medium Term Revenue and Expenditure Framework (MTREF) for the 2025/26, 2026/27 and 2027/28 financial years are funded and approved by the Council, the municipality is of the opinion that it will be able to continue as a going concern in the foreseeable future.

50 EVENTS AFTER REPORTING PERIOD

50.1

Investigation of unauthorised, irregular and fruitless and wasteful expenditure

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

On the 29 August 2025, the Council approved the write-off of Irregular expenditure of 2025: R9 563 966 & 2024: R1 819 336; unauthorised expenditure 2025: R0 & 2024: R528 096 & fruitless expenditure of 2025: R24 386 & 2024: R6 789.

No further events which may have financial implication for the municipality and warrants disclosure in the financial statements occurred after 30 June 2025.

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ADDITIONAL DISCLOSURES IN TERMS OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

APPENDIX A
NAMAKWA DISTRICT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2025

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2024	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2025
LEASE LIABILITY								
Office Equipment, Computer Equipment and Tablets		NDM006-460818	04/06/2026	392 612	-	46 982	(244 279)	195 315
Total Lease Liabilities				392 612	-	46 982	(244 279)	195 315
TOTAL EXTERNAL LOANS				392 612	-	46 982	(244 279)	195 315

Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
117 432	-
117 432	-
117 432	-

APPENDIX B
NAMAKWA DISTRICT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
			Governance and Administration			
5 937 142	(20 564 628)	(14 627 486)	Executive and council	6 017 846	(19 748 223)	(13 730 377)
65 082 263	(25 241 303)	39 840 960	Finance and administration	66 209 599	(28 559 248)	37 650 352
-	(980 068)	(980 068)	Internal audit	-	(1 167 126)	(1 167 126)
			Community and Public Safety			
-	-	-	Community and social services	-	-	-
-	-	-	Sport and recreation	-	-	-
87 426	(5 013 082)	(4 925 656)	Public safety	8 696 231	(3 745 656)	4 950 575
-	-	-	Housing	-	-	-
-	(5 556 536)	(5 556 536)	Health	-	(5 911 794)	(5 911 794)
			Economic and Environmental Services			
3 825 950	(8 818 473)	(4 992 523)	Planning and development	4 029 726	(17 935 204)	(13 905 478)
-	-	-	Road transport	-	114 116	114 116
46 926	(2 165 518)	(2 118 592)	Environmental protection	11 705	(2 611 486)	(2 599 781)
			Trading Services			
-	-	-	Energy sources	-	-	-
-	-	-	Water management	-	-	-
-	-	-	Waste water management	-	-	-
-	-	-	Waste management	-	-	-
-	(1 760 603)	(1 760 603)	Other	-	(1 836 215)	(1 836 215)
74 979 708	(70 100 210)	4 879 498	Sub Total	84 965 107	(81 400 835)	3 564 272
-	-	-	Less Inter-Departmental Charges	-	-	-
74 979 708	(70 100 210)	4 879 498	Total	84 965 107	(81 400 835)	3 564 272

APPENDIX C
NAMAKWA DISTRICT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
MUNICIPAL VOTES CLASSIFICATIONS

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
-			Municipal Manager			
5 876 086	(3 876 328)	(3 876 328)	Council: Councillors	-	(3 985 187)	(3 985 187)
61 057	(7 747 725)	(1 871 639)	Council Expenditure	5 994 672	(6 316 143)	(321 470)
-	(1 230 243)	(1 169 187)	Executive Mayor	23 174	(1 308 699)	(1 285 525)
-	(1 082 403)	(1 082 403)	Internal Audit and Audit Committee	-	(1 298 826)	(1 298 826)
-	(2 480 635)	(2 480 635)	Mayor - PA	-	(3 331 374)	(3 331 374)
-	(1 456 389)	(1 456 389)	Municipal Manager	-	(1 610 627)	(1 610 627)
-	(2 034 349)	(2 034 349)	Municipal Manager - Admin	-	(1 140 347)	(1 140 347)
-	(876 504)	(876 504)	Speaker	-	(953 492)	(953 492)
-	(760 120)	(760 120)	Speaker - PA	-	(856 540)	(856 540)
-			Manager: Corporate Services			
-	(7 799 888)	(7 799 888)	Adminstration	500	(7 176 293)	(7 175 793)
259 811	(2 090 930)	(1 831 119)	Human Resources	1 326 984	(2 594 868)	(1 267 884)
1 557 057	(1 769 906)	(212 849)	Council Buildings	1 612 323	(1 875 825)	(263 502)
-	(2 355 047)	(2 355 047)	Council Vehicles	-	(2 589 795)	(2 589 795)
686 646	(2 750 755)	(2 064 109)	Manager: Economic Development	741 549	(3 148 991)	(2 407 442)
-	-	-	Economic Development	-	-	-
-	-	-	Fish Factory	-	-	-
-	-	-	Harbour	-	-	-
-	-	-	Project Manager SLP	-	-	-
-	(1 760 603)	(1 760 603)	Tourism	-	(1 836 215)	(1 836 215)
-	(1 461 860)	(1 461 860)	Working for Water	-	(1 561 508)	(1 561 508)
-	(219 768)	(219 768)	Planning	-	(315 108)	(315 108)
-	(2 595 283)	(2 595 283)	Council Projects	-	(10 612 795)	(10 612 795)
2 889 304	(2 530 382)	358 921	Project Management	3 178 177	(2 848 826)	329 351
250 000	(722 284)	(472 284)	Housing	110 000	(1 009 485)	(899 485)
46 926	-	-	Manager: Environmental Health	-	-	-
-	(6 202 705)	(6 155 778)	Ambulance	-	-	-
-	-	-	Environmental Health	11 705	(6 899 847)	(6 888 142)
-	(57 490)	(57 490)	Law Enforcement	-	-	-
87 426	(5 013 082)	(4 925 656)	Primary Health	-	(61 925)	(61 925)
			Safety	8 696 231	(3 745 656)	4 950 575
60 833 576	(5 972 311)	54 861 265	Manager: Finance	59 848 974	(8 012 346)	51 836 628
2 431 819	(5 253 221)	(2 821 402)	Finance	3 420 818	(6 310 120)	(2 889 302)
74 979 708	(70 100 210)	4 879 498	Manager: Municipal Support Unit			
-	-	-	Municipal Support Unit			
			Sub Total	84 965 107	(81 400 835)	3 564 272
			Less Inter-Departmental Charges	-	-	-
74 979 708	(70 100 210)	4 879 498	Total	84 965 107	(81 400 835)	3 564 272

APPENDIX D
NAMAKWA DISTRICT MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30 JUNE 2025
MUNICIPAL VOTES CLASSIFICATIONS

	Cost/Revaluation					Accumulated Depreciation					Carrying Value
	Opening Balance	Correction of Error	Additions	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Disposals/ Impairment	Closing Balance	
Asset Management	6 597	-	-	-	6 597	4 875	-	937	-	5 812	785
Budget and Treasury	1 432 116	(262 637)	-	(6 066)	1 163 412	1 324 886	(260 351)	29 897	(5 607)	1 088 825	74 587
Corporate Services	120 599	-	-	-	120 599	39 639	-	24 987	-	64 626	55 973
Council Administration	16 469 874	-	748 227	(8 439)	17 209 663	8 039 123	(16 766)	743 248	(7 503)	8 758 101	8 451 562
Council Buildings	1 643 168	(34 214)	-	(1 500)	1 607 454	1 325 969	(41 049)	86 276	(1 500)	1 369 696	237 758
Council Projects	250 226	-	-	(13 151)	237 075	221 154	300	5 403	(12 420)	214 437	22 637
Council Vehicles	4 665 463	-	-	-	4 665 463	4 304 754	-	125 203	-	4 429 957	235 505
Councillors	38 552	-	-	-	38 552	6 573	-	23 570	-	30 143	8 410
Environmental Health	224 238	(1 533)	32 800	(2 430)	253 075	180 159	(2 037)	17 696	(2 319)	193 499	59 575
Economic Development	74 023	(1 300)	-	(620)	72 103	68 683	(557)	881	(620)	68 387	3 716
Executive Mayor	78 043	(199)	-	-	77 844	67 209	(199)	2 195	-	69 206	8 638
Finance	1 109 165	-	36 379	-	1 145 544	339 909	-	167 965	-	507 874	637 670
Household Services	842 142	(13 194)	-	(10 622)	818 326	631 061	(12 796)	52 968	(9 909)	661 325	157 001
Human Resources	83 544	(5 754)	32 800	(1 227)	109 364	72 260	(4 447)	1 757	(1 226)	68 344	41 019
Internal Audit	44 647	-	-	(5 611)	39 037	39 368	-	2 965	(5 496)	36 838	2 199
Local Municipal Project Support	172 546	-	-	-	172 546	131 388	(6 364)	17 201	-	142 225	30 321
Mayor - P.A	113 596	(1 050)	-	(4 750)	107 796	102 279	(2 415)	3 193	(4 749)	98 307	9 489
Municipal Manager	203 050	-	14 111	-	217 161	179 593	-	6 859	-	186 452	30 709
Municipal Manager - Administration	15 055	-	-	(1 500)	13 555	13 299	-	232	(1 349)	12 181	1 374
Planning	666 408	(438)	-	(350)	665 620	568 224	(409)	20 154	(315)	587 654	77 966
PMU	1 739 165	-	80 400	-	1 819 565	120 937	-	581 787	-	702 724	1 116 841
Safety	3 477 194	(16 001)	-	(23 586)	3 437 607	2 419 888	(17 326)	401 882	(22 782)	2 781 662	655 945
Speaker	32 735	-	-	-	32 735	28 998	-	500	-	29 498	3 237
Speaker - P.A	45 490	-	-	(6 009)	39 482	38 528	-	2 958	(5 325)	36 161	3 320
Tourism	254 027	-	16 400	(2 454)	267 972	187 446	454	27 545	(2 454)	212 992	54 981
	33 801 662	(336 320)	961 118	(88 314)	34 338 146	20 456 203	(363 963)	2 348 261	(83 574)	22 356 926	11 981 220

APPENDIX E
NAMAKWA DISTRICT MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2024	Correction of Error	Restated Balance 30 June 2024	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2025	Unspent 30 June 2025 (Creditor)	Unpaid 30 June 2025 (Debtor)
<u>National Government Grants</u>											
Finance Management Grant	1 000	-	1 000	2 000 000	-	-	(1 942 516)	(56 580)	1 905	1 905	-
RSC Levies Replacement Grant	-	-	-	44 771 000	-	-	(44 771 000)	-	-	-	-
Equitable Share	-	-	-	10 323 000	-	-	(10 323 000)	-	-	-	-
Concillors Remuneration Grant	-	-	-	3 777 000	-	-	(3 777 000)	-	-	-	-
Expanded Public Works Program	1 000	-	1 000	1 206 000	-	-	(1 206 000)	-	1 000	1 000	-
Municipal System Improvement Grant	1 359	-	1 359	-	-	-	-	-	1 359	1 359	-
Rural Roads Asset Management Grant	1 001	-	1 001	3 258 000	-	-	(3 178 177)	-	80 824	80 824	-
Municipal Disaster Relief Grant	361	-	361	8 556 000	-	-	(8 553 940)	-	2 421	2 421	-
Total National Government Grants	4 720	-	4 720	73 891 000	-	-	(73 751 632)	(56 580)	87 508	87 508	-
<u>Provincial Government Grants</u>											
Municipal Disaster Relief	-	-	-	-	-	-	-	-	-	-	-
Civil Defence Subsidy	210 810	-	210 810	-	-	-	-	-	210 810	210 810	-
NC Housing	-	-	-	110 000	-	-	(110 000)	-	-	-	-
Khotso Pula Nala	2 517	-	2 517	-	-	-	-	-	2 517	2 517	-
Electronic Filing System	4 798	-	4 798	-	-	-	-	-	4 798	4 798	-
Total Provincial Government Grants	218 125	-	218 125	110 000	-	-	(110 000)	-	218 125	218 125	-
<u>Other Grant Providers</u>											
Training Reserve (SETA)	3 842	-	3 842	951 338	-	-	(951 338)	-	3 842	3 842	-
Total Other Grant Providers	3 842	-	3 842	951 338	-	-	(951 338)	-	3 842	3 842	-
Total Grants	226 686	-	226 686	74 952 338	-	-	(74 812 971)	(56 580)	309 474	309 474	-

NAMAKWA DISTRICT MUNICIPALITY - Reconciliation of Table A1 Budget Summary

Description	2024/25								2023/24			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	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
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	-	-	-	-		-	0,0%	0,0%				-
Service charges	-	-	-	-		-	0,0%	0,0%				-
Investment revenue	1 284	1 100	2 384	2 401		(17)	100,7%	187,0%				2 086
Transfers recognised - operational	-	-	-	74 813		(74 813)	100,0%	100,0%				64 445
Other own revenue	78 423	5 496	83 919	6 368		77 551	7,6%	8,1%				5 762
Total Revenue (excluding capital transfers and contributions)	79 707	6 596	86 303	83 582	-	2 722	96,8%	104,9%				72 293
Employee costs	48 393	(3 651)	44 742	42 430	-	2 312	94,8%	87,7%	-	-	-	43 144
Remuneration of councillors	4 901	-	4 901	5 011	-	(110)	102,3%	102,3%	-	-	-	4 829
Depreciation & asset impairment	1 129	-	1 129	2 350	-	(1 221)	208,2%	208,2%	-	-	-	1 347
Finance charges	168	-	168	2 160	-	(1 992)	1286,0%	1286,0%	-	-	-	2 013
Inventory consumed and bulk purchases	205	-	205	-	-	205	0,0%	0,0%	-	-	-	629
Transfers and grants	481	739	1 220	775	-	445	63,5%	161,1%	-	-	-	786
Other expenditure	25 513	7 420	32 933	27 348	-	5 584	83,0%	107,2%	-	-	-	17 092
Total Expenditure	80 790	4 507	85 297	80 074	-	5 224	93,9%	99,1%	-	-	-	69 840
Surplus/(Deficit)	(1 083)	2 089	1 006	3 508	-	(2 502)	348,8%	-323,8%				2 452
Transfers and subsidies - capital (monetary allocations)	-	-	-	57		(57)	100,0%	100,0%				-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-		-	0,0%	0,0%				2 427
Surplus/(Deficit) after capital transfers & contributions	(1 083)	2 089	1 006	3 564	-	(2 559)	354,4%	-329,0%				4 879
Share of surplus/ (deficit) of associate	-	-	-	-		-	0,0%	0,0%				-
Surplus/(Deficit) for the year	(1 083)	2 089	1 006	3 564	-	(2 559)	354,4%	-329,0%				4 879
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	-	130	130	-		130	100,0%	100,0%				113
Borrowing	-	-	-	-		-	0,0%	0,0%				-
Internally generated funds	-	1 349	876	961		(85)	109,7%	100,0%				496
Total sources of capital funds	-	1 480	1 006	961	-	45	95,5%	100,0%				-
Cash flows												
Net cash from (used) operating	183	1 006	1 189	3 882		(2 693)	326,5%	2121,9%				24 094
Net cash from (used) investing	-	(1 006)	(1 006)	(914)		(92)	90,8%	100,0%				(836)
Net cash from (used) financing	(236)	-	(236)	(244)		9	103,7%	103,7%				(123)
Cash/cash equivalents at the year end	9 798	(0)	9 797	17 055		(7 257)	174,1%	174,1%				-

NAMAKWA DISTRICT MUNICIPALITY - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2024/25								2023/24			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments 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
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	71 139	1 300	72 439	72 227		211	99,7%	101,5%				71 019
Executive and council	4 983	—	4 983	6 018		(1 035)	120,8%	120,8%				5 937
Finance and administration	66 156	1 300	67 456	66 210		1 246	98,2%	100,1%				65 082
Internal audit	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Community and public safety	403	8 416	8 819	8 696		123	98,6%	2157,9%				87
Community and social services	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Sport and recreation	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Public safety	153	8 556	8 709	8 696		13	99,9%	5684,2%				87
Housing	250	(140)	110	—		110	0,0%	0,0%				—
Health	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Economic and environmental services	8 165	(3 120)	5 045	4 041		1 004	80,1%	49,5%				3 873
Planning and development	4 158	—	4 158	4 030		128	96,9%	96,9%				3 826
Road transport	856	—	856	—		856	0,0%	0,0%				—
Environmental protection	3 151	(3 120)	31	12		19	37,6%	0,4%				47
Trading services	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Electricity	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Water	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Waste water management	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Waste management	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Other	—	—	—	—		—	#DIV/0!	#DIV/0!				—
Total Revenue - Standard	79 707	6 596	86 303	84 965		1 338	98,4%	106,6%				74 980
Expenditure - Standard												
Governance and administration	53 113	(1 218)	51 895	49 475	—	—	0,0%	0,0%	—	—	—	46 786
Executive and council	18 802	1 079	19 881	19 748	—	133	99,3%	105,0%	—	—	—	20 565
Finance and administration	32 809	(2 202)	30 607	28 559	—	2 047	93,3%	87,0%	—	—	—	25 241
Internal audit	1 502	(95)	1 407	1 167	—	240	82,9%	77,7%	—	—	—	980
Community and public safety	10 387	357	10 745	9 657	—	—	0,0%	0,0%	—	—	—	10 570
Community and social services	—	—	—	—	—	—	#DIV/0!	#DIV/0!	—	—	—	—
Sport and recreation	—	—	—	—	—	—	#DIV/0!	#DIV/0!	—	—	—	—
Public safety	3 652	95	3 747	3 746	—	1	100,0%	102,6%	—	—	—	5 013
Housing	884	(13)	871	—	—	871	0,0%	0,0%	—	—	—	—
Health	5 851	275	6 127	5 912	—	215	96,5%	101,0%	—	—	—	5 557
Economic and environmental services	15 471	5 325	20 796	20 433	—	—	0,0%	0,0%	—	—	—	10 984
Planning and development	10 604	7 140	17 744	17 935	—	(191)	101,1%	169,1%	—	—	—	8 818
Road transport	821	(300)	521	(114)	—	635	-21,9%	-13,9%	—	—	—	—
Environmental protection	4 046	(1 515)	2 531	2 611	—	(80)	103,2%	64,5%	—	—	—	2 166
Trading services	1 819	42	1 862	1 836	—	—	0,0%	0,0%	—	—	—	1 761
Electricity	—	—	—	—	—	—	#DIV/0!	#DIV/0!	—	—	—	—
Water	—	—	—	—	—	—	#DIV/0!	#DIV/0!	—	—	—	—
Waste water management	—	—	—	—	—	—	#DIV/0!	#DIV/0!	—	—	—	—
Waste management	—	—	—	—	—	—	#DIV/0!	#DIV/0!	—	—	—	—
Other	1 819	42	1 862	1 836	—	—	0,0%	0,0%	—	—	—	1 761
Total Expenditure - Standard	80 790	4 506	85 297	81 401	—	—	0,0%	0,0%	—	—	—	70 100
Surplus/(Deficit) for the year	(1 083)	2 090	1 006	3 564	—	—	0,0%	0,0%	—	—	—	4 879

NAMAKWA DISTRICT MUNICIPALITY - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2024/25								2023/24			
	Original Budget	Budget Adjustments (i.e., MFMA s28)	Final adjustments 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
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Municipal Manager	4 983	–	4 983	6 018		(1 035)	120,8%	120,8%				6 187
Vote 2 - Manager: Corporate Services	1 482	200	1 682	2 940		(1 258)	174,8%	198,4%				1 817
Vote 3 - Manager: Economic Development	7 528	(3 260)	4 268	4 030		238	94,4%	53,5%				3 576
Vote 4 - Manager: Environmental Health	184	8 556	8 740	8 708		32	99,6%	4728,5%				134
Vote 5 - Manager: Finance	58 456	1 100	59 556	59 849		(293)	100,5%	102,4%				60 834
Vote 6 - Manager: Roads	856	–	856	–		–	–	–				–
Vote 7 - Manager: Municipal Support Unit	6 218	–	6 218	3 421		–	–	–				2 432
Total Revenue by Vote	79 707	6 596	86 303	84 965	–	(2 315)	98,4%	106,6%				74 980
Expenditure by Vote to be appropriated												
Vote 1 - Municipal Manager	20 304	984	21 288	20 801	(487)	487	97,7%	102,4%	–	–	–	21 545
Vote 2 - Manager: Corporate Services	15 328	(249)	15 078	14 237	(842)	842	94,4%	92,9%	–	–	–	14 016
Vote 3 - Manager: Economic Development	16 427	5 682	22 110	21 333	(777)	777	96,5%	129,9%	–	–	–	12 041
Vote 4 - Manager: Environmental Health	10 429	342	10 772	10 707	(64)	64	99,4%	102,7%	–	–	–	11 273
Vote 5 - Manager: Finance	9 009	(1 074)	7 936	8 012	77	(77)	101,0%	88,9%	–	–	–	5 972
Vote 6 - Manager: Roads	821	(300)	521	–	(521)	–	0,0%	0,0%	–	–	–	–
Vote 7 - Manager: Municipal Support Unit	8 472	(879)	7 593	6 310	(1 282)	–	0,0%	0,0%	–	–	–	5 253
Total Expenditure by Vote	80 790	4 506	85 297	81 401	–	3 896	95,4%	100,8%	–	–	–	70 100
Surplus/(Deficit) for the year	(1 083)	2 090	1 006	3 564		(2 558)	354,1%	-329,0%				4 879

NAMAKWA DISTRICT MUNICIPALITY - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2024/25								2023/24			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	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
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Service charges - Water	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Service charges - Waste Water Management	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Service charges - Waste Management	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Sale of Goods and Rendering of Services	7 923	(3 120)	4 803	3 501		1 302	72,9%	44,2%				3 975
Agency services	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Interest	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Interest earned from Receivables	78	-	78	126		(48)	161,8%	161,8%				139
Interest earned from Current and Non Current Assets	1 284	1 100	2 384	2 401		(17)	100,7%	187,0%				2 086
Dividends	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Rent on Land	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Rental from Fixed Assets	1 482	200	1 682	1 612		70	95,9%	108,8%				1 557
Licence and permits	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Operational Revenue	1 009	-	1 009	145		864	14,4%	14,4%				91
Non-Exchange Revenue	-	-	-	-		-						-
Property rates	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surcharges and Taxes	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Fines, penalties and forfeits	31	-	31	-		31	0,0%	0,0%				-
Licences or permits	67 900	8 416	76 316	-		76 316	0,0%	0,0%				-
Transfer and subsidies - Operational	-	-	-	74 813		(74 813)	#DIV/0!	#DIV/0!				64 445
Interest	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Fuel Levy	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Operational Revenue	-	-	-	983		(983)	#DIV/0!	#DIV/0!				-
Gains on disposal of Assets	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Other Gains	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Total Revenue (excluding capital transfers and	79 707	6 596	86 303	83 582		2 722	96,8%	104,9%				72 293
Expenditure By Type												
Employee related costs	48 393	(3 651)	44 742	42 430	-	2 312	94,8%	87,7%	-	-	-	43 144
Remuneration of councillors	4 901	-	4 901	5 011	-	(110)	102,3%	102,3%	-	-	-	4 829
Bulk purchases - electricity	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	629
Inventory consumed	205	-	205	-	-	205	0,0%	0,0%	-	-	-	-
Debt impairment	-	-	-	512	-	(512)	#DIV/0!	#DIV/0!	-	-	-	(488)
Depreciation & asset impairment	1 129	-	1 129	2 350	-	(1 221)	208,2%	208,2%	-	-	-	1 347
Interest	168	-	168	2 160	-	(1 992)	1286,0%	1286,0%	-	-	-	2 013
Contracted services	13 221	5 811	19 033	15 088	-	3 945	79,3%	114,1%	-	-	-	6 578
Transfers and grants	481	739	1 220	775	-	445	63,5%	161,1%	-	-	-	786
Irrecoverable debts written off	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Operational costs	12 292	-	13 900	11 746	-	2 154	84,5%	95,6%	-	-	-	10 980
Losses on disposal of Assets	-	-	-	3	-	(3)	#DIV/0!	#DIV/0!	-	-	-	-
Other Losses	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	21
Total Expenditure	80 790	2 899	85 297	80 074	-	5 224	93,9%	99,1%	-	-	-	69 840
Surplus/(Deficit)	(1 083)	3 697	1 006	3 508		(2 502)	348,8%	-323,8%				2 452
Transfers and subsidies - capital (monetary allocations)	-	-	-	57		(57)	#DIV/0!	#DIV/0!				-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-		-	#DIV/0!	#DIV/0!				2 427
Surplus/(Deficit) after capital transfers & contributions	(1 083)	3 697	1 006	3 564		(2 559)	354,4%	-329,0%				4 879
Taxation	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) after taxation	(1 083)	3 697	1 006	3 564		(2 559)	354,4%	-329,0%				4 879
Attributable to minorities	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) attributable to municipality	(1 083)	3 697	1 006	3 564		(2 559)	354,4%	-329,0%				4 879
Share of surplus/ (deficit) of associate	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) for the year	(1 083)	3 697	1 006	3 564		(2 559)	354,4%	-329,0%				4 879

NAMAKWA DISTRICT MUNICIPALITY - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2024/25								2023/24			
	Original Budget	Total Budget	Final	Actual	Unauthorised	Variance	Actual Outcome	Actual Outcome	Reported	Expenditure	Balance to be	Restated
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - Municipal Manager	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 2 - Manager: Corporate Services	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 3 - Manager: Economic Development	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - Manager: Environmental Health	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 5 - Manager: Finance	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 6 - Manager: Roads	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 7 - Manager: Municipal Support Unit	-	-	-	-	-	-	0%	0%	-	-	-	-
Capital multi-year expenditure	-	-	-	-	-	-	0%	0%	-	-	-	-
Single-year expenditure												
Vote 1 - Municipal Manager	-	60	60	49	-	11	81%	#DIV/0!	-	-	-	829
Vote 2 - Manager: Corporate Services	0	760	760	746	-	14	98%	74635/00%	-	-	-	386
Vote 3 - Manager: Economic Development	-	106	106	97	-	10	91%	#DIV/0!	-	-	-	65
Vote 4 - Manager: Environmental Health	-	30	30	20	-	10	67%	#DIV/0!	-	-	-	3
Vote 5 - Manager: Finance	-	50	50	49	-	1	98%	#DIV/0!	-	-	-	183
Vote 6 - Manager: Roads	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 7 - Manager: Municipal Support Unit	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Total Capital Expenditure - Vote	0	1 006	1 006	961	-	45	96%	96114500%	-	-	-	1 466
Capital Expenditure - Standard												
Governance and administration	-	870	870	844	-	26	260%	#DIV/0!	-	-	-	480
Executive and council	-	30	30	49	-	(19)	162%	#DIV/0!	-	-	-	124
Finance and administration	-	810	810	796	-	14	98%	#DIV/0!	-	-	-	356
Internal audit	-	30	30	-	-	30	0%	#DIV/0!	-	-	-	-
Community and public safety	-	30	30	20	-	10	#DIV/0!	#DIV/0!	-	-	-	124
Community and social services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Sport and recreation	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Public safety	-	-	-	20	-	(20)	#DIV/0!	#DIV/0!	-	-	-	58
Housing	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Health	-	30	30	-	-	30	0%	#DIV/0!	-	-	-	65
Economic and environmental services	-	98	98	97	-	2	#DIV/0!	#DIV/0!	-	-	-	-
Planning and development	-	98	98	97	-	2	98%	#DIV/0!	-	-	-	-
Road transport	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Environmental protection	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Trading services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Electricity	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Water	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Waste water management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Waste management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Other	-	8	8	-	-	8	0%	#DIV/0!	-	-	-	5
Total Capital Expenditure - Standard	-	1 006	1 006	961	-	45	#DIV/0!	#DIV/0!	-	-	-	609
Funded by:												
National Government	-	130	130	-	-	130	0%	#DIV/0!	-	-	-	55
Provincial Government	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	58
District Municipality	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Transfers recognised - capital	-	130	130	-	-	130	#DIV/0!	#DIV/0!	-	-	-	113
Borrowing	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Internally generated funds	-	1 349	876	961	-	(85)	110%	#DIV/0!	-	-	-	496
Total Capital Funding	-	1 006	1 006	961	-	45	#DIV/0!	#DIV/0!	-	-	-	609

NAMAKWA DISTRICT MUNICIPALITY - Reconciliation of Table A7 Budgeted Cash Flows

Description	2024/25						2023/24	
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, peanalties and collection charges	–	–	–	–	–	#DIV/0!	#DIV/0!	–
Service charges	–	–	–	–	–	#DIV/0!	#DIV/0!	–
Other revenue	9 877	(1 960)	7 917	2 214	5 702	28,0%	22,4%	6 360
Government - operating	67 900	8 556	76 456	74 896	1 561	98,0%	110,3%	64 029
Government - capital	–	–	–	57	(57)	#DIV/0!	#DIV/0!	75
Interest	1 284	–	1 284	2 401	(1 117)	187,0%	187,0%	2 086
Dividends	–	–	–	1 896	(1 896)	#DIV/0!	#DIV/0!	1 213
Payments								
Suppliers and employees	(78 229)	(5 590)	(83 819)	(76 712)	(7 107)	91,5%	98,1%	(48 843)
Finance charges	(168)	–	(168)	(95)	(73)	56,3%	56,3%	(41)
Transfers and Grants	(481)	–	(481)	(775)	294	161,1%	161,1%	(786)
NET CASH FROM/(USED) OPERATING ACTIVITIES	183	1 006	1 189	3 882	(2 893)	#DIV/0!	#DIV/0!	24 094
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	#DIV/0!	#DIV/0!	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	#DIV/0!	#DIV/0!	–
Decrease (increase) other non-current receivables	–	–	–	–	–	#DIV/0!	#DIV/0!	–
Decrease (increase) in non-current investments	–	–	–	–	–	#DIV/0!	#DIV/0!	–
Payments								
Capital assets	–	(1 006)	(1 006)	(914)	(92)	90,8%	#DIV/0!	(836)
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	(1 006)	(1 006)	(914)	(92)	90,8%	#DIV/0!	(836)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	#DIV/0!	#DIV/0!	–
Borrowing long term/refinancing	–	–	–	–	–	#DIV/0!	#DIV/0!	–
Increase (decrease) in consumer deposits	–	–	–	–	–	#DIV/0!	#DIV/0!	–
Payments								
Repayment of borrowing	(236)	–	(236)	(244)	9	103,7%	100,0%	(123)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(236)	–	(236)	(244)	9	103,7%	103,7%	(123)
NET INCREASE/ (DECREASE) IN CASH HELD	(53)	(0)	(53)	2 724				5 029
Cash/cash equivalents at the year begin:	9 850	–	9 850	14 331				9 302
Cash/cash equivalents at the year end:	9 798	(0)	9 797	17 055	(7 257)	-10037321,4%	100,0%	14 331