

# **NAMAKWA**

## **DISTRICT MUNICIPALITY**



### **ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2024**

# NAMAKWA DISTRICT MUNICIPALITY

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# NAMAKWA DISTRICT MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 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

MJ Cloete

Executive Councillor

PA Van Heerden

Executive Councillor

JH Wilschut

Executive Councillor

EC Oliphant

#### MUNICIPAL MANAGER

SC Adams

#### CHIEF FINANCIAL OFFICER

*vacant*

#### REGISTERED OFFICE

Private Bag X20  
SPRINGBOK  
8240

#### AUDITORS

Office of the Auditor-General (Northern Cape)

#### PRINCIPLE BANKERS

Nedbank

#### CONTACT INFORMATION

Telephone number: (027) 712 8000  
Email address: [info@namakwa-dm.gov.za](mailto:info@namakwa-dm.gov.za)  
Website: <http://www.namakwa-dm.gov.za>

# NAMAKWA DISTRICT MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### GENERAL INFORMATION

#### ATTORNEYS

Schreuders Attorneys  
Wessels and Smith Inc  
Ettiene Vermaak Attorneys  
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	Member
JC Losper	Member
S Cloete	Member
RH Cloete	Member



# NAMAKWA DISTRICT MUNICIPALITY

## APPROVAL OF ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2024, which are set out on pages 1 to 103 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 2025 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.



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SC Adams  
**Municipal Manager**

**31/08/2024**

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**Date**

# **NAMAKWA DISTRICT MUNICIPALITY**

**"I have audited the financial statements of the Namakwa District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement, reportable segments and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.**

**In my opinion, the financial statements present fairly, in all material respects, the financial position of the Namakwa District Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora)."**

# NAMAKWA DISTRICT MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R	2023 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>13 345 469</b>	<b>11 230 174</b>
Property, Plant and Equipment	2	12 126 849	9 874 224
Investment Property	3	615 867	651 514
Intangible Assets	4	602 752	704 436
<b>Current Assets</b>		<b>17 074 788</b>	<b>13 670 098</b>
Operating Lease Asset	5	141 336	64 792
Receivables from Exchange Transactions	6	1 141 482	2 536 554
Receivables from Non-exchange Transactions	7	1 133 360	1 767 158
Taxes	15.3	328 079	-
Cash and Cash Equivalents	8.1	14 330 531	9 301 594
<b>Total Assets</b>		<b>30 420 257</b>	<b>24 900 272</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>18 854 756</b>	<b>17 719 861</b>
Long-term Borrowings	9	253 756	145 861
Non-current Employee Benefits	10	18 601 000	17 574 000
<b>Current Liabilities</b>		<b>8 819 411</b>	<b>9 311 152</b>
Consumer Deposits	11	8 005	8 005
Current Employee Benefits	12	4 939 665	4 889 523
Trade and Other Payables from Exchange Transactions	13	3 506 199	3 628 214
Unspent Transfers and Subsidies	14	226 686	567 038
Taxes	15.3	-	96 619
Current Portion of Long-term Borrowings	9	138 856	121 753
<b>Total Liabilities</b>		<b>27 674 167</b>	<b>27 031 013</b>
<b>Net Assets</b>		<b>2 746 091</b>	<b>(2 130 741)</b>
Capital Replacement Reserve	16	294 166	26 965
Accumulated Surplus/(Deficit)		2 451 924	(2 157 706)
<b>Total Net Assets and Liabilities</b>		<b>30 420 257</b>	<b>24 900 272</b>

# NAMAKWA DISTRICT MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R	2023 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>67 132 008</b>	<b>66 414 946</b>
<b>Transfer Revenue</b>		<b>66 872 197</b>	<b>64 583 631</b>
Government Grants and Subsidies	17	64 444 833	63 855 912
Contributed Property, Plant and Equipment	18	2 427 364	727 719
<b>Other Revenue</b>		<b>259 811</b>	<b>1 831 315</b>
Actuarial Gains	10	259 811	1 831 315
<b>Revenue from Exchange Transactions</b>		<b>7 847 700</b>	<b>9 708 437</b>
Sales of Goods and Rendering of Services	19	1 740 106	4 830 409
Rental from Fixed Assets	20	1 557 057	1 496 415
Interest Earned - External Investments	21	2 086 178	1 165 289
Interest Earned - Exchange Transactions	22	139 217	72 684
Operational Revenue	23	2 325 142	2 143 640
<b>Total Revenue</b>		<b>74 979 708</b>	<b>76 123 383</b>
<b>EXPENDITURE</b>			
Employee related costs	24	(42 654 839)	(43 414 536)
Remuneration of Councillors	25	(4 829 302)	(4 465 033)
Bad Debts Written Off		(629 102)	-
Contracted Services	26	(6 578 472)	(8 583 195)
Depreciation and Amortisation	27	(1 347 313)	(827 179)
Actuarial Losses	10	(723 601)	(112 193)
Finance Costs	28	(2 013 428)	(2 065 649)
Operating Leases		(22 704)	(31 518)
Transfers and Subsidies	29	(785 924)	(802 684)
Operational Costs	30	(10 957 638)	(11 194 118)
<b>Total Expenditure</b>		<b>(70 542 324)</b>	<b>(71 496 105)</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>4 437 384</b>	<b>4 627 278</b>
Reversal of Impairment Loss/(Impairment Loss) on Receivables	31	488 267	566 875
Gains/(Loss) on Sale of Fixed Assets	32	-	(136 666)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	33	(48 820)	(12 327)
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>4 876 831</b>	<b>5 045 160</b>

# NAMAKWA DISTRICT MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	<b>Capital Replacement Reserve</b>	<b>Accumulated Surplus/ (Deficit)</b>	<b>Total</b>
	<b>R</b>	<b>R</b>	<b>R</b>
<b>Balance at 1 July 2022</b>	<b>101 551</b>	<b>(11 904 282)</b>	<b>(11 802 731)</b>
Correction of Error - Note 35.5	-	4 626 831	4 626 831
<b>Restated balance</b>	<b>101 551</b>	<b>(7 277 452)</b>	<b>(7 175 900)</b>
Net Surplus/(Deficit) for the year	-	5 045 160	5 045 160
Net Surplus/(Deficit) previously reported	-	4 726 848	4 726 848
Effects of Correction of Errors - Note 35.6		318 312	318 312
Transfer to/from CRR	147 449	(147 449)	-
Property, Plant and Equipment purchased	(222 035)	222 035	-
<b>Restated balance at 30 June 2023</b>	<b>26 965</b>	<b>(2 157 705)</b>	<b>(2 130 740)</b>
Net Surplus/(Deficit) for the year	-	4 876 831	4 876 831
Transfer to/from CRR	1 028 035	(1 028 035)	-
Property, Plant and Equipment purchased	(760 834)	760 834	-
<b>Balance at 30 June 2024</b>	<b>294 166</b>	<b>2 451 925</b>	<b>2 746 091</b>

# NAMAKWA DISTRICT MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 R	2023 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Other Revenue		7 573 012	5 897 608
Government - Operating		64 029 054	63 526 939
Government - Capital		75 427	210 890
Interest		2 086 178	1 165 289
Cash payments			
Employees		(48 842 789)	(48 840 772)
Suppliers		(18 105 526)	(20 382 905)
Finance Charges		(41 428)	(65 649)
Transfers and Grants		(785 924)	(839 684)
<b>Net Cash from Operating Activities</b>	<b>36</b>	<b>5 988 004</b>	<b>671 716</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(836 261)	(261 931)
Purchase of Intangible Assets		-	(143 486)
<b>Net Cash from Investing Activities</b>		<b>(836 261)</b>	<b>(405 417)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowing		(122 806)	(110 138)
<b>Net Cash from Financing Activities</b>		<b>(122 806)</b>	<b>(110 138)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>5 028 938</b>	<b>156 160</b>
Cash and Cash Equivalents at the beginning of the year		9 301 594	9 145 434
Cash and Cash Equivalents at the end of the year	<b>37</b>	<b>14 330 532</b>	<b>9 301 594</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>5 028 938</b>	<b>156 160</b>

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

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
<b>Vote 1 - Municipal Manager</b>	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
<b>Vote 2 - Manager: Corporate Services</b>	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
	3.1 - Economic Development	Aggregated	Economic and environmental services	Economic Development
<b>Vote 3 - Manager: Economic Development</b>	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
	4.1- Ambulance	Aggregated	Community and public safety	Supporting service departments
<b>Vote 4 - Manager Environmental Health</b>	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	
<b>Vote 5 - Manager: Finance</b>	5.1 - Finance	Aggregated	Governance and administration	Supporting service departments
<b>Vote 6 - Manager: Roads</b>	6.1 - Plant and Equipment	Aggregated	Economic and environmental services	Roads Function
	6.2 - Roads	Aggregated	Economic and environmental services	
<b>Vote 7 - Manager: Municipal Support Unit</b>	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 2024						
	Governance and Administration	Community and Public Safety	Housing	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
<b>SEGMENT REVENUE</b>						
<b>External revenue from exchange transactions</b>	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
<b>External revenue from non-exchange transactions</b>	63 747 003	-	-	3 811 841	-	67 558 844
Fines	-	-	-	-	-	-
Transfers Recognised - Operational	63 747 003	-	-	3 811 841	-	67 558 844
Property Rates	-	-	-	-	-	-
Availability Charges	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Gains	-	-	-	-	-	-
<b>Revenue from transactions with other segments</b>	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
<b>Total Segment Revenue (excluding capital transfers and contributions)</b>	<b>71 019 406</b>	<b>87 426</b>	<b>-</b>	<b>3 872 876</b>	<b>-</b>	<b>74 979 708</b>
<b>SEGMENT EXPENDITURE</b>						
Employee Related Costs	(24 425 603)	(9 421 693)	-	(7 845 469)	(1 685 674)	(43 378 440)
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	(48 820)	-	-	-	-	(48 820)
<b>Expenditure from transactions with other segments</b>	-	-	-	-	-	-
Internal Charges	-	-	-	-	-	-
<b>Total Segment Expenditure</b>	<b>(46 788 665)</b>	<b>(10 569 618)</b>	<b>-</b>	<b>(10 983 991)</b>	<b>(1 760 603)</b>	<b>(70 102 877)</b>
<b>Surplus/(Deficit)</b>	<b>24 230 741</b>	<b>(10 482 192)</b>	<b>-</b>	<b>(7 111 115)</b>	<b>(1 760 603)</b>	<b>4 876 831</b>



	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)	-	-	-	-	-	-
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	24 230 741	(10 482 192)	-	(7 111 115)	(1 760 603)	4 876 831
Taxation	-	-	-	-	-	-
<b>Surplus/(Deficit) after Taxation</b>	24 230 741	(10 482 192)	-	(7 111 115)	(1 760 603)	4 876 831
Attributable to Minorities	-	-	-	-	-	-
<b>Surplus/(Deficit) Attributable to Municipality</b>	24 230 741	(10 482 192)	-	(7 111 115)	(1 760 603)	4 876 831
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	24 230 741	(10 482 192)	-	(7 111 115)	(1 760 603)	4 876 831

	Governance and Administration	Community and Public Safety	Housing	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
<b>OTHER INFORMATION</b>						
Segment Assets	-	-	-	-	30 420 257	30 420 257
Segment liabilities	-	-	-	-	(27 674 167)	(27 674 167)
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
<b>SEGMENT REVENUE</b>										
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	-	-	-	-	-	-	-	-	-	-
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Segment Revenue (excluding capital transfers and</b>	<b>87 426</b>	<b>3 622 876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71 019 406</b>	<b>250 000</b>	<b>74 979 708</b>
<b>SEGMENT EXPENDITURE</b>										
Employee Related Costs	(9 421 693)	(7 146 064)	-	-	-	-	(1 685 674)	(24 425 603)	(699 406)	(43 378 440)
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	-	-	-	-	-	-	-	(48 820)	-	(48 820)
Internal charges	-	-	-	-	-	-	-	-	-	-
<b>Total Segment Expenditure</b>	<b>(10 569 618)</b>	<b>(10 261 707)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 760 603)</b>	<b>(46 788 665)</b>	<b>(722 284)</b>	<b>(70 102 877)</b>
<b>Surplus/(Deficit)</b>	<b>(10 482 192)</b>	<b>(6 638 831)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 760 603)</b>	<b>24 230 741</b>	<b>(472 284)</b>	<b>4 876 831</b>

	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)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	(10 482 192)	(6 638 831)	-	-	-	-	(1 760 603)	24 230 741	(472 284)	4 876 831
Taxation	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after Taxation</b>	(10 482 192)	(6 638 831)	-	-	-	-	(1 760 603)	24 230 741	(472 284)	4 876 831
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) Attributable to Municipality</b>	(10 482 192)	(6 638 831)	-	-	-	-	(1 760 603)	24 230 741	(472 284)	4 876 831
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	(10 482 192)	(6 638 831)	-	-	-	-	(1 760 603)	24 230 741	(472 284)	4 876 831

	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
<b>OTHER INFORMATION</b>										
Segment Assets	-	-	-	-	-	-	30 420 257	-	-	30 420 257
Segment liabilities	-	-	-	-	-	-	(27 674 167)	-	-	(27 674 167)
Additions to non-current assets	-	-	-	-	-	-	-	-	-	-
Investment in associates (equity method) and joint venture	-	-	-	-	-	-	-	-	-	-
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 contributions)

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	(70 102 877)
Total Expenditure as per Statement of Financial Performance	(70 542 324)
<b>Difference</b>	<b>439 447</b>

**Reconciling items**

	439 447
<i>Loss on Sale of Assets disclosed in aggregated with Gains on Sale of Assets in Statement of Financial Performance</i>	-
<i>Reversal of Impairment Loss/(Impairment Loss) on Receivables</i>	488 267
<i>Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets</i>	(48 820)

**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	4 876 831
Surplus/(Deficit) for the year as per Statement of Financial Performance	4 876 831
<b>Difference - as explained above</b>	<b>0</b>

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	30 420 257
Total Assets as per Statement of Financial Position	30 420 257
<b>Difference</b>	<b>-</b>

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	(27 674 167)
Total Liabilities as per Statement of Financial Position	(27 674 167)
<b>Difference</b>	<b>-</b>

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**  
**PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023**

	Governance and Administration	Community and Public Safety	Housing	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
<b>SEGMENT REVENUE</b>						
<b>External revenue from exchange transactions</b>	10 133 995	63 944	-	1 341 812	-	11 539 752
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	1 165 289	-	-	-	-	1 165 289
Interest Earned - Exchange Transactions	72 684	-	-	-	-	72 684
Licences and Permits	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-
Other Revenue	8 896 023	63 944	-	1 341 812	-	10 301 780
<b>External revenue from non-exchange transactions</b>	61 375 182	8 849	-	3 199 600	-	64 583 631
Dividends Received	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Licences and Permits	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-
Transfers Recognised - Operational	61 375 182	8 849	-	3 199 600	-	64 583 631
Property Rates	-	-	-	-	-	-
Availability Charges	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Gains	-	-	-	-	-	-
<b>Revenue from transactions with other segments</b>	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
<b>Total Segment Revenue (excluding capital transfers and</b>	<b>71 509 178</b>	<b>72 794</b>	<b>-</b>	<b>4 541 412</b>	<b>-</b>	<b>76 123 383</b>
<b>SEGMENT EXPENDITURE</b>						
Employee Related Costs	(25 028 051)	(8 934 948)	-	(7 955 996)	(1 607 735)	(43 526 729)
Remuneration of Councillors	(4 465 033)	-	-	-	-	(4 465 033)
Debt Impairment	566 875	-	-	-	-	566 875
Depreciation and Asset Impairment	(620 704)	(126 776)	-	(69 111)	(10 589)	(827 179)
Finance Costs	(2 040 683)	-	-	(10 790)	(14 176)	(2 065 649)
Bulk Purchases	-	-	-	-	-	-
Inventory Consumed	-	-	-	-	-	-
Contracted Services	(5 655 991)	(15 994)	-	(2 870 530)	-	(8 542 515)
Transfers and Grants	(702 684)	-	-	-	(100 000)	(802 684)
Other Expenditure	(9 538 891)	(961 584)	-	(712 701)	(53 140)	(11 266 316)
Losses	(8 948)	(2 367)	-	(137 622)	(55)	(148 993)
Internal charges	-	-	-	-	-	-
<b>Total Segment Expenditure</b>	<b>(47 494 109)</b>	<b>(10 041 669)</b>	<b>-</b>	<b>(11 756 750)</b>	<b>(1 785 695)</b>	<b>(71 078 223)</b>
<b>Surplus/(Deficit)</b>	<b>24 015 068</b>	<b>(9 968 875)</b>	<b>-</b>	<b>(7 215 338)</b>	<b>(1 785 695)</b>	<b>5 045 160</b>

	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)	-	-	-	-	-	-
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	24 015 068	(9 968 875)	-	(7 215 338)	(1 785 695)	5 045 160
Taxation	-	-	-	-	-	-
<b>Surplus/(Deficit) after Taxation</b>	24 015 068	(9 968 875)	-	(7 215 338)	(1 785 695)	5 045 160
Attributable to Minorities	-	-	-	-	-	-
<b>Surplus/(Deficit) Attributable to Municipality</b>	24 015 068	(9 968 875)	-	(7 215 338)	(1 785 695)	5 045 160
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	24 015 068	(9 968 875)	-	(7 215 338)	(1 785 695)	5 045 160

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
<b>OTHER INFORMATION</b>						
Segment Assets	-	-	-	-	24 900 272	24 900 272
Segment liabilities	-	-	-	-	(27 031 013)	(27 031 013)
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 2023

	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
<b>SEGMENT REVENUE</b>										
<b>External revenue from exchange transactions</b>	63 944	1 341 812	-	-	-	-	-	10 133 995	-	11 539 752
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	-	-	-	-	-	-	-	1 165 289	-	1 165 289
Interest Earned - Exchange Transactions	-	-	-	-	-	-	-	72 684	-	72 684
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-	-	-	-	-
Other Revenue	63 944	1 341 812	-	-	-	-	-	8 896 023	-	10 301 780
<b>External revenue from non-exchange transactions</b>	8 849	2 949 600	-	-	-	-	-	61 375 182	250 000	64 583 631
Dividends Received	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-
Licences and Permits	-	-	-	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	-	-	-	-	-
Transfers Recognised - Operational	8 849	2 949 600	-	-	-	-	-	61 375 182	250 000	64 583 631
Property Rates	-	-	-	-	-	-	-	-	-	-
Availability Charges	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Gains on Disposal of PPE	-	-	-	-	-	-	-	-	-	-
<b>Revenue from transactions with other segments</b>	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Segment Revenue (excluding capital transfers and</b>	<b>72 794</b>	<b>4 291 412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71 509 178</b>	<b>250 000</b>	<b>76 123 383</b>

	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
<b>SEGMENT EXPENDITURE</b>										
Employee Related Costs	(8 934 948)	(6 924 954)	-	-	-	-	(1 607 735)	(25 028 051)	(1 031 042)	(43 526 729)
Remuneration of Councillors	-	-	-	-	-	-	-	(4 465 033)	-	(4 465 033)
Debt Impairment	-	-	-	-	-	-	-	566 875	-	566 875
Depreciation and Asset Impairment	(126 776)	(69 111)	-	-	-	-	(10 589)	(620 704)	-	(827 179)
Finance Costs	-	(10 790)	-	-	-	-	(14 176)	(2 040 683)	-	(2 065 649)
Bulk Purchases	-	-	-	-	-	-	-	-	-	-
Inventory Consumed	-	-	-	-	-	-	-	-	-	-
Contracted Services	(15 994)	(2 870 530)	-	-	-	-	-	(5 655 991)	-	(8 542 515)
Transfers and Grants	-	-	-	-	-	-	(100 000)	(702 684)	-	(802 684)
Other Expenditure	(961 584)	(625 937)	-	-	-	-	(53 140)	(9 538 891)	(86 764)	(11 266 316)
Losses	(2 367)	(137 622)	-	-	-	-	(55)	(8 948)	-	(148 993)
Internal charges	-	-	-	-	-	-	-	-	-	-
<b>Total Segment Expenditure</b>	<b>(10 041 669)</b>	<b>(10 638 944)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 785 695)</b>	<b>(47 494 109)</b>	<b>(1 117 806)</b>	<b>(71 078 223)</b>
<b>Surplus/(Deficit)</b>	<b>(9 968 875)</b>	<b>(6 347 532)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 785 695)</b>	<b>24 015 068</b>	<b>(867 806)</b>	<b>5 045 160</b>
	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)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	<b>(9 968 875)</b>	<b>(6 347 532)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 785 695)</b>	<b>24 015 068</b>	<b>(867 806)</b>	<b>5 045 160</b>
Taxation	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after Taxation</b>	<b>(9 968 875)</b>	<b>(6 347 532)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 785 695)</b>	<b>24 015 068</b>	<b>(867 806)</b>	<b>5 045 160</b>
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) Attributable to Municipality</b>	<b>(9 968 875)</b>	<b>(6 347 532)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 785 695)</b>	<b>24 015 068</b>	<b>(867 806)</b>	<b>5 045 160</b>
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(9 968 875)</b>	<b>(6 347 532)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 785 695)</b>	<b>24 015 068</b>	<b>(867 806)</b>	<b>5 045 160</b>

	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
<b>OTHER INFORMATION</b>										
Segment Assets	-	-	-	-	-	-	24 900 272	-	-	24 900 272
Segment liabilities	-	-	-	-	-	-	(27 031 013)	-	-	(27 031 013)
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 2023**

Total Segment Revenue (including capital transfers and	76 123 383
Total Revenue as per Statement of Financial Performance	76 123 383
<b>Difference</b>	<b>-</b>

**Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2023**

Total Segment Expenditure	(71 078 223)
Total Expenditure as per Statement of Financial Performance	(71 496 105)
<b>Difference</b>	<b>417 883</b>

**Reconciling items**

417 883

**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*

(136 666)

*Reversal of Impairment Loss/(Impairment Loss) on  
Receivables*

566 875

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

(12 327)

**Reconciliation of the Statement of Financial Performance as at 30 June 2023 as per the Annual Financial Statements vs the Surplus of the Segment report**

Surplus/(Deficit) for the year as per Segments	5 045 160
Surplus/(Deficit) for the year as per Statement of Financial Performance	5 045 160
<b>Difference - as explained above</b>	<b>0</b>

*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 2023**

Total Segment Assets	24 900 272
Total Assets as per Statement of Financial Position	24 900 272
<b>Difference</b>	<b>-</b>

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 2023**

Total Segment Liabilities	(27 031 013)
Total Liabilities as per Statement of Financial Position	(27 031 013)
<b>Difference</b>	<b>-</b>

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 2024**

	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	2024 R	%
ASSETS									
Current Assets									
		5 117 342	4 732 732	9 850 074	-	-	9 850 074	14 330 531	45,49%
		1 072 225	463 722	1 535 947	-	-	1 535 947	1 141 482	-25,68%
		-	-	-	-	-	-	1 133 360	100,00%
		-	-	-	-	-	-	328 079	100,00%
		-	-	-	-	-	-	141 336	100,00%
Total Current Assets	40.2.1	6 189 567	5 196 454	11 386 021	-	-	11 386 021	17 074 788	49,96%
Non-Current Assets									
		30 582	463 210	493 792	-	-	493 792	615 867	24,72%
		5 088 060	2 664 924	7 752 984	-	-	7 752 984	12 126 849	56,42%
		224 198	141 863	366 061	-	-	366 061	602 752	64,66%
Total Non-Current Assets	40.2.2	5 342 840	3 269 997	8 612 837	-	-	8 612 837	13 345 469	54,95%
TOTAL ASSETS		11 532 407	8 466 451	19 998 858	-	-	19 998 858	30 420 257	52,11%
LIABILITIES									
Current Liabilities									
		80 000	60 997	140 997	-	-	140 997	138 856	-1,52%
		-	8 005	8 005	-	-	8 005	8 005	0,00%
		3 265 569	925 530	4 191 099	-	-	4 191 099	3 506 199	-16,34%
		-	-	-	-	-	-	226 686	100,00%
		2 836 713	909 929	3 746 642	-	-	3 746 642	4 939 665	31,84%
Total Current Liabilities	40.2.3	6 182 282	1 904 461	8 086 743	-	-	8 086 743	8 819 411	9,06%
Non-Current Liabilities									
		-	198 837	198 837	-	-	198 837	253 756	27,62%
		22 384 000	(2 035 000)	20 349 000	-	-	20 349 000	18 601 000	-8,59%
Total Non-Current Liabilities	40.2.4	22 384 000	(1 836 163)	20 547 837	-	-	20 547 837	18 854 756	-8,24%
TOTAL LIABILITIES		28 566 282	68 298	28 634 580	-	-	28 634 580	27 674 167	-3,35%
NET ASSETS									
		(17 033 875)	8 398 153	(8 635 722)	-	-	(8 635 722)	2 451 924	-128,39%
		-	-	-	-	-	-	294 166	100,00%
TOTAL NET ASSETS	40.2.5	(17 033 875)	8 398 153	(8 635 722)	-	-	(8 635 722)	2 746 091	-131,80%

**NAMAKWA DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

	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	2024 R	%
REVENUE									
Exchange Revenue									
	Sale of Goods and Rendering of Services	9 030 127	(20 000)	9 010 127	-	-	9 010 127	1 740 106	-80,69%
	Interest earned from Receivables	74 342	-	74 342	-	-	74 342	139 217	87,27%
	Interest earned from Current and Non Current Assets	1 466 077	-	1 466 077	-	-	1 466 077	2 086 178	42,30%
	Rental from Fixed Assets	1 412 640	-	1 412 640	-	-	1 412 640	1 557 057	10,22%
	Operational Revenue	929 504	-	929 504	-	-	929 504	2 325 142	150,15%
Non-Exchange Revenue									
	Transfer and subsidies - Operational	69 429 260	(333 976)	69 095 284	-	-	69 095 284	64 369 406	-6,84%
Total Revenue (excluding capital transfers and contributions)									
	40.2.6	82 341 950	(353 976)	81 987 974	-	-	81 987 974	72 217 106	-11,92%
EXPENDITURE									
	Employee related costs	49 756 381	1 985 951	51 742 332	-	-	51 742 332	43 118 629	-16,67%
	Remuneration of councillors	4 604 598	42 911	4 647 509	-	-	4 647 509	4 829 302	3,91%
	Inventory consumed	333 415	27 000	360 415	-	-	360 415	-	-100,00%
	Debt impairment	-	(738 677)	(738 677)	-	-	(738 677)	(488 267)	-33,90%
	Depreciation and amortisation	1 091 617	-	1 091 617	-	-	1 091 617	1 347 313	23,42%
	Interest	132 406	36 723	169 129	-	-	169 129	2 013 428	1090,47%
	Contracted services	16 254 055	(1 325 000)	14 929 055	-	-	14 929 055	6 578 472	-55,94%
	Transfers and subsidies	581 135	(100 000)	481 135	-	-	481 135	785 924	63,35%
	Irrecoverable debts written off	-	738 677	738 677	-	-	738 677	629 102	-14,83%
	Operational costs	11 316 087	1 126 196	12 442 283	-	-	12 442 283	10 980 342	-11,75%
	Other Losses	-	-	-	-	-	-	48 820	100,00%
Total Expenditure									
	40.2.7	84 069 694	1 793 781	85 863 475	-	-	85 863 475	69 843 066	-18,66%
Surplus/(Deficit)									
		(1 727 744)	(2 147 757)	(3 875 501)	-	-	(3 875 501)	2 374 040	-161,26%
	Transfers and subsidies - capital (monetary allocations)	80 000	201 000	281 000	-	-	281 000	75 427	-73,16%
	Transfers and subsidies - capital (in-kind - all)	-	2 061 628	2 061 628	-	-	2 061 628	2 427 364	
Surplus/(Deficit) after Capital Transfers & Contributions									
		(1 647 744)	114 871	(1 532 873)	-	-	(1 532 873)	4 876 831	-418,15%
	Taxation	-	-	-	-	-	-	-	
Surplus/(Deficit) after Taxation									
		(1 647 744)	114 871	(1 532 873)	-	-	(1 532 873)	4 876 831	-418,15%
	Attributable to Minorities	-	-	-	-	-	-	-	
Surplus/(Deficit) Attributable to Municipality									
		(1 647 744)	114 871	(1 532 873)	-	-	(1 532 873)	4 876 831	-418,15%
	Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year									
		(1 647 744)	114 871	(1 532 873)	-	-	(1 532 873)	4 876 831	-418,15%

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	43 118 629
Actuarial gains and losses separately disclosed on the Statement of Financial Performance	(463 790)
Employee related costs as per Statement of Financial Performance	42 654 839

**NAMAKWA DISTRICT MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024**

	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  2024	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
	Other Revenue	11 496 269	3 318 970	14 815 239	-	-	14 815 239	7 573 012	-48,88%
	Government - Operating	69 429 260	(333 976)	69 095 284	-	-	69 095 284	64 029 054	-7,33%
	Government - Capital	80 000	201 000	281 000	-	-	281 000	75 427	-73,16%
	Interest	1 540 419	-	1 540 419	-	-	1 540 419	2 086 178	35,43%
	Dividends	-	-	-	-	-	-	-	
Payments									
	Suppliers and Employees	(83 453 006)	(1 115 408)	(84 568 414)	-	-	(84 568 414)	(66 948 315)	-20,84%
	Finance costs	(132 406)	(36 723)	(169 129)	-	-	(169 129)	(41 428)	-75,51%
	Transfers and Grants	(581 135)	100 000	(481 135)	-	-	(481 135)	(785 924)	63,35%
Net Cash from/(used) Operating Activities	40.2.8	(1 620 599)	2 133 863	513 264	-	-	513 264	5 988 004	1066,65%
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	(1 115 000)	(447 000)	(1 562 000)	-	-	(1 562 000)	(836 261)	-46,46%
Net Cash from/(used) Investing Activities	40.2.9	(1 115 000)	(447 000)	(1 562 000)	-	-	(1 562 000)	(836 261)	-46,46%
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
	Short Term Loans	-	-	-	-	-	-	-	
	Borrowing long term/refinancing	-	226 000	226 000	-	-	226 000	-	-100,00%
	Increase/(Decrease) in Consumer Deposits	-	-	-	-	-	-	-	
Payments									
	Repayment of Borrowing	(230 000)	(12 782)	(242 782)	-	-	(242 782)	(122 806)	-49,42%
Net Cash from/(used) Financing Activities	40.2.10	(230 000)	213 218	(16 782)	-	-	(16 782)	(122 806)	631,77%
NET INCREASE/(DECREASE) IN CASH HELD		(2 965 599)	1 900 081	(1 065 518)	-	-	(1 065 518)	5 028 938	-571,97%
Cash and Cash Equivalents at the year begin:		8 082 942	2 832 651	10 915 593			10 915 593	9 301 594	-14,79%
Cash and Cash Equivalents at the year end:		5 117 343	4 732 732	9 850 075	-	-	9 850 075	14 330 532	45,49%

## **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 2024**

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 R47 200 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;

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.

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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	<p><b><u>Heritage assets</u></b></p> <p>There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting.</p> <p>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.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
GRAP 104	<p><b><u>Financial Instruments</u></b></p> <p>The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.</p> <p>The Municipality might need to revise the categories of financial instruments and the impairment model.</p>	1 April 2025
GRAP 1: Going concern	<p><b><u>Presentation of Financial statements: Going concern</u></b></p> <p>The objective of this Standard is to prescribe the basis for presentation of general-purpose</p>	Unknown

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

REFERENCE	TOPIC	EFFECTIVE DATE
	<p>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.</p> <p>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.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	
<b>Improvement to GRAP standards (2023)</b>	<p><b><u>Improvement to GRAP standards (2023)</u></b></p> <p>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.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
<b>GRAP 105, GRAP 106 and GRAP 107 (amendments)</b>	<p><b>Transfer of Functions and Mergers</b></p> <p>The amendments to the Standards 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.</p>	Unknown



**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

REFERENCE	TOPIC	EFFECTIVE DATE
<b>Guideline</b>	<p><b><u>Application of Materiality of Financial Statements</u></b></p> <p>The guideline is not authoritative but only encourage.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	No effective date as only encouraged
<b>iGRAP 22</b>	<p><b>Foreign Currency Transactions and Advanced Consideration</b></p> <p>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.</p> <p>Early adoption of the Interpretation is encouraged.</p> <p>No significant impact is expected as the foreign currency transactions and advance consideration is not relevant to the operations of the Municipality.</p>	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 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.

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

**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.

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

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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.

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.

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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.

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

**NAMAKWA DISTRICT MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

***(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 2024**

**(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.

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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.

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**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:

<b><u>Land and Buildings</u></b>	<b><u>Years</u></b>
Land	Indefinite
Buildings	5-50
<b><u>Infrastructure</u></b>	
Roads and Streets	10-30
Storm Water	20
Electricity	20-30
Water	15-20
Sanitation	15-20
Waste Management	30
<b><u>Community</u></b>	
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



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**Finance lease assets**

Office equipment	1-10
Other Assets	1-10

**Other**

Motor Vehicles	1-10
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.

**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:

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- 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
- 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,

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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:

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

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- 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);
- 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.

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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.

<u><b>Investment Property</b></u>	<b>Years</b>
Buildings	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.

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(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset;
- 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

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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.

**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:

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- *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 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



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recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

## **1.19. INVENTORIES**

### **1.19.1. Initial Recognition**

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are 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 Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory 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 the item on the date acquired.

### **1.19.2. Subsequent Measurement**

Inventories, consisting of consumable stores, finished goods, and materials and supplies are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

## **1.20. 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.

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**1.20.1. 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.

**1.20.2. 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.

**1.20.2.1. 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 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.

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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.

**1.20.2.2. *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.

**1.20.2.3. *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.

**1.20.2.4. *Non-Current Investments***

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

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.

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**1.20.3. De-recognition**

**1.20.3.1. 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.

**1.20.3.2. 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 de-recognition 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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

**1.20.4. 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.

**1.21. 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.

**1.21.1. 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.

**1.21.2. Subsequent Measurement**

The Municipality initially measures the statutory receivables at their transaction amount. The Municipality measure 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 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;

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- 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.

**1.21.3. 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.

**1.22. REVENUE**

**1.22.1. 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.

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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 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.

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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.

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

**1.22.2. 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;



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- 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.

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

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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.

#### **1.23. TRANSFER OF FUNCTIONS (Municipality as acquirer)**

A function is an integrated set of activities that is capable of being conducted and managed to achieve a Municipality's objectives, either by providing economic benefits or service potential.

A transfer of functions is the reorganisation and/or the re-allocation of functions between Municipalities by transferring functions between Municipalities or into another entity.

An asset is identifiable if it either:

- Is separable, i.e., is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- Arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute),

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regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

The Municipality accounts for each transfer of functions between entities not under common control by applying the acquisition method. Applying the acquisition method requires:

- (a) Identifying the acquirer (Municipality);
- (b) Determining the acquisition date;
- (c) Recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- (d) Recognising the difference between (c) and the consideration transferred to the seller.

As of the acquisition date, the Municipality recognises the identifiable assets acquired and the liabilities assumed. The identifiable assets acquired and liabilities assumed meets the definitions of assets and liabilities in the *Framework for the Preparation and Presentation of Financial Statements* and the recognition criteria in the applicable Standards of GRAP at the acquisition date. In addition, the identifiable assets acquired and liabilities assumed are part of what the Municipality and the acquiree (or its former owners) agreed in the binding arrangement.

The Municipality measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

The Municipality subsequently measures and accounts for assets acquired and liabilities assumed in accordance with other applicable Standards of GRAP.

#### **1.24. ACCOUNTING BY PRINCIPALS AND AGENTS**

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

The municipality can be either the agent or the principal in terms of the circumstances of the arrangement.

Where the municipality is considered the principal, all revenues, expenses, liabilities and assets are recorded in the records of the municipality in accordance with the relevant standards of GRAP.

Where the municipality is the agent of the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or money due being recorded in terms of GRAP 104: Financial Instruments.

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**Identification**

Special consideration is given to the classification of an agreement (once the standard is triggered) to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Who determines significant terms?
- Who receives the benefit from the transactions?
- Is the municipality exposed to the variability of the outcome?

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement. In the assessment reference is made to substance over form. Therefore, the exact wording of the contract is not the only indicator (for example if reference is made to "agent"). If rights and obligations are substantially transferred this could indicate a principal/agent arrangement. If not the arrangement is accounted for as a normal supplier/customer relationship.

**1.25. 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:

- 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).

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- 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.

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.

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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.

**1.26. 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.

**1.27. 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.

**1.28. 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.

**1.29. 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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

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.

### **1.30. 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

***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.

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;



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

- 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, 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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

***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.

**1.31. 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.

**1.32. 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.

**1.33. 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).

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

**1.34. 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.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. PROPERTY, PLANT AND EQUIPMENT

2.1 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	
<b>Other Assets</b>															
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	-	277 938	-	-	(52 549)	2 754 574	1 380 936	-	258 058	-	(52 548)	29 657	1 616 103	1 138 471
Furniture and Office Equipment	2 989 746	-	188 189	-	-	(16 265)	3 161 671	2 454 987	-	72 728	-	(16 266)	6 708	2 518 157	643 513
Machinery and Equipment	1 789 936	-	294 837	-	-	(99 449)	1 985 324	1 237 436	-	156 349	-	(99 447)	7 316	1 301 654	683 670
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	-	3 263 625	20 000	-	(168 262)	28 500 643	15 768 547	-	1 021 160	10 600	(168 261)	43 682	16 675 728	11 824 915
<b>Leases</b>															
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
<b>Total</b>	25 833 301	-	3 511 428	20 000	(85 672)	(168 262)	29 110 795	15 959 076	-	1 224 521	10 600	(253 933)	43 682	16 983 946	12 126 849

2.2 30 JUNE 2023

	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	
<b>Other Assets</b>															
Land	2 086 548	-	-	-	-	-	2 086 548	-	-	-	-	-	-	-	2 086 548
Buildings	9 497 418	(97 997)	-	-	-	-	9 399 421	8 630 982	(3 838 632)	55 991	-	-	-	4 848 341	4 551 080
Computer Equipment	2 404 244	-	152 863	-	(27 923)	-	2 529 185	1 384 753	(103 861)	127 962	-	(27 918)	-	1 380 936	1 148 249
Furniture and Office Equipment	3 012 485	-	6 335	-	(29 073)	-	2 989 746	2 682 899	(254 989)	56 023	-	(28 946)	-	2 454 987	534 759
Machinery and Equipment	1 744 254	-	102 733	-	(57 051)	-	1 789 936	1 215 079	(29 929)	108 949	-	(56 662)	-	1 237 436	552 499
Transport Assets	7 118 765	-	-	-	(528 320)	-	6 590 445	6 042 325	(106 900)	303 598	-	(392 175)	-	5 846 848	743 597
	25 863 713	(97 997)	261 931	-	(642 367)	-	25 385 280	19 956 038	(4 334 311)	652 522	-	(505 702)	-	15 768 547	9 616 733
<b>Leases</b>															
Furniture and Office Equipment	115 607	-	332 413	-	-	-	448 021	70 991	(4 552)	124 089	-	-	-	190 529	257 492
	115 607	-	332 413	-	-	-	448 021	70 991	(4 552)	124 089	-	-	-	190 529	257 492
<b>Total</b>	25 979 321	(97 997)	594 344	-	(642 367)	-	25 833 301	20 027 029	(4 338 863)	776 611	-	(505 702)	-	15 959 076	9 874 225

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>2.3</b>		
The municipality has no Property, Plant and Equipment which is in the process of being constructed or developed.		
<b>2.4</b>		
The municipality has no Property, Plant and Equipment that is taking a significantly longer period of time to completed than expected.		
<b>2.5</b>		
The municipality has no Property, Plant and Equipment where construction or development has been halted.		
<b>2.6</b>		
<b>Expenditure incurred to repair and maintain Property, Plant and Equipment:</b>		
Employee related costs	-	-
Other materials	-	-
Contracted Services		
- Maintenance of Buildings and Facilities	286 564	140 498
- Maintenance of Equipment	39 584	29 268
- Maintenance of Unspecified Assets	17 198	64 978
Other Expenditure	-	-
<b>Total Repairs and Maintenance</b>	<b>343 347</b>	<b>234 745</b>
<b>2.7</b>		
<b>Assets pledged as security:</b>		
Leased Property, Plant and Equipment of R301 934 (2023: R257 492) is secured for leases as set out in Note 8 and Appendix A.		
<b>2.8</b>		
<b>Third party payments received for losses incurred:</b>		
Payments received (Excluding VAT)	-	279 861
Carrying value of assets written off/lost	-	(135 684)
Surplus/(Deficit)	-	144 177
<b>2.9</b>		
<b>Impairment losses of Property, Plant and Equipment</b>		
Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:		
Infrastructure	-	-
Community Assets	-	-
Other	43 682	9 950
<b>Total Impairment Losses</b>	<b>43 682</b>	<b>9 950</b>
<b>2.10</b>		
<b>Effect of changes in accounting estimates</b>		
The effect of the Change in Accounting estimates due to the review of useful lives are as follows:		
	<b>2024</b>	<b>2025</b>
	<b>R</b>	<b>R</b>
	<b>2026</b>	<b>2027</b>
	<b>R</b>	<b>R</b>
Increase / (Decrease) in depreciation of assets for the year	(115 156)	(115 156)
	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>2.11</b>		
<b>Contractual commitments for acquisition of Property, Plant and Equipment:</b>		
Approved and contracted for (Including VAT):		
Infrastructure	-	-
Community	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
This expenditure will be financed from:		
External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	-	-
Own Resources	-	-
District Council Grants	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>2.12 Land is not controlled, but Namakwa District Municipality is the legal owner/custodian</b>		
Farm number 265 Verjaagfontein	2 650 000	2 650 000
	<u><b>2 650 000</b></u>	<u><b>2 650 000</b></u>
<p>The farm number 265 Verjaagfontein farm situated in the Fraserburg region was transferred to the Karoo-Hoogland Municipality during the amalgamation process in 2001.</p> <p>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.</p>		
<b>3 INVESTMENT PROPERTY</b>		
<b>3.1 Net Carrying amount at 1 July</b>	<b>651 514</b>	<b>173 296</b>
Cost	1 322 319	842 675
Balance previously reported		744 678
Correction of Error - Note 35.2		97 997
Accumulated Depreciation	(670 805)	(669 379)
Balance previously reported		(699 997)
Correction of Error - Note 35.2		30 618
Accumulated Impairment Loss	-	-
Transfer from/(to) Property, Plant and Equipment - Note 2	(9 400)	-
Cost	(20 000)	-
Accumulated Depreciation	10 600	-
Additions	-	479 644
Depreciation for the year	(26 246)	(1 426)
Balance previously reported		(22 888)
Correction of Error - Note 35.2		21 462
<b>Net Carrying amount at 30 June</b>	<b>615 867</b>	<b>651 514</b>
Cost	1 302 319	1 322 319
Accumulated Depreciation	(686 451)	(670 805)
Accumulated Impairment Loss	-	-
<b>3.2 Revenue from Investment Property</b>		
Revenue derived from the rental of Investment Property	<u>1 238 437</u>	<u>1 112 735</u>
<b>3.3</b> No operating expenditure incurred on Investment Property during the year.		
<b>3.4</b> The municipality has no Investment Property which is in the process of being constructed or developed.		
<b>3.5</b> The municipality has no Investment Property that is taking a significantly longer period of time to completed than expected.		
<b>3.6</b> The municipality has no Investment Property where construction or development has been halted.		
<b>3.7</b> There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>4</b>	<b>INTANGIBLE ASSETS</b>		
<b>4.1</b>	<b>Net Carrying amount at 1 July</b>	<b>704 435</b>	<b>612 468</b>
	Cost	3 425 369	3 281 882
	Accumulated Amortisation and Impairment Loss	(2 720 933)	(2 669 414)
	Balance previously reported		(2 926 763)
	Correction of Error - Note 35.3		257 349
	Additions	-	143 486
	Impairment	(5 138)	-
	Amortisation	(96 546)	(49 142)
	Balance previously reported		(74 118)
	Correction of Error - Note 35.3		24 976
	Carrying value of disposals	-	-
	Cost	(36 820)	-
	Accumulated Amortisation and Impairment Loss	36 820	-
	(Impairment Loss)/ Reversal of Impairment Loss	-	(2 377)
	<b>Net Carrying amount at 30 June</b>	<b>602 752</b>	<b>704 435</b>
	Cost	3 388 549	3 425 369
	Accumulated Amortisation and Impairment Loss	(2 785 797)	(2 720 933)
<b>4.2</b>	The municipality has no Intangible assets which are in the process of being constructed or developed.		
<b>4.3</b>	The municipality has no Intangible assets that are taking a significantly longer period of time to completed than expected.		
<b>4.4</b>	The municipality has no Intangible assets where construction or development has been halted.		
<b>4.5</b>	No intangible asset were assed having an indefinite useful life.		
<b>4.6</b>	There are no internally generated intangible assets at reporting date.		
<b>4.7</b>	There are no intangible assets whose title is restricted.		
<b>4.8</b>	There age no intangible assets pledged as security for liabilities.		
<b>4.9</b>	There are no contractual commitments for the acquisition of intangible assets.		
<b>4.10</b>	<b>Effect of changes in accounting estimates</b>		
	The effect of the Change in Accounting estimates due to the review of useful lives are as follows:		
		<b>2024</b>	<b>2025</b>
		<b>R</b>	<b>R</b>
			<b>2026</b>
			<b>R</b>
	Increase / (Decrease) in depreciation of assets for the year	5 785	17 580
		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>5</b>	<b>OPERATING LEASE ARRANGEMENTS</b>		
<b>5.1</b>	<b>The Municipality as Lessor</b>		
	Operating Lease Asset	141 336	64 792
	<u>Disclosed as follows:</u>		
	Current Operating Lease Asset	141 336	64 792
		<b>141 336</b>	<b>64 792</b>
	<b>Reconciliation</b>		
	Balance at the beginning of the year	64 792	-
	Movement during the year	76 544	64 792
	Balance at the end of the year	<b>141 336</b>	<b>64 792</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
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	440 343	407 725
1 to 5 Years	1 315 224	1 755 570
More than 5 Years	-	-
<b>Total Operating Lease Arrangements</b>	<b>1 755 568</b>	<b>2 163 295</b>
This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.		
<b>6 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Property Rentals	1 597 007	1 252 857
B-Municipalities	850 936	2 012 637
Prepayments and Advances	89 785	119 258
Insurance	89 785	111 658
Recoveries from staff	-	7 600
<b>Total: Receivables from exchange transactions (before provision)</b>	<b>2 537 728</b>	<b>3 384 752</b>
<b>Less:</b> Provision for Debt Impairment	(1 396 246)	(848 198)
<b>Total: Receivables from exchange transactions (after provision)</b>	<b>1 141 482</b>	<b>2 536 554</b>
<b><u>(Property Rentals): Ageing</u></b>		
Current (0 - 30 days)	128 049	130 830
31 - 60 Days	124 406	128 754
61 - 90 Days	123 643	109 423
+ 90 Days	1 220 909	883 850
<b>Total</b>	<b>1 597 007</b>	<b>1 252 857</b>
<b><u>Reconciliation of Provision for Debt Impairment</u></b>		
Balance at beginning of year	848 198	548 177
Contribution to provision	548 047	300 021
Reversal of provision	-	-
Balance at end of year	<b>1 396 246</b>	<b>848 198</b>
The total amount of this provision is R 1 396 246 and consist of:		
Property Rentals	1 396 246	848 198
Other Debtors	-	-
<b>Total Provision for Debt Impairment on Receivables from exchange transactions</b>	<b>1 396 246</b>	<b>848 198</b>
<b><u>Ageing of amounts past due but not impaired:</u></b>		
1 month past due	55 013	99 397
2+ months past due	939 414	204 028
	<b>994 427</b>	<b>303 425</b>
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.		
<b><u>Reconciliation of bad debts</u></b>		
Property Rentals	175 891	-
	<b>175 891</b>	<b>-</b>
Long outstanding amounts were written-off by Council after an investigation.		



**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>7 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Department of Roads and Public Works	2 808 032	4 455 696
Sundry Debtor - Department Agriculture, Forestry and Fisheries	8 783 074	8 783 074
Other Receivables	1 182 954	1 205 403
	<u>12 774 060</u>	<u>14 444 172</u>
<b>Less:</b> Provision for Debt Impairment	<u>(11 640 700)</u>	<u>(12 677 014)</u>
<b>Total Receivables from non-exchange transactions</b>	<b><u>1 133 360</u></b>	<b><u>1 767 158</u></b>
<b><u>Reconciliation of Provision for Debt Impairment</u></b>		
Balance at beginning of year	12 677 014	13 543 910
Contribution to provision	-	-
Reversal of provision	(1 036 314)	(866 896)
Balance at end of year	<b>11 640 700</b>	<b>12 677 014</b>
The total amount of this provision is R 11 640 700 and consist of:		
Taxes	-	-
Sundry Debtor - Department Agriculture, Forestry and Fisheries	8 783 074	8 783 074
Department of Roads and Public Works	2 808 032	3 516 679
Other receivables	49 594	377 262
<b>Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions</b>	<b><u>11 640 700</u></b>	<b><u>12 677 014</u></b>
<b><u>Ageing of amounts past due but not impaired:</u></b>		
1 month past due	23 058	13 748
2+ months past due	1 083 673	2 857 489
	<b><u>1 106 731</u></b>	<b><u>2 871 237</u></b>
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.		
<b><u>Reconciliation of bad debts</u></b>		
Other receivables	158 247	-
Department of Roads and Public Works	294 963	-
	<b><u>453 211</u></b>	<b><u>-</u></b>
Long outstanding amounts were written-off by Council after an investigation.		
<b>8 BANK ACCOUNTS</b>		
<b>8.1 <u>Cash and Cash Equivalents</u></b>		
Current Accounts	4 301 997	868 293
Call Deposits and Investments	10 028 035	8 432 801
Cash On-hand	500	500
<b>Total Cash and Cash Equivalents - Assets</b>	<b><u>14 330 532</u></b>	<b><u>9 301 594</u></b>
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 219 022 are held to fund the Unspent Conditional Grants (2023: R 234 858).		
The municipality has the following bank accounts:		
<b><u>Current Accounts</u></b>		
Nedbank Limited - Account Number 1140945939 (Primary Bank Account):	4 301 997	868 293
	<b><u>4 301 997</u></b>	<b><u>868 293</u></b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b><u>Call Deposits and Investments</u></b>		
Nedbank Limited - Account Number 03/7662031837 (Capital Replacement Reserve):	294 166	26 965
Nedbank Private Wealth - Account Number NAMA001/83 (Call Deposit):	4 693 983	4 316 772
Nedbank Limited - Account Number 03/7662031896 (Leave Reserve):	1 429 434	1 356 762
Nedbank Limited - Account Number 03/7662031799 (Finance Management Grant):	1 000	1 438
Nedbank Limited - Account Number 03/7662031845 (Municipal System Improvement Grant):	1 359	1 359
Nedbank Limited - Account Number 03/7662031780 (EPWP):	1 000	1 454
Nedbank Limited - Account Number 03/7662031950 (Depositor Plus):	3 388 338	2 494 581
Nedbank Limited - Account Number 03/7662031926 (RRAMS):	1 001	2 300
Nedbank Limited - Account Number 03/7662031977 (PIMMS):	11	11
Nedbank Limited - Account Number 03/7662031772 (Electronic Filing System):	-	4 798
Nedbank Limited - Account Number 03/7662031853 (Training Fund SETA):	3 842	3 842
Nedbank Limited - Account Number 03/7662031918 (Work for Water):	3 091	2 863
Nedbank Limited - Account Number 03/7662031756 (Civil Defence Grant):	210 810	219 658
	<b>10 028 035</b>	<b>8 432 803</b>
<hr/>		
The Municipality has the following current bank account:		
<b><i>Nedbank Limited - Account Number 1140945939 (Primary Bank Account):</i></b>		
Cash book balance at beginning of year	868 293	868 293
Cash book balance at end of year	4 301 997	868 293
	<hr/>	<hr/>
Bank statement balance at beginning of year	868 293	868 293
Bank statement balance at end of year	4 301 997	868 293
	<hr/>	<hr/>
Details of call investment accounts are as follow:		
<b><i>Nedbank Limited - Account Number 03/7662031837 (Capital Replacement Reserve):</i></b>		
Cash book balance at beginning of year	26 965	26 965
Cash book balance at end of year	294 166	26 965
	<hr/>	<hr/>
Bank statement balance at beginning of year	26 965	26 965
Bank statement balance at end of year	294 166	26 965
	<hr/>	<hr/>
<b><i>Nedbank Private Wealth - Account Number NAMA001/83 (Call Deposit):</i></b>		
Cash book balance at beginning of year	4 316 772	4 316 772
Cash book balance at end of year	4 693 983	4 316 772
	<hr/>	<hr/>
Bank statement balance at beginning of year	4 316 773	4 316 773
Bank statement balance at end of year	4 693 984	4 316 773
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031896 (Leave Reserve):</i></b>		
Cash book balance at beginning of year	1 356 762	1 356 762
Cash book balance at end of year	1 429 434	1 356 762
	<hr/>	<hr/>
Bank statement balance at beginning of year	1 356 762	1 356 762
Bank statement balance at end of year	1 429 434	1 356 762
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031799 (Finance Management Grant):</i></b>		
Cash book balance at beginning of year	1 438	1 438
Cash book balance at end of year	1 000	1 438
	<hr/>	<hr/>
Bank statement balance at beginning of year	1 438	1 438
Bank statement balance at end of year	1 000	1 438
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031845 (Municipal System Improvement Grant):</i></b>		
Cash book balance at beginning of year	1 359	1 359
Cash book balance at end of year	1 359	1 359
	<hr/>	<hr/>
Bank statement balance at beginning of year	1 359	1 359
Bank statement balance at end of year	1 359	1 359
	<hr/>	<hr/>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b><i>Nedbank Limited - Account Number 03/7662031780 (EPWP):</i></b>		
Cash book balance at beginning of year	1 454	1 454
Cash book balance at end of year	1 000	1 454
	<hr/>	<hr/>
Bank statement balance at beginning of year	1 454	1 454
Bank statement balance at end of year	1 000	1 454
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031950 (Depositor Plus):</i></b>		
Cash book balance at beginning of year	2 494 581	2 494 581
Cash book balance at end of year	3 388 338	2 494 581
	<hr/>	<hr/>
Bank statement balance at beginning of year	2 494 581	2 494 581
Bank statement balance at end of year	3 388 338	2 494 581
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031926 (RRAMS):</i></b>		
Cash book balance at beginning of year	2 300	2 300
Cash book balance at end of year	1 001	2 300
	<hr/>	<hr/>
Bank statement balance at beginning of year	2 300	2 300
Bank statement balance at end of year	1 001	2 300
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031977 (PIMMS):</i></b>		
Cash book balance at beginning of year	11	11
Cash book balance at end of year	11	11
	<hr/>	<hr/>
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031772 (Electronic Filing System):</i></b>		
Cash book balance at beginning of year	4 798	4 798
Cash book balance at end of year	-	4 798
	<hr/>	<hr/>
Bank statement balance at beginning of year	4 798	4 798
Bank statement balance at end of year	-	4 798
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031853 (Training Fund SETA):</i></b>		
Cash book balance at beginning of year	3 842	3 842
Cash book balance at end of year	3 842	3 842
	<hr/>	<hr/>
Bank statement balance at beginning of year	3 842	3 842
Bank statement balance at end of year	3 842	3 842
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031918 (Work for Water):</i></b>		
Cash book balance at beginning of year	2 863	2 690
Cash book balance at end of year	3 091	2 863
	<hr/>	<hr/>
Bank statement balance at beginning of year	2 863	2 690
Bank statement balance at end of year	3 091	2 863
	<hr/>	<hr/>
<b><i>Nedbank Limited - Account Number 03/7662031756 (Civil Defence Grant):</i></b>		
Cash book balance at beginning of year	219 658	219 658
Cash book balance at end of year	210 810	219 658
	<hr/>	<hr/>
Bank statement balance at beginning of year	219 659	219 659
Bank statement balance at end of year	210 810	219 659
	<hr/>	<hr/>
<b>9 LONG-TERM BORROWINGS</b>		
Capitalised Lease Liability - At amortised cost	392 612	267 614
	<hr/>	<hr/>
<b>Less:</b> Current Portion transferred to Current Liabilities	<b>392 612</b>	<b>267 614</b>
	(138 856)	(121 753)
Capitalised Lease Liability - At amortised cost	(138 856)	(121 753)
	<hr/>	<hr/>
<b>Total Long-term Borrowings</b>	<b>253 756</b>	<b>145 861</b>
	<hr/>	<hr/>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>9.1</b>	The obligations under finance leases are scheduled below:		
		<b>Minimum</b>	
		<b>payments</b>	
	Amounts payable under finance leases:		
	Payable within one year	309 365	155 922
	Payable within two to five years	185 975	160 850
	Payable after five years	-	-
		<hr/>	<hr/>
		495 340	316 772
		(102 728)	(49 157)
		<hr/>	<hr/>
	<b>Present value of finance lease obligations</b>	<b>392 612</b>	<b>267 614</b>
		<hr/>	<hr/>

The capitalised lease liability consist out of the following contracts:

<b>Supplier</b>	<b>Description of leased item</b>	<b>Effective Interest rate</b>	<b>Annual Escalation</b>	<b>Lease Term</b>	<b>Maturity Date</b>
Nashua	Copiers	15.38% - 18.69%	0%	3 Years	31/07/2023 - 31/08/2025
MTN	Laptops, Cell phone & IPADS	18.51% - 31.06%	0%	2 Years	24/06/2024 - 27/05/2026
Vodacom	Laptops, Cell phone & Tablets	30.72% - 54.77%	0%	2 Years	28/05/2024 - 27/05/2026

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

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

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>10</b>	<b>NON-CURRENT EMPLOYEE BENEFITS</b>		
	Provision for Post Retirement Health Care Benefits	16 897 000	15 783 000
	Provision for Long Service Awards	1 704 000	1 791 000
	<b>Total Non-current Employee Benefits</b>	<hr/> <b>18 601 000</b> <hr/>	<hr/> <b>17 574 000</b> <hr/>
	<b><u>Post Retirement Health Care Benefits</u></b>		
	Balance 1 July	17 426 000	18 397 000
	Contribution for the year	2 374 000	2 466 000
	Expenditure for the year	(1 748 601)	(1 605 685)
	Actuarial Loss/(Gain)	723 601	(1 831 315)
		<hr/>	<hr/>
	<b>Total provision 30 June</b>	<b>18 775 000</b>	<b>17 426 000</b>
	<b><u>Less:</u></b> Transfer of Current Portion to Current Provisions - Note 12	(1 878 000)	(1 643 000)
		<hr/>	<hr/>
	<b>Balance 30 June</b>	<hr/> <b>16 897 000</b> <hr/>	<hr/> <b>15 783 000</b> <hr/>
	<b><u>Long Service Awards</u></b>		
	Balance 1 July	2 374 000	2 123 000
	Contribution for the year	401 000	417 000
	Expenditure for the year	(589 189)	(278 193)
	Actuarial Loss/(Gain)	(259 811)	112 193
		<hr/>	<hr/>
	<b>Total provision 30 June</b>	<b>1 926 000</b>	<b>2 374 000</b>
	<b><u>Less:</u></b> Transfer of Current Portion to Current Provisions - Note 12	(222 000)	(583 000)
		<hr/>	<hr/>
	<b>Balance 30 June</b>	<hr/> <b>1 704 000</b> <hr/>	<hr/> <b>1 791 000</b> <hr/>
<b>10.1</b>	<b>Provision for Post Retirement Health Care Benefits</b>		
	The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
	In-service (employee) members	49	60
	In-service (employee) non-members	6	5
	Continuation members (e.g. Retirees, widows, orphans)	38	34
		<hr/>	<hr/>
	<b>Total Members</b>	<hr/> <b>93</b> <hr/>	<hr/> <b>99</b> <hr/>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
The liability in respect of past service has been estimated to be as follows:		
In-service members	3 188 000	4 488 000
In-service non-members	98 000	79 000
Continuation members	15 489 000	12 859 000
<b>Total Liability</b>	<b>18 775 000</b>	<b>17 426 000</b>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>	<b>R</b>
In-service members	4 234 000	4 535 000	3 918 000
In-service non-members	76 000	86 000	57 000
Continuation members	14 087 000	15 323 000	13 154 000
<b>Total Liability</b>	<b>18 397 000</b>	<b>19 944 000</b>	<b>17 129 000</b>

Bonitas  
Hosmed  
LA Health  
Key Health, and  
SAMWU Medical Aid

The Current-service Cost for the ensuing year is estimated to be R305 000, whereas the Interest Cost for the next year is estimated to be R2 065 000.

	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
Key actuarial assumptions used:		
<b>i) Rate of interest</b>		
Discount rate	11,56%	11,86%
Health Care Cost Inflation Rate	7,15%	7,53%
Net Effective Discount Rate	4,12%	4,03%

**ii) Mortality rates**

The PA (90) -1 ultimate table, with a 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**

Parties are still busy with negotiations of salary increases. The expected rate of salary increase is CPI.

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	18 775 000	17 426 000
Fair value of plan assets	-	-
	<u>18 775 000</u>	<u>17 426 000</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
<b>Net liability/(asset)</b>	<b>18 775 000</b>	<b>17 426 000</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>Reconciliation of present value of net defined benefit liability</b>		
Present value of fund obligation at the beginning of the year	17 426 000	18 397 000
Total expenses	2 374 000	2 466 000
Current service cost	402 000	466 000
Interest Cost	1 972 000	2 000 000
Remeasurement of net defined benefit liability	723 601	(1 831 315)
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	723 601	(1 831 315)
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	(1 748 601)	(1 605 685)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	<u>18 775 000</u>	<u>17 426 000</u>
<b>Reconciliation of fair value of plan assets:</b>		
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	<u>-</u>	<u>-</u>

**Sensitivity Analysis on the Accrued Liability on 30 June 2024**

	<b>In-service members liability (Rm)</b>	<b>Continuation members liability (Rm)</b>	<b>Total liability (Rm)</b>
<b>Assumption</b>			
Central Assumptions	3,286	15,489	18,775

The effect of movements in the assumptions are as follows:

	<b>Change</b>	<b>In-service members liability (Rm)</b>	<b>Continuation members liability (Rm)</b>	<b>Total liability (Rm)</b>	<b>% change</b>
<b>Assumption</b>					
Health care inflation rate	1%	3,668	16,418	20,086	7%
Health care inflation rate	-1%	2,809	14,597	17,406	-7%
Discount rate	1%	2,754	14,500	17,254	-8%
Discount rate	-1%	3,961	16,621	20,582	10%
Post-employment mortality	+1 year	3,203	14,912	18,115	-4%
Post-employment mortality	-1 year	3,366	16,073	19,439	4%
Average retirement age	-1 year	3,678	15,489	19,167	2%
Continuation of membership at retirement	-10%	2,876	15,489	18,365	-2%

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

	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>
<b>Assumption</b>			
Central Assumptions	305 000	2 065 000	2 370 000

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

The effect of movements in the assumptions are as follows:

<b>Assumption</b>	<b>Change</b>	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>	<b>% change</b>
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%
				<b>2024 Rm</b>	<b>2023 Rm</b>

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss	0,845	(0,151)
Assets: Gain / (loss)	—	—

The adjustments in respect of periods commencing prior to the comparative year has been estimated as follows:

	<b>2022 Rm</b>	<b>2021 Rm</b>	<b>2020 Rm</b>
Liabilities: (Gain) / loss	(1,205)	0,863	0,677
Assets: Gain / (loss)	—	—	—

**Material analysis**

The following figure shows the maturity analysis (undiscounted expected benefit payments for the next 80 years in R'million.

**10.2 Provision for Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans. As at year end, 65 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R155 000 whereas the Interest Cost for the next year is estimated to be R202 000.

<b>Key actuarial assumptions used:</b>	<b>2024 %</b>	<b>2023 %</b>
<b>i) Rate of interest</b>		
Discount rate	11,13%	11,08%
General Salary Inflation (long-term)	6,28%	6,47%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4,57%	4,33%

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	1 926 000	2 374 000
Fair value of plan assets	-	-
	<u>1 926 000</u>	<u>2 374 000</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
<b>Net liability/(asset)</b>	<b><u>1 926 000</u></b>	<b><u>2 374 000</u></b>

**Reconciliation of present value of net defined benefit liability**

Present value of fund obligation at the beginning of the year	2 374 000	2 123 000
Total expenses	401 000	417 000
Current service cost	169 000	194 000
Interest Cost	232 000	223 000
Remeasurement of net defined benefit liability	(259 811)	112 193
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	(259 811)	112 193
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	(589 189)	(278 193)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	<b><u>1 926 000</u></b>	<b><u>2 374 000</u></b>

**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	<b><u>-</u></b>	<b><u>-</u></b>

**Sensitivity Analysis on the Accrued Liability on 30 June 2024**

	<b>Change</b>	<b>Liability (Rm)</b>	<b>% change</b>
<b>Assumption</b>			
Central assumptions		1 926,000	
General earnings inflation	+1%	2 044,000	6%
General earnings inflation	-1%	1 818,000	-6%
Discount rate	+1%	1 816,000	-6%
Discount rate	-1%	2 049,000	6%
Average retirement age	2 yrs	2 040,000	6%
Average retirement age	-2 yrs	1 786,000	-7%
Withdrawal rates	x2	1 534,000	-20%
Withdrawal rates	x0.5	2 185,000	13%

**Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024**

	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>
<b>Assumption</b>			
Central Assumptions	155 000	202 000	357 000



**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

The effect of movements in the assumptions are as follows:

<b>Assumption</b>	<b>Change</b>	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>	<b>% change</b>
General earnings inflation	+1%	167 000	216 000	383 000	7%
General earnings inflation	-1%	145 000	190 000	335 000	-6%
Discount rate	+1%	146 000	207 000	353 000	-1%
Discount rate	-1%	166 000	197 000	363 000	2%
Average retirement age	2 yrs	163 000	215 000	378 000	6%
Average retirement age	-2 yrs	147 000	187 000	334 000	-6%
Withdrawal Rate	x2	115 000	159 000	274 000	-23%
Withdrawal Rate	x0.5	184 000	231 000	415 000	16%
				<b>2024</b>	<b>2023</b>
				<b>R</b>	<b>R</b>

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss

(231 811) 163 193

Assets: Gain / (loss)

- -

The adjustments in respect of periods commencing prior to the comparative year has been estimated as follows:

	<b>2022 R</b>	<b>2021 R</b>	<b>2020 R</b>
Liabilities: (Gain) / loss	130 277	139 709	115 239
Assets: Gain / (loss)	-	-	-

**Maturity analysis**

The following figure shows the DBO's maturity analysis (undiscounted expected benefits vesting) for the next 40 years in R'million.

**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.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

**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 2023 revealed that the fund has a funding level of 120.3% (30 June 2022 - 104,5%).

	2024 R	2023 R
Contributions paid recognised in the Statement of Financial Performance	111 825	103 613

**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 2023 revealed that the fund is in a sound financial position with a funding level of 120.1% (30 June 2022 - 131,5%).

Contributions paid recognised in the Statement of Financial Performance	2 624 848	2 717 913
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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	91 715	133 970
SAMWU National Provident Fund	907 908	892 900
	999 624	1 026 870

**Expected contributions for the next period**

Government Employees Pension Fund	42 297	91 715
SAMWU National Provident Fund	822 038	907 908
	864 335	999 624

**11 CONSUMER DEPOSITS**

Rental Properties	8 005	8 005
<b>Total Consumer Deposits</b>	<b>8 005</b>	<b>8 005</b>

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

**12 CURRENT EMPLOYEE BENEFITS**

Staff Bonuses	852 533	968 267
Staff Leave	1 987 132	1 695 256
Current Portion of Non-Current Provisions	2 100 000	2 226 000
Current Portion of Post Retirement Benefits - Note 10	1 878 000	1 643 000
Current Portion of Long-Service Provisions - Note 10	222 000	583 000
<b>Total Provisions</b>	<b>4 939 665</b>	<b>4 889 523</b>

The movement in current provisions are reconciled as follows:

**12.1 Staff Bonuses**

Balance at beginning of year	968 267	1 084 124
Contribution to current portion	1 993 343	1 919 623
Expenditure incurred	(2 109 077)	(2 035 481)
<b>Balance at end of year</b>	<b>852 533</b>	<b>968 267</b>

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.

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>12.2    <u>Staff Leave</u></b>		
Balance at beginning of year	1 695 256	1 540 196
Contribution to current portion	986 863	400 491
Expenditure incurred	(694 988)	(245 431)
Balance at end of year	<b>1 987 132</b>	<b>1 695 256</b>

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	462 640	678 424
Advance Payments	560 887	62 874
Department of Environmental affairs - Work for Water	2 525	2 525
Department Economic Development and Tourism	49 968	-
Other Payables	2 430 180	2 884 392
Balance previously stated		2 880 239
Correction of Error - Note 35.4		4 153
<b>Total Trade Payables</b>	<b>3 506 199</b>	<b>3 628 214</b>

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	226 686	567 038
National Government Grants	4 359	6 549
Provincial Government Grants	218 485	218 485
Other Sources	3 842	342 003
<b>Less:    Unpaid Transfers and Subsidies</b>	-	-
National Government Grants	-	-
Provincial Government Grants	-	-
District Municipality	-	-
Other Sources	-	-
<b>Total Unspent Transfers and Subsidies</b>	<b>226 686</b>	<b>567 038</b>

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.

**15    TAXES**

<b>15.1    VAT Payable</b>	-	-
VAT Output in Suspense	(49 636)	(323 398)
<b>Less:    Contribution to Provision for Doubtful Debt Impairment</b>	-	-
<b>Total VAT Payable</b>	<b>(49 636)</b>	<b>(323 398)</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

		<b>2024</b>	<b>2023</b>
		<b>R</b>	<b>R</b>
<b>15.2</b>	VAT Receivable	393 454	174 117
	VAT Input in Suspense	(15 740)	52 662
	<b>Total VAT Receivable</b>	<b>377 715</b>	<b>226 779</b>
<b>15.3</b>	<b>Net VAT (Payable)/Receivable</b>	<b>328 079</b>	<b>(96 619)</b>
	VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
<b>16</b>	<b>NET ASSET RESERVES</b>		
	RESERVES	294 166	26 965
	Capital Replacement Reserve	294 166	26 965
	<b>Total Net Asset Reserve and Liabilities</b>	<b>294 166</b>	<b>26 965</b>
<b>16.1</b>	The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
<b>17</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES</b>		
	Government Grants and Subsidies - Operating	64 369 406	63 645 022
	Equitable Share	57 516 000	55 849 000
	Expanded Public Works Programme Integrated Grant	950 454	1 072 550
	Local Government Financial Management Grant	2 025 010	1 889 062
	Fire Equipment Grant	-	1 371
	Rural Road Asset Management Systems Grant	2 875 194	2 949 600
	Civil Defence Subsidy	-	8 849
	NC Housing	250 000	250 000
	Training Reserve (SETA)	752 748	1 624 590
	Government Grants and Subsidies - Capital	75 427	210 890
	Financial Management Grant	75 427	210 890
	<b>Total Government Grants and Subsidies</b>	<b>64 444 833</b>	<b>63 855 912</b>
	Included in above are the following grants and subsidies received:		
	<b>Unconditional</b>	57 516 000	55 849 000
	Equitable Share	57 516 000	55 849 000
	<b>Conditional</b>	6 928 833	8 006 912
	Local Government Financial Management Grant	2 100 437	2 099 952
	Fire Equipment Grant	-	1 371
	Rural Road Asset Management Systems Grant	2 875 194	2 949 600
	Civil Defence Subsidy	-	8 849
	NC Housing	250 000	250 000
	Training Reserve (SETA)	752 748	1 624 590
	Expanded Public Works Programme Integrated Grant	950 454	1 072 550
	<b>Total Government Grants and Subsidies</b>	<b>64 444 833</b>	<b>63 855 912</b>
	Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
	Equitable share - Administration	9 920 000	9 504 000
	Executive and Council	4 601 454	4 724 921
	Finance and Administration	46 798 185	46 418 543
	Public Safety	-	8 849
	Planning and Development	3 125 194	3 199 600
	<b>Total Government Grants and Subsidies</b>	<b>64 444 833</b>	<b>63 855 912</b>

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.

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>17.1 Finance Management Grant</b>		
Opening balance	1 437	1 390
Grants received	2 100 000	2 100 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(2 025 010)	(1 889 062)
Conditions met - Capital	(75 427)	(210 890)
	<hr/>	<hr/>
Conditions still to be met	1 000	1 437
	<hr/>	<hr/>
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 costs		
<b>17.2 RSC Levies Replacement Grant</b>		
Opening balance	-	-
Grants received	43 945 000	42 694 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(43 945 000)	(42 694 000)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
This is an unconditional grant established to make provision for income for the District Municipalities after the RSC levies were terminated.		
<b>17.3 Equitable Share</b>		
Opening balance	-	-
Grants received	9 920 000	9 504 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(9 920 000)	(9 504 000)
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.		
<b>17.4 Councillors Remuneration Grant</b>		
Opening balance	-	-
Grants received	3 651 000	3 651 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(3 651 000)	(3 651 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
	<hr/>	<hr/>
This is an unconditional grant to co-funding the councillors remuneration.		
<b>17.5 Municipal System Improvement Grant</b>		
Opening balance	1 359	1 359
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	1 359	1 359
	<hr/>	<hr/>
The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
<b>17.6 Rural Roads Asset Management Grant</b>		
Opening balance	2 300	1 200
Grants received	3 118 000	3 106 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(3 119 299)	(3 104 900)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	1 001	2 300
	<hr/>	<hr/>
This grant was established to make provision for the establishment of a roads network.		

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>17.7 <u>Planning and Implementation Management System</u></b>		
Opening balance	-	11
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(11)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
This is a planning reserve and is utilised for planning purposes.		
<b>17.8 <u>Municipal Disaster Relief Grant</u></b>		
Opening balance	361	361
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	361	361
	<hr/>	<hr/>
This grant is used to assist the municipality with the COVID-19 pandemic.		
<b>17.9 <u>Civil Defence Subsidy</u></b>		
Opening balance	210 810	219 659
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(8 849)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	210 810	210 810
	<hr/>	<hr/>
This conditional grant is to establish a disaster management centre.		
<b>17.10 <u>Expanded Public Works Program</u></b>		
Opening balance	1 454	1 004
Grants received	950 000	1 073 000
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(950 454)	(1 072 550)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	1 000	1 454
	<hr/>	<hr/>
This grant service to establish work in local communities.		
<b>17.11 <u>Fire Equipment Grant</u></b>		
Opening balance	-	1 351
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(1 351)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
This grant is to assist local municipalities to render a fire service.		
<b>17.12 <u>Komaggas Road</u></b>		
Opening balance	-	1
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(1)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
This grant was used to build the Kommagas road.		

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>17.13 SA Projects</b>		
Opening balance	-	8
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(8)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
This grant is to create work programmes in local communities.		
<b>17.14 NC Housing</b>		
Opening balance	-	-
Grants received	250 000	250 000
Conditions met - Operating	(250 000)	(250 000)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
This grant is to establish a housing unit at the District level.		
<b>17.15 Khotso Pula Nala</b>		
Opening balance	2 517	2 517
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	2 517	2 517
	<hr/>	<hr/>
This grant originated from the Department Roads and Public Works and is used for projects determined by the Department.		
<b>17.16 Electronic Filing System</b>		
Opening balance	4 798	4 798
Grants received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	4 798	4 798
	<hr/>	<hr/>
The grant was used to implement an electronic filing system.		
<b>17.17 Training Reserve (SETA)</b>		
Opening balance	342 003	451 464
Grants received	414 586	1 590 279
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(752 748)	(1 699 740)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	3 842	342 003
	<hr/>	<hr/>
This is the amount claimed back from SETA for training and is utilised for training.		
<b>17.18 Total Grants</b>		
Opening balance	567 038	685 121
Grants received	64 348 586	63 968 279
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(64 613 511)	(63 875 472)
Conditions met - Capital	(75 427)	(210 890)
	<hr/>	<hr/>
Conditions still to be met/(Grant expenditure to be recovered)	226 686	567 038
	<hr/>	<hr/>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	226 686	567 038
Unpaid Conditional Government Grants and Receipts	-	-
<b>Total</b>	<b>226 686</b>	<b>567 038</b>
<b>18 CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT</b>		
Springbok Superspar	-	479 644
MTN	38 552	-
SMEG	1 723 979	-
Ou Mutual	664 833	-
Santam	-	248 075
<b>Total Contributed Property, Plant and Equipment</b>	<b>2 427 364</b>	<b>727 719</b>
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	2 427 364	727 719
Revenue from Exchange Transactions	-	-
<b>Total Contributed Property, Plant and Equipment</b>	<b>2 427 364</b>	<b>727 719</b>
<b>19 SALES OF GOODS AND RENDERING OF SERVICES</b>		
Rendering of Services	1 725 997	4 830 338
Management Fees	14 109	-
Scrap, Waste & Other Goods	-	71
<b>Total Sales of Goods and Rendering of Services</b>	<b>1 740 106</b>	<b>4 830 409</b>
<b>20 RENTAL FROM FIXED ASSETS</b>		
Rental of facilities	1 557 057	1 496 415
<b>Total Rental from Fixed Assets</b>	<b>1 557 057</b>	<b>1 496 415</b>
<b>21 INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Financial assets	2 086 178	1 165 289
<b>Total Interest Earned - External Investments</b>	<b>2 086 178</b>	<b>1 165 289</b>
<b>22 INTEREST EARNED - EXCHANGE TRANSACTIONS</b>		
Other Receivables	139 217	72 684
<b>Total Interest Earned - Outstanding Receivables</b>	<b>139 217</b>	<b>72 684</b>
<b>23 OPERATIONAL REVENUE</b>		
Commission	3 115	4 006
Inspection Fees	87 426	63 944
Insurance Refund	-	284 209
Management Fees	212 265	267 716
Staff Recoveries	-	60
Services rendered to Construction Education and Training Authority	-	84 125
Services rendered to NCEDA	686 646	80 312
Services rendered to Department Health	61 057	432 976
Services rendered to Department Economic Development and Tourism	1 274 632	926 292
<b>Total Operational Revenue</b>	<b>2 325 142</b>	<b>2 143 640</b>
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	2 325 142	2 143 640
Revenue from Non-Exchange Transactions	-	-
<b>Total Operational Revenue</b>	<b>2 325 142</b>	<b>2 143 640</b>



**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>24 EMPLOYEE RELATED COSTS</b>		
Basic Salaries and Wages	29 757 457	30 606 133
Balance previously stated		30 605 660
Correction of Error - Note 35.5		473
Pension and UIF Contributions	4 618 215	4 806 028
Medical Aid Contributions	1 398 427	1 545 951
Overtime	77 122	90 246
Bonuses	1 993 343	1 919 623
Motor Vehicle Allowance	2 193 606	2 428 314
Cell Phone Allowance	202 562	183 142
Housing Allowances	529 071	578 504
Other benefits and allowances	234 900	96 664
Payments in lieu of leave	986 864	412 433
Workmen's Compensation Fund	261 274	281 498
Post-retirement Benefit Obligations	402 000	466 000
	<hr/>	<hr/>
	42 654 839	43 414 536
<b>Less:</b> Employee Costs allocated elsewhere	-	-
Cost Capitalised to PPE	-	-
Cost allocated to Inventory	-	-
	<hr/>	<hr/>
<b>Total Employee Related Costs</b>	<b>42 654 839</b>	<b>43 414 536</b>
	<hr/>	<hr/>
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<i><b>Remuneration of the Municipal Manager - SC Adams (current)</b></i>		
Annual Remuneration	744 467	270 376
13th Cheque	51 257	-
Allowances	243 097	99 534
Contributions to UIF, Medical and Pension Funds	179 903	69 371
	<hr/>	<hr/>
<b>Total</b>	<b>1 218 725</b>	<b>439 281</b>
	<hr/>	<hr/>
<i><b>Remuneration of the Municipal Manager - CJ Fortuin (previous)</b></i>		
Annual Remuneration	-	568 504
13th Cheque	-	51 999
Allowances	-	178 965
Contributions to UIF, Medical and Pension Funds	-	95 385
Payments in lieu of leave	-	111 997
	<hr/>	<hr/>
<b>Total</b>	<b>-</b>	<b>1 006 851</b>
	<hr/>	<hr/>
<i><b>Remuneration of the Chief Finance Officer - R Datadin</b></i>		
Annual Remuneration	355 490	1 177 569
13th Cheque	43 170	54 611
Allowances	32 504	129 833
Contributions to UIF, Medical and Pension Funds	45 508	174 164
Payments in lieu of leave	133 226	-
	<hr/>	<hr/>
<b>Total</b>	<b>609 898</b>	<b>1 536 177</b>
	<hr/>	<hr/>
<i><b>Remuneration of Senior Manager: Corporate and Municipal Health Services - GE Cloete</b></i>		
Annual Remuneration	1 098 922	1 034 840
13th Cheque	55 615	52 766
Allowances	153 287	153 109
Contributions to UIF, Medical and Pension Funds	122 254	116 100
Long service awards	40 043	-
	<hr/>	<hr/>
<b>Total</b>	<b>1 470 120</b>	<b>1 356 815</b>
	<hr/>	<hr/>
<i><b>Remuneration of Senior Manager: Municipal Support Unit - HW Niehaus</b></i>		
Annual Remuneration	428 815	677 307
13th Cheque	40 052	32 571
Allowances	230 867	261 409
Contributions to UIF, Medical and Pension Funds	1 594	2 125
Acting allowance	128 128	-
Payments in lieu of leave	28 013	-
	<hr/>	<hr/>
<b>Total</b>	<b>857 470</b>	<b>973 413</b>
	<hr/>	<hr/>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b><i>Remuneration of Manager: Projects - I Smith</i></b>		
Annual Remuneration	683 088	648 096
13th Cheque	56 924	54 008
Allowances	195 658	195 172
Contributions to UIF, Medical and Pension Funds	157 892	149 617
<b>Total</b>	<b>1 093 562</b>	<b>1 046 892</b>
<b><i>Remuneration of Manager: Maintenance and Household Services - E Bezuidenhout</i></b>		
Annual Remuneration	320 440	729 660
13th Cheque	58 747	60 805
Allowances	80 559	193 234
Contributions to UIF, Medical and Pension Funds	68 657	156 619
Payments in lieu of leave	68 415	-
Long service awards	30 762	-
Early Retirement package	769 056	-
<b>Total</b>	<b>1 396 636</b>	<b>1 140 318</b>
<b><i>Remuneration of Head Accountant: Budget and Treasury - C Brown</i></b>		
Annual Remuneration	442 032	546 744
13th Cheque	61 723	45 745
Allowances	106 344	140 724
Contributions to UIF, Medical and Pension Funds	124 272	154 299
Payments in lieu of leave	142 635	-
Long service awards	29 627	-
<b>Total</b>	<b>906 633</b>	<b>887 512</b>
<b><i>Remuneration of Manager: Municipal Health Services - D Smith</i></b>		
Annual Remuneration	621 252	575 628
13th Cheque	51 771	59 869
Allowances	151 424	144 880
Contributions to UIF, Medical and Pension Funds	138 589	128 894
Long service awards	24 850	-
<b>Total</b>	<b>987 887</b>	<b>909 271</b>
<b><i>Remuneration of Manager: Internal Audit - V Cloete</i></b>		
Annual Remuneration	572 891	532 974
13th Cheque	48 215	44 677
Allowances	160 351	139 551
Contributions to UIF, Medical and Pension Funds	146 645	140 357
<b>Total</b>	<b>928 102</b>	<b>857 559</b>
<b>Total Key Management Remuneration</b>		
Annual Remuneration	5 267 396	6 761 698
13th Cheque	467 474	457 051
Allowances	1 354 092	1 636 411
Contributions to UIF, Medical and Pension Funds	985 314	1 186 932
Acting allowance	128 128	-
Payments in lieu of leave	372 290	111 997
Long service awards	125 282	-
Early Retirement package	769 056	-
	9 469 032	10 154 089
Correction of Error - Note 35.6	-	
<b>Total</b>	<b>9 469 032</b>	<b>10 154 089</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>25 REMUNERATION OF COUNCILLORS</b>		
MJ Cloete - Councillor - Executive Mayor	1 003 681	931 085
GY Pieters - Councillor - Speaker	812 867	753 749
PA Van Heerden - Councillor	448 803	415 399
E Hough - Councillor	351 537	325 003
CR Warne - Councillor	351 537	325 003
ZP De Jongh - Councillor	19 216	17 998
AM Beukes - Councillor	351 537	325 003
AM Julie - Councillor	19 216	17 859
JH Wilschut - Councillor	116 483	108 255
CA Waterboer - Councillor	19 217	17 859
TF Bantom - Councillor	19 216	17 859
EC Oliphant - Councillor	116 483	108 255
RD Thomas - Councillor	13 636	13 305
JC Losper - Councillor	20 375	17 859
SJ Cloete - Councillor	19 216	17 859
RJ Cloete - Councillor	750 788	696 054
RH Cloete - Councillor	351 537	325 003
BC Brandt - Councillor	24 742	13 628
GJ Coetzee - Councillor	19 217	17 998
<b>Total Councillors' Remuneration</b>	<b>4 829 302</b>	<b>4 465 033</b>

Remuneration paid to Councillors can be summarised as follow:

	<b>Salary</b>	<b>Travel Allowance</b>	<b>Other Allowances</b>	<b>Contributions</b>	<b>Total</b>
Executive Mayor	954 073	-	49 608	-	1 003 681
Speaker	763 259	-	49 608	-	812 867
Chief Whip	24 742	-	-	-	24 742
Executive Committee Members	532 361	99 799	49 608	-	681 768
Section 79 Committee Chairperson	525 885	175 295	49 608	-	750 788
Councillors	1 055 095	301 929	198 432	-	1 555 456
<b>Total Councillors' Remuneration</b>	<b>3 855 416</b>	<b>577 022</b>	<b>396 864</b>	<b>-</b>	<b>4 829 302</b>

***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.

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>26 CONTRACTED SERVICES</b>		
Outsourced Services	10 600	34 200
Burial Services	-	4 500
Human Resources	10 600	29 700
Consultants and Professional Services	5 817 764	7 640 598
Business and Advisory	3 164 133	3 799 355
Accounting and Auditing	1 017 196	1 679 400
Audit Committee	100 596	106 987
Actuaries	95 652	47 826
Business and Financial Management	989 005	681 122
Medical Examinations	-	22 848
Project Management	424 600	-
Research and Advisory	520 143	1 249 884
Qualification Verification	16 941	11 287
Infrastructure and Planning	2 593 542	2 915 985
Civil	2 512 108	2 648 048
Land and Quantity Surveyors	-	5 000
Town Planner	81 434	262 937
Previously stated		222 257
Correction of Error - Note 35.6		40 680
Laboratory Services	-	937
Water	-	937
Legal Cost	60 089	924 321
Legal Advice and Litigation	60 089	923 859
Issue of Summons	-	462
Contractors	750 108	908 397
Artists and Performers	3 500	-
Building	18 229	83 850
Catering Services	171 732	232 097
Electrical	1 889	13 149
Employee Wellness	13 939	10 900
Maintenance of Buildings and Facilities	286 564	140 498
Maintenance of Equipment	203 648	308 401
Maintenance of Unspecified Assets	17 198	64 978
Transportation	-	7 280
Safeguard and Security	33 408	40 643
Stage and Sound Crew	-	6 600
<b>Total Contracted Services</b>	<b>6 578 472</b>	<b>8 583 195</b>
<b>27 DEPRECIATION AND AMORTISATION</b>		
Property, Plant and Equipment	1 224 521	776 611
Balance previously reported		1 052 639
Correction of Error - Note 35.1		(276 028)
Intangible Assets	96 546	49 142
Balance previously reported		74 118
Correction of Error - Note 35.3		(24 976)
Investment Property carried at cost	26 246	1 426
Balance previously reported		22 888
Correction of Error - Note 35.2		(21 462)
<b>Total Depreciation and Amortisation</b>	<b>1 347 313</b>	<b>827 179</b>
<b>28 FINANCE COSTS</b>		
Long-term Borrowings	41 428	65 649
Non-current Employee Benefits	1 972 000	2 000 000
<b>Total Finance Costs</b>	<b>2 013 428</b>	<b>2 065 649</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>29 TRANSFERS AND SUBSIDIES</b>		
Capital	198 945	86 684
Allocations In-kind	198 945	86 684
Households	198 945	86 684
Operational	586 979	716 000
Allocations In-kind	66 979	62 000
Households	66 979	62 000
Monetary Allocations	520 000	654 000
Departmental Agencies and Accounts	-	100 000
Non-profit Institutions	-	268 000
Namakwa Sports Council	270 000	256 000
Unspecified	250 000	30 000
Previously stated		67 000
Correction of Error - Note 35.6		(37 000)
<b>Total Transfers and Subsidies</b>	<b>785 924</b>	<b>802 684</b>
<b>30 OPERATIONAL COSTS</b>		
Advertising, Publicity and Marketing	91 506	44 595
Assets less than the Capitalisation Threshold	9 351	6 265
Audit Fees	2 629 588	2 508 545
Bank Charges, Facility and Card Fees	42 078	41 240
Bursaries (Employees)	89 610	95 785
Courier and Delivery Services	-	204
Communication	274 330	300 973
Deeds	563	952
External Computer Service	917 840	877 371
Insurance Underwriting	387 512	464 454
Licences	24 556	24 685
Municipal Services	1 202 669	1 083 250
Printing, Publications and Books	147 253	234 125
Professional Bodies, Membership and Subscription	500 000	507 705
Registration Fees	14 586	8 043
Resettlement Cost	-	11 059
Skills Development Fund Levy	388 592	392 748
Storage of Assets and Goods	-	21 750
Transport Provided as Part of Departmental Activities	25 290	3 500
Travel and Subsistence	2 819 661	3 255 967
Uniform and Protective Clothing	17 231	87 953
Vehicle Tracking	58 235	40 230
Wet Fuel	811 235	881 240
Inventory consumed - Consumables	127 506	132 694
Inventory consumed - Materials and Supplies	378 445	168 784
<b>Total Operational Costs</b>	<b>10 957 638</b>	<b>11 194 118</b>
<b>31 REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES</b>		
Receivables from Exchange Transactions - Note 6	(548 047)	(300 021)
Receivables from Non-exchange Revenue - Note 7	1 036 314	866 896
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables</b>	<b>488 267</b>	<b>566 875</b>
<b>32 GAINS/(LOSS) ON SALE OF FIXED ASSETS</b>		
Intangible Assets	-	-
Property, Plant and Equipment	-	(136 666)
<b>Total Gains/ (Loss) on Sale of Fixed Assets</b>	<b>-</b>	<b>(136 666)</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>33 REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON FIXED ASSETS</b>		
Intangible Assets	5 138	(2 377)
Property, Plant and Equipment	43 682	(9 950)
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets</b>	<b>48 820</b>	<b>(12 327)</b>

**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 2023/24 financial year did not result in any reclassifications of 2023 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 implementation of GRAP:

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>35,1 Property, Plant and Equipment</b>		
<b>Balance previously reported</b>	-	5 357 330
Cost	-	(97 997)
Investment Property recognised as Property, Plant & Equipment in periods before 1 July 2022 - Note 2	-	(97 997)
Accumulated Depreciation	-	4 614 891
Depreciation on Investment Property recognised as Property, Plant & Equipment in periods before 1 July 2022 - Note 2	-	83 642
Depreciation on Investment Property recognised as Property, Plant & Equipment in 2022/2023 - Note 2	-	4 785
Depreciation on Finance Lease Assets recognised incorrectly in periods before 1 July 2022 - Note 2	-	4 552
Depreciation on Finance Lease Assets recognised incorrectly in 2022/2023 - Note 2	-	1 036
Depreciation on Buildings recognised incorrectly in periods before 1 July 2022 - Note 2	-	3 754 990
Depreciation on Buildings recognised incorrectly in 2022/2023 - Note 2	-	188 695
Depreciation on Computer Equipment recognised incorrectly in periods before 1 July 2022 - Note 2	-	103 861
Depreciation on Computer Equipment recognised incorrectly in 2022/2023 - Note 2	-	54 993
Depreciation on Transport Assets recognised incorrectly in periods before 1 July 2022 - Note 2	-	106 900
Depreciation on Transport Assets recognised incorrectly in 2022/2023 - Note 2	-	10 406
Depreciation on Plant and Equipment recognised incorrectly in periods before 1 July 2022 - Note 2	-	29 929
Depreciation on Plant and Equipment recognised incorrectly in 2022/2023 - Note 2	-	3 252
Depreciation on Plant and Equipment recognised incorrectly in periods before 1 July 2022 - Note 2	-	254 989
Depreciation on Plant and Equipment recognised incorrectly in 2022/2023 - Note 2	-	12 862
<b>Restated Balance</b>	<b>-</b>	<b>9 874 224</b>

*Assets recognised incorrectly in previous years and recalculating of prior year depreciation.*

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>35.2 Investment Property</b>		
<b>Balance previously reported</b>		501 437
Investment Property recognised as Property, Plant & Equipment in periods before 1 July 2022 - Note 3	-	97 997
Depreciation on Investment Property recognised as Property, Plant & Equipment in periods before 1 July 2022 - Note 3	-	(83 642)
Depreciation on Investment Property recognised as Property, Plant & Equipment in 2022/2023 - Note 3		(4 785)
Depreciation on Investment Property recorded incorrectly in periods before 1 July 2022 - Note 3	-	114 261
Depreciation on Investment Property recorded incorrectly in 2022/2023 - Note 4	-	26 246
<b>Restated Balance</b>	<b>-</b>	<b>651 514</b>
<i>Assets recognised incorrectly in previous years and recalculating of prior year depreciation.</i>		
<b>35.3 Intangible Assets</b>		
<b>Balance previously reported</b>	-	422 111
Accumulated Amortisation	-	282 325
Amortisation recorded incorrectly in 2022/2023 - Note 4	-	24 976
Amortisation recorded incorrectly in periods before 1 July 2022 - Note 4	-	257 349
<b>Restated Balance</b>	<b>-</b>	<b>704 436</b>
<i>Incorrect review of useful life in prior years.</i>		
<b>35.4 Trade and Other Payables from Exchange Transactions</b>		
<b>Balance previously reported</b>	-	3 624 061
Payables recognised incorrectly in 2022/2023 - Note 13	-	4 153
<b>Restated Balance</b>	<b>-</b>	<b>3 628 214</b>
<i>Creditors recognised incorrectly in previous years.</i>		
<b>35.5 Accumulated Surplus/(Deficit) - 1 July 2022</b>		
Investment Property recognised as Property, Plant & Equipment in periods before 1 July 2022 - Note 35.1	-	(97 997)
Depreciation on Investment Property recognised as Property, Plant & Equipment in periods before 1 July 2022 - Note 35.1	-	83 642
Investment Property recognised as Property, Plant & Equipment in periods before 1 July 2022 - Note 35.2	-	97 997
Depreciation on Investment Property recognised as Property, Plant & Equipment in periods before 1 July 2022 - Note 35.2	-	(83 642)
Amortisation recorded incorrectly in periods before 1 July 2022 - Note 35.3	-	257 349
Depreciation on Investment Property recorded incorrectly in periods before 1 July 2022 - Note 35.2	-	114 261
Depreciation on Finance Lease Assets recognised incorrectly in periods before 1 July 2022 - Note 35.1	-	4 552
Depreciation on Buildings recognised incorrectly in periods before 1 July 2022 - Note 35.1	-	3 754 990
Depreciation on Computer Equipment recognised incorrectly in periods before 1 July 2022 - Note 35.1	-	103 861
Depreciation on Transport Assets recognised incorrectly in periods before 1 July 2022 - Note 35.1	-	106 900
Depreciation on Plant and Equipment recognised incorrectly in periods before 1 July 2022 - Note 35.1	-	29 929
Depreciation on Plant and Equipment recognised incorrectly in periods before 1 July 2022 - Note 35.1	-	254 989
<b>Total</b>	<b>-</b>	<b>4 626 831</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

**35,6 Changes to Statement of Financial Performance**

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

	<b>Note</b>	<b>Balance previously reported</b>	<b>Adjustments</b>	<b>Restated Balance</b>
<b>Revenue</b>				
Government Grants and Subsidies		63 855 912	-	63 855 912
Contributed Property, Plant and Equipment		727 719	-	727 719
Actuarial Gains		1 831 315	-	1 831 315
Sales of Goods and Rendering of Services		4 830 409	-	4 830 409
Rental from Fixed Assets		1 496 415	-	1 496 415
Interest Earned - External Investments		1 165 289	-	1 165 289
Interest Earned - Exchange Transactions		72 684	-	72 684
Operational Revenue		2 143 640	-	2 143 640
<b>Total</b>		<b>76 123 383</b>	<b>-</b>	<b>76 123 383</b>
<b>Expenditure</b>				
Employee related costs	<b>35.1</b>	(43 414 064)	(473)	(43 414 536)
Remuneration of Councillors		(4 465 033)	-	(4 465 033)
Contracted Services	<b>35,4</b>	(8 542 515)	(40 680)	(8 583 195)
Depreciation and Amortisation	<b>35.1, 35.2 &amp; 35.3</b>	(1 149 645)	322 465	(827 179)
Actuarial Losses		(112 193)	-	(112 193)
Finance Costs		(2 065 649)	-	(2 065 649)
Operating Leases		(31 518)	-	(31 518)
Transfers and Subsidies	<b>35,4</b>	(839 684)	37 000	(802 684)
Operational Costs		(11 194 118)	-	(11 194 118)
<b>Total</b>		<b>(71 814 418)</b>	<b>318 312</b>	<b>(71 496 105)</b>
<b>Gains and Losses</b>				
Reversal of Impairment Loss/(Impairment Loss) on Receivables		566 875	-	566 875
Gains/(Loss) on Sale of Fixed Assets		(136 666)	-	(136 666)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(12 327)	-	(12 327)
<b>Total</b>		<b>417 883</b>	<b>-</b>	<b>417 883</b>
<b>Net Surplus/(Deficit) for the year</b>		<b>4 726 848</b>	<b>318 312</b>	<b>5 045 160</b>
			<b>2024</b>	<b>2023</b>
			<b>R</b>	<b>R</b>
<b>35.6 Irregular Expenditure</b>				
<b>Balance previously reported</b>			-	1 094 688
Additional Irregular Expenditure identified for 2022/2023 - Note 41.3			-	22 900
<b>Restated Balance</b>			-	1 117 588

*Additional irregular expenditure identified for 2022/2023.*



**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>36 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
Surplus/(Deficit) for the year	4 876 831	5 045 160
<b><u>Adjustments for:</u></b>		
Depreciation and Amortisation	1 347 313	827 179
Loss/(Gain) on Sale of Fixed Assets	(168 261)	136 666
Impairment Loss/(Reversal of Impairment Loss)	217 081	12 327
Contributed Property, Plant and Equipment	(2 427 364)	(727 719)
Government Grants and Subsidies received	64 348 586	63 968 279
Government Grants and Subsidies recognised as revenue	(64 688 938)	(64 086 362)
Contribution from/to provisions - Non-Current Employee Benefits	437 210	999 122
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	(259 811)	112 193
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	723 601	(1 831 315)
Contribution from/to - Current Employee Benefits	176 142	39 203
Debt Impairment	548 047	-
Reversal of Provision for Bad Debt	(1 036 314)	(566 875)
Operating lease income accrued	(76 544)	(64 792)
Operating Surplus/(Deficit) before changes in working capital	4 017 581	3 863 066
Changes in working capital	1 970 424	(3 191 351)
Increase/(Decrease) in Trade and Other Payables	(122 016)	(566 269)
Increase/(Decrease) in Taxes	(424 697)	(44 333)
(Increase)/Decrease in Trade Receivables from Exchange Transactions	847 024	(2 058 781)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	1 670 113	(521 967)
<b>Cash generated/(absorbed) by operations</b>	<b>5 988 004</b>	<b>671 716</b>
<b>37 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 8	4 301 997	868 293
Call Deposits and Investments - Note 8	10 028 035	8 432 801
Cash Floats - Note 8	500	500
<b>Total cash and cash equivalents</b>	<b>14 330 532</b>	<b>9 301 594</b>
<b>38 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note 37	14 330 532	9 301 594
<b><u>Less:</u></b>	<b>(226 686)</b>	<b>(567 038)</b>
Unspent Transfers and Subsidies - Note 14	(226 686)	(567 038)
Net cash resources available for internal distribution	14 103 845	8 734 555
Allocated to:		
Capital Replacement Reserve	(294 166)	(26 965)
<b>Resources available for working capital requirements</b>	<b>13 809 679</b>	<b>8 707 590</b>
<b>39 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - Note 9	392 612	267 614
Used to finance property, plant and equipment - at cost	(392 612)	(267 614)
Cash set aside for the repayment of long-term liabilities		
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

**40 BUDGET INFORMATION**

The Annual Budget of the Municipality is prepared for a 2023/24 MTREF period and is applicable from 1 July 2023 until 30 June 2024.

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**

The reasons for the variances between the approved and final budgets are mainly due to virements, and reprioritising of operating and capital projects.

**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 due to operating surplus.*

Trade and other receivables from exchange transactions

*Receivables written-off during the year*

Receivables from non-exchange transactions

*Reclassification of receivables in accordance with GRAP.*

VAT

*VAT not included in budget.*

Other current assets

*Operating Lease Asset not included in budget.*

**40.2.2 Non-Current Assets**

Investment property

*Review of useful lives and restatement of prior year amounts.*

Property, plant and equipment

*Review of useful lives and restatement of prior year amounts.*

Intangible assets

*Review of useful lives and restatement of prior year amounts.*

**40.2.3 Current Liabilities**

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.*

Provisions

*Increase due to increase in salary levels of staff.*

**40.2.4 Non-Current Liabilities**

Borrowing

*Increase due to finance leases entered into later than anticipated.*

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

**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**

**40.2.6 Revenue**

Sale of Goods and Rendering of Services

*Decrease due to Work-for-Water project that did not started and decrease in service rendered to local municipalities and other departments.*

Interest earned from Receivables

*Increase due to non-payment by state departments.*

Interest earned from Current and Non Current Assets

*Increase in interest rates and more capital invested during the year.*

Rental from Fixed Assets

*New loan agreements entered into.*

**40.2.7 Expenditure**

Employee related costs

*Decrease due to vacant posts not filled.*

Remuneration of councillors

*Document reasons*

Inventory consumed

*No inventory purchased during the year.*

Debt impairment

*Less debtors written off than initially anticipated.*

Depreciation and amortisation

*Increase due to review of useful lives of assets.*

Interest

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

Contracted services

*Decrease due to less services rendered to local municipalities and departments.*

Transfers and subsidies

*Additional transfers paid to organisations.*

Irrecoverable debts written off

*Less debtors written off than initially anticipated.*

Operational costs

*Decrease due to projects not started.*

**Cash Flow Statement**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

40.2.8 Net Cash from Operating Activities

Receipts

*Variances due to decrease in functions performed on behalf of Provincial Departments, increase in cash and cash equivalents and reprioritising of projects.*

Suppliers and Employees

*Decrease due to reprioritising of projects and budget monitoring and not filling of vacant positions.*

Transfers and Grants

*Additional transfers paid to organisations.*

40.2.9 Net Cash from Investing Activities

Capital Assets

*Decrease due to capital assets donated to the municipality, instead of the municipality purchasing them.*

40.2.10 Net Cash from Financing Activities

Repayment of Borrowing

*Decrease due to finance leases entered into later than anticipated.*

	2024 R	2023 R									
41 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED											
41.1 <u>Unauthorised expenditure</u>											
Reconciliation of unauthorised expenditure:											
Opening balance	371 074	2 043 249									
Correction of prior period error	-	-									
	<hr/>	<hr/>									
Restated opening balance	371 074	2 043 249									
Unauthorised expenditure current year - operational	-	-									
Unauthorised expenditure current year - capital	528 096	371 074									
Approved by Council on 29 August 2024	(371 074)	(2 043 249)									
Current	-	-									
Prior Period	(371 074)	(2 043 249)									
	<div></div>	<div></div>									
Transfer to receivables for recovery	-	-									
Current	-	-									
Prior Period	-	-									
	<div></div>	<div></div>									
Unauthorised expenditure awaiting authorisation	<hr/> <b>528 096</b> <hr/>	<hr/> <b>371 074</b> <hr/>									
Unauthorised expenditure can be summarised as follow:											
<table><tr><th>Incident</th><th></th><th>Disciplinary steps/criminal proceedings</th></tr><tr><td>Over expenditure of approved budget - 2022/23</td><td></td><td>None</td></tr><tr><td>Over expenditure of approved capital budget - 2023/24</td><td></td><td>None</td></tr></table>	Incident		Disciplinary steps/criminal proceedings	Over expenditure of approved budget - 2022/23		None	Over expenditure of approved capital budget - 2023/24		None		
Incident		Disciplinary steps/criminal proceedings									
Over expenditure of approved budget - 2022/23		None									
Over expenditure of approved capital budget - 2023/24		None									
	-	371 074									
	528 096										
	<hr/> 528 096 <hr/>	<hr/> 371 074 <hr/>									
The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:											
Non-cash	528 096	371 074									
Cash	-	-									
	<hr/> <b>528 096</b> <hr/>	<hr/> <b>371 074</b> <hr/>									

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b><u>Analysed as follows: Non-cash</u></b>		
Cell phones financed by finance leases	1 803	-
Receipt of contributed assets from Private Enterprises	526 293	371 074
	<b>528 096</b>	<b>371 074</b>

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

	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	<b>Actual</b>	<b>Final Budget</b>	<b>Variance</b>	<b>Unauthorised</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b><u>Unauthorised expenditure current year - operating</u></b>				
Vote 1 - Municipal Manager	21 547 362	22 627 185	(1 079 823)	-
Vote 2 - Manager: Corporate Services	14 015 771	15 967 294	(1 951 523)	-
Vote 3 - Manager: Economic Development	12 040 935	15 573 877	(3 532 942)	-
Vote 4 - Manager: Environmental Health	11 273 277	11 754 942	(481 665)	-
Vote 5 - Manager: Finance	5 972 311	8 864 764	(2 892 453)	-
Vote 6 - Manager: Roads	-	816 866	(816 866)	-
Vote 7 - Manager: Municipal Support Unit	5 253 221	10 258 547	(5 005 326)	-
	<b>70 102 877</b>	<b>85 863 475</b>	<b>(15 760 598)</b>	<b>-</b>
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	<b>Actual</b>	<b>Final Budget</b>	<b>Variance</b>	<b>Unauthorised</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b><u>Unauthorised expenditure current year - capital</u></b>				
Vote 1 - Municipal Manager	247 803	246 000	1 803	1 803
Vote 2 - Manager: Corporate Services	799 386	1 035 000	(235 614)	-
Vote 3 - Manager: Economic Development	1 723 979	2 106 628	(382 649)	-
Vote 4 - Manager: Environmental Health	682 293	156 000	526 293	526 293
Vote 5 - Manager: Finance	57 967	80 000	(22 033)	-
Vote 6 - Manager: Roads	-	-	-	-
Vote 7 - Manager: Municipal Support Unit	-	-	-	-
	<b>3 511 428</b>	<b>3 623 628</b>	<b>(112 200)</b>	<b>528 096</b>
			<b>2024</b>	<b>2023</b>
			<b>R</b>	<b>R</b>

**41.2 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	-	-
Correction of prior period error	-	-
Restated opening balance	-	-
Fruitless and wasteful expenditure current year	6 789	300
Recovered from individual	-	-
Condoned or written off by Council on 28 August 2023	-	(300)
Current	-	(300)
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting condonement	<b>6 789</b>	<b>-</b>

Fruitless and wasteful expenditure can be summarised as follow:

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>		
<i>Interest on late payment of invoices received - 2023/24</i>	<i>Referred to Financial Disciplinary Board</i>	6 789	-
		<b>6 789</b>	<b>-</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>
<b>41.3 Irregular expenditure</b>		
Reconciliation of irregular expenditure:		
Opening balance	165 026	1 269 574
Correction of prior period error	-	-
Restated opening balance	165 026	1 269 574
Irregular expenditure current year	1 914 063	1 117 588
Balance previously report		1 094 688
Correction of error		22 900
Expenditure authorised i.t.o. Section 32 of MFMA by Council on 29 August 2024	(259 753)	(2 222 136)
Current	(117 627)	(975 872)
Prior Period	(142 126)	(1 246 264)
Condonement supported by council		
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned		
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	<b>1 819 336</b>	<b>165 026</b>
Irregular expenditure awaiting further action can be summarised as follows:		
<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>	
Non-Compliance with SCM Regulation 36 - 2021/22	None	23 310
Non-Compliance with SCM Regulation 36 - 2022/23	None	118 816
Supplier not registered on CSD	None	22 900
Invalid reasons for SCM deviations - 2023/24	None	-
Non-Compliance with SCM Regulation 12 - 2023/24	None	-
Non-Compliance with SCM Regulation (3 quotations not obtained) - 2023/24	None	-
Over expenditure on contract value - 2023/24	None	-
	1 819 336	165 026
<b>42 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>42.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)</b>		
Opening balance	-	-
Council subscriptions	500 000	507 705
Amount paid - current year	(500 000)	(507 705)
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
<b>42.2 Audit fees - [MFMA 125 (1)(c)]</b>		
Opening balance	334 055	-
Correction of prior period error	-	-
Restated opening balance	334 055	-
Current year audit fee	2 629 588	2 508 545
External Audit - Auditor-General	2 629 588	2 508 545
Internal Audit	-	-
Audit Committee	-	-
Amount paid - current year	(2 629 588)	(2 174 490)
Amount paid - previous year	(334 055)	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>334 055</b>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>2024 R</b>	<b>2023 R</b>
<b>42.3 <u>VAT - [MFMA 125 (1)(c)]</u></b>		
Opening balance	174 117	209 800
Correction of prior period error	-	-
Restated opening balance	<u>174 117</u>	<u>209 800</u>
Amounts received - previous year	-	-
Amounts received - current year	(915 102)	(1 182 785)
Amount claimed - current year	1 134 439	1 147 102
Amount claimed - previous year	-	-
<b>Closing balance</b>	<b><u>393 454</u></b>	<b><u>174 117</u></b>

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.

<b>42.4 <u>PAYE and UIF - [MFMA 125 (1)(c)]</u></b>		
Opening balance	-	-
Correction of prior period error	-	-
Restated opening balance	-	-
Current year payroll deductions	7 527 729	7 446 995
Amount paid - current year	(7 527 729)	(7 446 995)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<b><u>-</u></b>	<b><u>-</u></b>

<b>42.5 <u>Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</u></b>		
Opening balance	-	-
Correction of prior period error	-	-
Restated opening balance	-	-
Current year payroll deductions and Council Contributions	11 781 635	11 955 435
Amount paid - current year	(11 781 635)	(11 955 435)
Amount paid - previous year	-	-
<b>Balance unpaid (included in creditors)</b>	<b><u>-</u></b>	<b><u>-</u></b>

**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 2024**

		<b><u>Type of Deviation</u></b>			
	<b>Total</b>	<b>Single Supplier</b>	<b>Impossible</b>	<b>Impractical</b>	<b>Emergency</b>
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	9 192	3 795	-	5 396	-
December	6 012	500	-	5 511	-
January	140 600	26 714	-	113 885	-
February	44 792	403	-	42 789	1 600
March	12 521	787	-	11 734	-
April	36 850	230	-	36 620	-
May	63 642	-	-	63 642	-
June	21 555	-	-	18 355	3 200
	<u>500 915</u>	<u>56 335</u>	<u>-</u>	<u>439 780</u>	<u>4 800</u>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

**30 June 2023**

**Type of Deviation**

	<b>Total</b>	<b>Single Supplier</b>	<b>Impossible</b>	<b>Impractical</b>	<b>Emergency</b>
July	73 449	-	-	73 449	-
August	53 185	19 156	-	34 030	-
September	67 179	43 263	-	23 916	-
October	83 196	29 935	-	53 261	-
November	44 185	17 183	-	27 002	-
December	12 466	454	-	12 012	-
January	37 682	37 682	-	-	-
February	22 332	570	-	21 762	-
March	9 514	9 111	-	403	-
April	4 253	-	-	4 253	-
May	5 677	-	-	5 677	-
June	177 918	9 973	-	167 945	-
	<u>591 034</u>	<u>167 327</u>	<u>-</u>	<u>423 707</u>	<u>-</u>

**43 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.

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

1% (2023: 1%) Increase in interest rates

1% (2023: 1%) Decrease in interest rates

**2024  
R**

**2023  
R**

139 374

(139 374)

90 335

(90 335)

**(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.



**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, 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 rates and 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.

	<b>2024</b> <b>%</b>	<b>2024</b> <b>R</b>	<b>2023</b> <b>%</b>	<b>2023</b> <b>R</b>
Property Rentals	10,49%	1 597 007	7,07%	1 252 857
Other	89,51%	13 624 995	92,93%	16 456 809
	<u>100,00%</u>	<u>15 222 003</u>	<u>100,00%</u>	<u>17 709 667</u>

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:

	<b>2024</b> <b>%</b>	<b>2024</b> <b>R</b>	<b>2023</b> <b>%</b>	<b>2023</b> <b>R</b>
Other	89,29%	11 640 700	91,14%	11 810 118
Property Rentals	10,71%	1 396 246	8,86%	1 148 219
	<u>100,00%</u>	<u>13 036 946</u>	<u>100,00%</u>	<u>12 958 337</u>

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

	<b>2024</b> <b>%</b>	<b>2024</b> <b>R</b>	<b>2023</b> <b>%</b>	<b>2023</b> <b>R</b>
Government	88,91%	11 591 106	94,92%	12 299 753
Industrial	0,38%	49 594	-3,78%	(489 634)
Residential	10,71%	1 396 246	8,86%	1 148 219
	<u>100,00%</u>	<u>13 036 946</u>	<u>100,00%</u>	<u>12 958 337</u>

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

**2024**

1 month past due	55 013	23 058
2+ months past due	939 414	1 083 673
	<u>994 427</u>	<u>1 106 731</u>

**2023**

1 month past due	99 397	13 748
2+ months past due	204 028	2 857 489
	<u>303 425</u>	<u>2 871 237</u>

**Exchange  
Receivables**

**Non-  
exchange  
Receivables**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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.

	2024	2023
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	2 537 728	3 384 752
Receivables from non-exchange transactions	12 774 060	14 444 172
Cash and Cash Equivalents	14 330 032	9 301 094
	<u>29 641 820</u>	<u>27 130 018</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.

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
<b>2024</b>				
Long-term Liabilities	309 365	185 975	-	-
Trade and Other Payables	3 506 199	-	-	-
	<u>3 815 564</u>	<u>185 975</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
<b>2023</b>				
Long-term Liabilities	155 922	160 850	-	-
Trade and Other Payables	3 628 214	-	-	-
	<u>3 784 136</u>	<u>160 850</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	<u>Financial Assets</u>	<u>Classification</u>	2024 R	2023 R
	<b>Receivables from Exchange Transactions</b>			
	Property Rentals	Financial Instruments at amortised cost	1 597 007	1 252 857
	B-Municipalities	Financial Instruments at amortised cost	850 936	2 012 637
	<b>Cash and Cash Equivalents</b>			
	Bank Balances	Financial Instruments at amortised cost	4 301 997	868 293
	Call Deposits	Financial Instruments at amortised cost	10 028 035	8 432 801
	<b>Total Financial Assets</b>		<u>16 777 975</u>	<u>12 566 588</u>

**NAMAKWA DISTRICT MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

**SUMMARY OF FINANCIAL ASSETS**

		<b>2024 R</b>	<b>2023 R</b>
<b>Financial Instruments at amortised cost:</b>			
Receivables from Exchange Transactions	Property Rentals	1 597 007	1 252 857
Receivables from Exchange Transactions	B-Municipalities	850 936	2 012 637
Cash and Cash Equivalents	Bank Balances	4 301 997	868 293
Cash and Cash Equivalents	Call Deposits	10 028 035	8 432 801
		<hr/>	<hr/>
		16 777 975	12 566 588
		<hr/>	<hr/>
<b>Total Financial Assets</b>		<b>16 777 975</b>	<b>12 566 588</b>

**44.2 Financial Liabilities**

**Classification**

**Long-term Liabilities**

Capitalised Lease Liability	Financial Instruments at amortised cost	392 612	267 614
<b>Trade and Other Payables</b>			
Trade Payables	Financial Instruments at amortised cost	462 640	678 424
Advance Payments	Financial Instruments at amortised cost	560 887	62 874
Department of Environmental affairs - Work for Water	Financial Instruments at amortised cost	2 525	2 525
Other Payables	Financial Instruments at amortised cost	2 430 180	2 884 392
<b>Cash and Cash Equivalents</b>			
Bank Overdraft	Financial Instruments at amortised cost	-	-
		<hr/>	<hr/>
		3 848 843	3 895 829

**SUMMARY OF FINANCIAL LIABILITIES**

**Financial instruments at amortised cost:**

Long-term Liabilities	Capitalised Lease Liability	392 612	267 614
Trade and Other Payables	Trade Payables	462 640	678 424
Trade and Other Payables	Advance Payments	560 887	62 874
Trade and Other Payables	Control, Clearing and Interface Accounts	2 525	2 525
Trade and Other Payables	Other Payables	2 430 180	2 884 392
		<hr/>	<hr/>
		<b>3 848 843</b>	<b>3 895 829</b>

**45 STATUTORY RECEIVABLES**

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

**Taxes**

VAT Receivable	393 454	174 117
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**Total Statutory Receivables (before provision)**

**393 454**      **174 117**

**Less: Provision for Debt Impairment**

**-**      **-**

**Total Statutory Receivables (after provision)**

**393 454**      **174 117**

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	-	-
	<hr/>	<hr/>
	-	-

**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 2024

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.

48.1 Compensation of key management personnel

The compensation of key management personnel is set out in note 24 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 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			
GE Cloete	Municipal Health Services	82 461	27 808	72 463
HW Niehaus	Head: Municipal Support Unit	-	-	19 340
		<b>170 313</b>	<b>56 441</b>	<b>269 421</b>

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 2023:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
SC Adams	Municipal Manager (current)	26 840	23 299	67 531
CJ Fortuin	Municipal Manager (previous)	-	-	79 171
R Datadin	Chief Financial Officer	127 711	27 306	21 229
	Head: Corporate and			
GE Cloete	Municipal Health Services	52 479	26 383	101 473
HW Niehaus	Head: Municipal Support Unit	20 324	16 286	50 908
		<b>227 354</b>	<b>93 273</b>	<b>320 311</b>

The transactions above were concluded in arm's length.

2024  
R

2023  
R

48.3 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		
GPJ Solar Electric (Pty) Ltd	Wife (Namakwa District Municipality)	12 650	12 298
Rudge Enterprise	Wife (COGHSTA employee)	-	47 535
Etienne Vermaak	Wife (District Municipality)	-	18 000
DX Plumelect Solutions (Pty) Ltd	Father (SAPS employee)	2 062	6 020
		<b>14 712</b>	<b>83 853</b>

The transactions above were concluded in arm's length.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

49 FINANCIAL SUSTAINABILITY

**Financial Indicators**

We draw attention to the fact that, as at 30 June 2024, 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 13 036 946 (2023: R 13 525 213) whereby the majority of impairment is due to debts owed by government departments;
- The Municipality's total assets exceeds its liabilities with R2 451 924.
- The Municipality incurred a net surplus for the year under review of R 4 876 831 (R2023: R 5 045 160);
- The Municipality had positive cashflows of R 5 028 938 (2023: R 156 160).

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 523 600 (2023: R19 056 584).

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 2024/25, 2025/26 and 2026/27 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**

On 29 August 2024, the Council approved the write-off of irregular expenditure of R 280 844 and the write-off of unauthorised expenditure of R371 074.

No further events which may have financial implications for the municipality and warrants disclosure in the financial statements occurred after to 30 June 2024.

51 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 2024**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2023	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2024
<b>LEASE LIABILITY</b>								
Office Equipment, Computer Equipment and Tablets		NDM006-460818	04/06/2026	267 614	-	247 803	(122 806)	392 612
<b>Total Lease Liabilities</b>				267 614	-	247 803	(122 806)	392 612
<b>TOTAL EXTERNAL LOANS</b>				267 614	-	247 803	(122 806)	392 612

Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
301 934	-
301 934	-
301 934	-

**APPENDIX B**  
**NAMAKWA DISTRICT MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R		2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R
			<b>Governance and Administration</b>			
6 563 833	(19 893 444)	(13 329 611)	Executive and council	5 937 142	(20 567 294)	(14 630 152)
65 656 510	(27 254 796)	38 401 714	Finance and administration	65 082 263	(25 241 303)	39 840 960
-	(1 015 882)	(1 015 882)	Internal audit	-	(980 068)	(980 068)
			<b>Community and Public Safety</b>			
-	-	-	Community and social services	-	-	-
-	-	-	Sport and recreation	-	-	-
72 794	(4 941 324)	(4 868 530)	Public safety	87 426	(5 013 082)	(4 925 656)
-	-	-	Housing	-	-	-
-	(5 100 345)	(5 100 345)	Health	-	(5 556 536)	(5 556 536)
			<b>Economic and Environmental Services</b>			
3 199 600	(8 666 117)	(5 466 518)	Planning and development	3 825 950	(8 818 473)	(4 992 523)
-	-	-	Road transport	-	-	-
1 341 812	(3 131 785)	(1 789 973)	Environmental protection	46 926	(2 165 518)	(2 118 592)
			<b>Trading Services</b>			
-	-	-	Energy sources	-	-	-
-	-	-	Water management	-	-	-
-	-	-	Waste water management	-	-	-
-	-	-	Waste management	-	-	-
-	(1 785 695)	(1 785 695)	<b>Other</b>	-	(1 760 603)	(1 760 603)
76 834 548	(71 789 388)	5 045 160	<b>Sub Total</b>	74 979 708	(70 102 877)	4 876 831
-	-	-	<b>Less Inter-Departmental Charges</b>	-	-	-
76 834 548	(71 789 388)	5 045 160	<b>Total</b>	74 979 708	(70 102 877)	4 876 831

**APPENDIX C**  
**NAMAKWA DISTRICT MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**  
**MUNICIPAL VOTES CLASSIFICATIONS**

2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R		2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R
			<b>Municipal Manager</b>			
-	(3 575 208)	(3 575 208)	Council: Councillors	-	(3 876 328)	(3 876 328)
6 130 856	(7 178 982)	(1 048 126)	Council Expenditure	5 876 086	(7 750 391)	(1 874 305)
432 976	(1 510 564)	(1 077 588)	Executive Mayor	61 057	(1 230 243)	(1 169 187)
-	(1 096 673)	(1 096 673)	Internal Audit and Audit Committee	-	(1 082 403)	(1 082 403)
-	(2 204 405)	(2 204 405)	Mayor - PA	-	(2 480 635)	(2 480 635)
-	(1 656 165)	(1 656 165)	Municipal Manager	-	(1 456 389)	(1 456 389)
-	(2 106 166)	(2 106 166)	Municipal Manager - Admin	-	(2 034 349)	(2 034 349)
-	(834 954)	(834 954)	Speaker	-	(876 504)	(876 504)
-	(758 516)	(758 516)	Speaker - PA	-	(760 120)	(760 120)
			<b>Manager: Corporate Services</b>			
80 372	(7 177 358)	(7 096 986)	Administration	-	(7 799 888)	(7 799 888)
1 831 315	(1 481 982)	349 333	Human Resources	259 811	(2 090 930)	(1 831 119)
1 744 490	(1 649 979)	94 512	Council Buildings	1 557 057	(1 769 906)	(212 849)
-	(2 456 658)	(2 456 658)	Council Vehicles	-	(2 355 047)	(2 355 047)
			<b>Manager: Economic Development</b>			
-	(1 961 001)	(1 961 001)	Economic Development	686 646	(2 750 755)	(2 064 109)
-	-	-	Fish Factory	-	-	-
-	-	-	Harbour	-	-	-
-	-	-	Project Manager SLP	-	-	-
-	(1 785 695)	(1 785 695)	Tourism	-	(1 760 603)	(1 760 603)
1 295 199	(2 425 280)	(1 130 080)	Working for Water	-	(1 461 860)	(1 461 860)
-	(421 235)	(421 235)	Planning	-	(219 768)	(219 768)
-	(2 405 904)	(2 405 904)	Council Projects	-	(2 595 283)	(2 595 283)
2 949 600	(2 760 170)	189 429	Project Management	2 889 304	(2 530 382)	358 921
250 000	(1 117 806)	(867 806)	Housing	250 000	(722 284)	(472 284)
			<b>Manager: Environmental Health</b>			
-	-	-	Ambulance	-	-	-
46 613	(5 752 822)	(5 706 209)	Environmental Health	46 926	(6 202 705)	(6 155 778)
-	-	-	Law Enforcement	-	-	-
-	(54 029)	(54 029)	Primary Health	-	(57 490)	(57 490)
72 794	(4 941 324)	(4 868 530)	Safety	87 426	(5 013 082)	(4 925 656)
			<b>Manager: Finance</b>			
56 091 927	(7 184 694)	48 907 233	Finance	60 833 576	(5 972 311)	54 861 265
			<b>Manager: Municipal Support Unit</b>			
5 908 405	(7 291 818)	(1 383 413)	Municipal Support Unit	2 431 819	(5 253 221)	(2 821 402)
76 834 548	(71 789 388)	5 045 160	Sub Total	74 979 708	(70 102 877)	4 876 831
-	-	-	Less Inter-Departmental Charges	-	-	-
76 834 548	(71 789 388)	5 045 160	<b>Total</b>	74 979 708	(70 102 877)	4 876 831



**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**  
**2024**  
**MUNICIPAL VOTES CLASSIFICATIONS**

	Cost/Revaluation					Accumulated Depreciation					Carrying Value
	Opening Balance	Additions	Contributed PPE	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Disposals/ Impairment	Closing Balance	
Asset Management	6 597	-	-	-	6 597	6 108	(1 396)	163	-	4 875	1 722
Budget and Treasury	1 463 134	-	-	(31 019)	1 432 116	1 456 961	(102 505)	1 447	(31 017)	1 324 886	107 230
Corporate Services	120 599	-	-	-	120 599	16 405	0	23 234	-	39 639	80 960
Council Administration	15 534 433	951 737	-	(16 296)	16 469 874	11 889 647	(4 327 005)	483 795	(7 315)	8 039 123	8 430 752
Council Buildings	1 591 970	56 900	-	(5 702)	1 643 168	1 321 252	(77 265)	83 354	(1 372)	1 325 969	317 199
Council Projects	256 234	-	-	(6 009)	250 226	249 795	(28 633)	2 396	(2 403)	221 154	29 071
Council Vehicles	4 665 463	-	-	-	4 665 463	4 166 324	(34 460)	172 890	-	4 304 754	360 709
Councillors	85 672	-	38 552	(85 672)	38 552	73 773	-	18 471	(85 672)	6 573	31 980
Environmental Health	233 041	-	-	(8 803)	224 238	173 037	(14 834)	28 598	(6 643)	180 159	44 079
Economic Development	86 019	-	-	(11 996)	74 023	84 499	(4 234)	413	(11 996)	68 683	5 340
Executive Mayor	78 043	-	-	-	78 043	74 766	(8 561)	1 004	-	67 209	10 834
Finance	1 051 198	57 967	-	-	1 109 165	184 686	(25 832)	172 707	8 348	339 909	769 256
Household Services	847 622	-	-	(5 481)	842 142	626 754	(47 056)	55 206	(3 843)	631 061	211 081
Human Resources	97 228	-	-	(13 683)	83 544	96 481	(11 808)	139	(12 552)	72 260	11 284
Internal Audit	44 647	-	-	-	44 647	40 528	(2 839)	1 635	44	39 368	5 279
Local Municipal Project Support	172 546	-	-	-	172 546	125 757	(12 079)	17 125	586	131 388	41 158
Mayor - P.A	115 174	-	-	(1 578)	113 596	108 909	(7 740)	2 451	(1 342)	102 279	11 317
Municipal Manager	203 050	-	-	-	203 050	195 979	(23 624)	2 711	4 527	179 593	23 456
Municipal Manager - Administration	15 055	-	-	-	15 055	14 940	(1 655)	14	-	13 299	1 757
Planning	666 408	-	-	-	666 408	649 762	(88 206)	4 509	2 159	568 224	98 183
PMU	15 186	-	1 723 979	-	1 739 165	15 055	-	105 882	-	120 937	1 618 228
Safety	2 893 803	17 460	664 833	(98 902)	3 477 194	2 478 024	(111 658)	146 685	(93 172)	2 419 879	1 057 315
Speaker	32 735	-	-	-	32 735	32 476	(3 512)	34	-	28 998	3 737
Speaker - P.A	45 490	-	-	-	45 490	37 433	(1 899)	2 993	-	38 528	6 963
Tourism	259 641	-	-	(5 614)	254 027	180 757	(12 495)	19 458	(273)	187 446	66 580
	30 580 988	1 084 064	2 427 364	(290 754)	33 801 662	24 300 111	(4 949 296)	1 347 313	(241 935)	20 456 194	13 345 469

**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 2023	Correction of Error	Restated Balance 30 June 2023	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 2024	Unspent 30 June 2024 (Creditor)	Unpaid 30 June 2024 (Debtor)
<b><u>National Government Grants</u></b>											
Finance Management Grant	1 437	-	1 437	2 100 000	-	-	(2 025 010)	(75 427)	1 000	1 000	-
RSC Levies Replacement Grant	-	-	-	43 945 000	-	-	(43 945 000)	-	-	-	-
Equitable Share	-	-	-	9 920 000	-	-	(9 920 000)	-	-	-	-
Concillors Remuneration Grant	-	-	-	3 651 000	-	-	(3 651 000)	-	-	-	-
Expanded Public Works Program	1 454	-	1 454	950 000	-	-	(950 454)	-	1 000	1 000	-
Municipal System Improvement Grant	1 359	-	1 359	-	-	-	-	-	1 359	1 359	-
Rural Roads Asset Management Grant	2 300	-	2 300	3 118 000	-	-	(3 119 299)	-	1 001	1 001	-
<b>Total National Government Grants</b>	<b>6 549</b>	<b>-</b>	<b>6 549</b>	<b>63 684 000</b>	<b>-</b>	<b>-</b>	<b>(63 610 763)</b>	<b>(75 427)</b>	<b>4 359</b>	<b>4 359</b>	<b>-</b>
<b><u>Provincial Government Grants</u></b>											
Municipal Disaster Relief	361	-	361	-	-	-	-	-	361	361	-
Civil Defence Subsidy	210 810	-	210 810	-	-	-	-	-	210 810	210 810	-
NC Housing	-	-	-	250 000	-	-	(250 000)	-	-	-	-
Khotso Pula Nala	2 517	-	2 517	-	-	-	-	-	2 517	2 517	-
Electronic Filing System	4 798	-	4 798	-	-	-	-	-	4 798	4 798	-
<b>Total Provincial Government Grants</b>	<b>218 485</b>	<b>-</b>	<b>218 485</b>	<b>250 000</b>	<b>-</b>	<b>-</b>	<b>(250 000)</b>	<b>-</b>	<b>218 485</b>	<b>218 485</b>	<b>-</b>
<b><u>Other Grant Providers</u></b>											
Training Reserve (SETA)	342 003	-	342 003	414 586	-	-	(752 748)	-	3 842	3 842	-
<b>Total Other Grant Providers</b>	<b>342 003</b>	<b>-</b>	<b>342 003</b>	<b>414 586</b>	<b>-</b>	<b>-</b>	<b>(752 748)</b>	<b>-</b>	<b>3 842</b>	<b>3 842</b>	<b>-</b>
<b>Total Grants</b>	<b>567 038</b>	<b>-</b>	<b>567 038</b>	<b>64 348 586</b>	<b>-</b>	<b>-</b>	<b>(64 613 511)</b>	<b>(75 427)</b>	<b>226 686</b>	<b>226 686</b>	<b>-</b>

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

**NAMAKWA DISTRICT MUNICIPALITY - Reconciliation of Table A1 Budget Summary**

Description	2023/24								2022/23			
	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												
<b>Financial Performance</b>												
Property rates	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Service charges	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Investment revenue	1 466	–	1 466	2 086		(620)	142,3%	142,3%				1 165
Transfers recognised - operational	69 429	(334)	69 095	64 369		4 726	93,2%	92,7%				63 856
Other own revenue	11 447	(20)	11 427	5 762		5 665	50,4%	50,3%				8 543
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>82 342</b>	<b>(354)</b>	<b>81 988</b>	<b>72 217</b>	<b>–</b>	<b>9 771</b>	<b>88,1%</b>	<b>87,7%</b>				<b>73 564</b>
Employee costs	49 756	1 986	51 742	43 119	–	8 624	83,3%	86,7%	–	–	–	41 695
Remuneration of councillors	4 605	43	4 648	4 829	–	(182)	103,9%	104,9%	–	–	–	4 465
Depreciation & asset impairment	1 092	–	1 092	1 347	–	(256)	123,4%	123,4%	–	–	–	827
Finance charges	132	37	169	2 013	–	(1 844)	1190,5%	1520,6%	–	–	–	2 066
Inventory consumed and bulk purchases	333	27	360	–	–	360	0,0%	0,0%	–	–	–	–
Transfers and grants	581	(100)	481	786	–	(305)	163,3%	135,2%	–	–	–	803
Other expenditure	27 570	(199)	27 371	17 748	–	9 623	64,8%	64,4%	–	–	–	19 391
<b>Total Expenditure</b>	<b>84 070</b>	<b>1 794</b>	<b>85 863</b>	<b>69 843</b>	<b>–</b>	<b>16 020</b>	<b>81,3%</b>	<b>83,1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>69 247</b>
<b>Surplus/(Deficit)</b>	<b>(1 728)</b>	<b>(2 148)</b>	<b>(3 876)</b>	<b>2 374</b>	<b>–</b>	<b>(6 250)</b>	<b>-61,3%</b>	<b>-137,4%</b>				<b>4 317</b>
Transfers and subsidies - capital (monetary allocations)	80	201	281	75		206	26,8%	94,3%				–
Transfers and subsidies - capital (in-kind - all)	–	–	2 062	2 427		(366)	117,7%	#DIV/0!				728
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1 648)</b>	<b>(1 947)</b>	<b>(1 533)</b>	<b>4 877</b>	<b>–</b>	<b>(6 410)</b>	<b>-318,1%</b>	<b>-296,0%</b>				<b>5 045</b>
Share of surplus/ (deficit) of associate	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<b>Surplus/(Deficit) for the year</b>	<b>(1 648)</b>	<b>(1 947)</b>	<b>(1 533)</b>	<b>4 877</b>	<b>–</b>	<b>(6 410)</b>	<b>-318,1%</b>	<b>-296,0%</b>				<b>5 045</b>
<b>Capital expenditure &amp; funds sources</b>												
<b>Capital expenditure</b>												
Transfers recognised - capital	80	2 263	2 343	2 427		(85)	103,6%	3034,2%				113
Borrowing	–	–	226	–		226	0,0%	#DIV/0!				–
Internally generated funds	1 035	1 349	1 055	1 084		(29)	102,8%	104,7%				496
<b>Total sources of capital funds</b>	<b>1 115</b>	<b>3 612</b>	<b>3 624</b>	<b>3 511</b>	<b>–</b>	<b>112</b>	<b>96,9%</b>	<b>314,9%</b>				<b>–</b>
<b>Cash flows</b>												
Net cash from (used) operating	(1 621)	2 134	513	5 988		(5 475)	1166,7%	-369,5%				21 055
Net cash from (used) investing	(1 115)	(447)	(1 562)	(836)		(726)	53,5%	75,0%				(405)
Net cash from (used) financing	(230)	213	(17)	(123)		106	731,8%	53,4%				(110)
<b>Cash/cash equivalents at the year end</b>	<b>5 117</b>	<b>4 733</b>	<b>9 850</b>	<b>14 331</b>		<b>(4 480)</b>	<b>145,5%</b>	<b>280,0%</b>				<b>–</b>

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

Description  R thousand	2023/24								2022/23			
	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
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue - Standard</b>												
<b>Governance and administration</b>	74 985	(1 003)	73 982	71 019		2 962	96,0%	94,7%				72 220
Executive and council	5 501	817	6 318	5 937		381	94,0%	107,9%				6 564
Finance and administration	69 484	(1 820)	67 664	65 082		2 581	96,2%	93,7%				65 657
Internal audit	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<b>Community and public safety</b>	383	156	539	87		451	16,2%	22,8%				73
Community and social services	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Sport and recreation	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Public safety	133	156	289	87		201	30,3%	65,9%				73
Housing	250	–	250	–		250	0,0%	0,0%				–
Health	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<b>Economic and environmental services</b>	7 055	2 756	9 810	3 873		5 937	39,5%	54,9%				4 541
Planning and development	3 118	2 756	5 874	3 826		2 048	65,1%	122,7%				3 200
Road transport	817	–	817	–		817	0,0%	0,0%				–
Environmental protection	3 120	–	3 120	47		3 073	1,5%	1,5%				1 342
<b>Trading services</b>	–	–	–	–		–	#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!				–
<b>Other</b>	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<b>Total Revenue - Standard</b>	82 422	1 909	84 331	74 980		9 351	88,9%	91,0%				76 835

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

Description  R thousand	2023/24								2022/23			
	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
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Expenditure - Standard</b>												
<i><b>Governance and administration</b></i>	56 932	786	57 718	46 789	–	–	0,0%	0,0%	–	–	–	48 164
Executive and council	18 947	2 519	21 466	20 567	–	898	95,8%	108,6%	–	–	–	19 893
Finance and administration	36 817	(1 726)	35 091	25 241	–	9 849	71,9%	68,6%	–	–	–	27 255
Internal audit	1 168	(7)	1 161	980	–	181	84,4%	83,9%	–	–	–	1 016
<i><b>Community and public safety</b></i>	11 385	379	11 764	10 570	–	–	0,0%	0,0%	–	–	–	10 042
Community and social services	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Sport and recreation	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Public safety	4 943	285	5 229	5 013	–	216	95,9%	101,4%	–	–	–	4 941
Housing	812	–	812	–	–	812	0,0%	0,0%	–	–	–	–
Health	5 630	94	5 724	5 557	–	167	97,1%	98,7%	–	–	–	5 100
<i><b>Economic and environmental services</b></i>	13 838	705	14 544	10 984	–	–	0,0%	0,0%	–	–	–	11 798
Planning and development	9 099	705	9 804	8 818	–	986	89,9%	96,9%	–	–	–	8 666
Road transport	817	–	817	–	–	817	0,0%	0,0%	–	–	–	–
Environmental protection	3 922	–	3 922	2 166	–	1 757	55,2%	55,2%	–	–	–	3 132
<i><b>Trading services</b></i>	1 914	(76)	1 838	1 761	–	–	0,0%	0,0%	–	–	–	1 786
Electricity	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Water	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Waste water management	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Waste management	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
<i><b>Other</b></i>	1 914	(76)	1 838	1 761	–	–	0,0%	0,0%	–	–	–	1 786
<b>Total Expenditure - Standard</b>	84 070	1 794	85 863	70 103	–	–	0,0%	0,0%	–	–	–	71 789
<b>Surplus/(Deficit) for the year</b>	(1 648)	115	(1 533)	4 877	–	–	0,0%	0,0%	–	–	–	5 045

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

Vote Description  R thousand	2023/24								2022/23			
	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
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue by Vote</b>												
Vote 1 - Municipal Manager	5 501	817	6 318	5 937		381	94,0%	107,9%				6 814
Vote 2 - Manager: Corporate Services	2 113	—	2 113	1 817		296	86,0%	86,0%				3 656
Vote 3 - Manager: Economic Development	6 488	2 756	9 243	3 826		5 417	41,4%	59,0%				4 245
Vote 4 - Manager: Environmental Health	133	156	289	134		154	46,5%	101,3%				119
Vote 5 - Manager: Finance	57 505	—	57 505	60 834		(3 328)	105,8%	105,8%				56 092
Vote 6 - Manager: Roads	817	—	817	—		—	—	—				—
Vote 7 - Manager: Municipal Support Unit	9 866	(1 820)	8 046	2 432		—	—	—				5 908
<b>Total Revenue by Vote</b>	<b>82 422</b>	<b>1 909</b>	<b>84 331</b>	<b>74 980</b>	<b>—</b>	<b>2 920</b>	<b>88,9%</b>	<b>91,0%</b>				<b>76 835</b>
<b>Expenditure by Vote to be appropriated</b>												
Vote 1 - Municipal Manager	20 115	2 512	22 627	21 547	(1 080)	1 080	95,2%	107,1%	—	—	—	20 922
Vote 2 - Manager: Corporate Services	15 933	35	15 967	14 016	(1 952)	1 952	87,8%	88,0%	—	—	—	12 766
Vote 3 - Manager: Economic Development	14 945	629	15 574	12 041	(3 533)	3 533	77,3%	80,6%	—	—	—	12 877
Vote 4 - Manager: Environmental Health	11 376	379	11 755	11 273	(482)	482	95,9%	99,1%	—	—	—	10 748
Vote 5 - Manager: Finance	8 826	39	8 865	5 972	(2 892)	2 892	67,4%	67,7%	—	—	—	7 185
Vote 6 - Manager: Roads	817	—	817	—	(817)	—	0,0%	0,0%	—	—	—	—
Vote 7 - Manager: Municipal Support Unit	12 059	(1 800)	10 259	5 253	(5 005)	—	0,0%	0,0%	—	—	—	7 292
<b>Total Expenditure by Vote</b>	<b>84 070</b>	<b>1 794</b>	<b>85 863</b>	<b>70 103</b>	<b>—</b>	<b>15 761</b>	<b>81,6%</b>	<b>83,4%</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>71 789</b>
<b>Surplus/(Deficit) for the year</b>	<b>(1 648)</b>	<b>115</b>	<b>(1 533)</b>	<b>4 877</b>		<b>(6 410)</b>	<b>-318,1%</b>	<b>-296,0%</b>				<b>5 045</b>

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

Description  R thousand	2023/24								2022/23			
	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
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
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	9 030	(20)	9 010	1 740		7 270	19,3%	19,3%				4 830
Agency services	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Interest	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Interest earned from Receivables	74	-	74	139		(65)	187,3%	187,3%				73
Interest earned from Current and Non Current Assets	1 466	-	1 466	2 086		(620)	142,3%	142,3%				1 165
Dividends	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Rent on Land	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Rental from Fixed Assets	1 413	-	1 413	1 557		(144)	110,2%	110,2%				1 496
Licence and permits	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Operational Revenue	930	-	930	2 325		(1 396)	250,1%	250,1%				2 144
<b>Non-Exchange Revenue</b>												
Property rates	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surcharges and Taxes	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Fines, penalties and forfeits	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Licences or permits	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Transfer and subsidies - Operational	69 429	-	69 095	64 369		4 726	93,2%	92,7%				63 856
Interest	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Fuel Levy	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Operational Revenue	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Gains on disposal of Assets	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Other Gains	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>82 342</b>	<b>(20)</b>	<b>81 988</b>	<b>72 217</b>		<b>9 771</b>	<b>88,1%</b>	<b>87,7%</b>				<b>73 564</b>

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

Description  R thousand	2023/24								2022/23			
	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
<b>Expenditure By Type</b>												
Employee related costs	49 756	1 986	51 742	43 119	–	8 624	83,3%	86,7%	–	–	–	41 695
Remuneration of councillors	4 605	43	4 648	4 829	–	(182)	103,9%	104,9%	–	–	–	4 465
Bulk purchases - electricity	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Inventory consumed	333	–	360	–	–	360	0,0%	–	–	–	–	–
Debt impairment	–	(739)	(739)	(488)	–	(250)	66,1%	#DIV/0!	–	–	–	(567)
Depreciation & asset impairment	1 092	–	1 092	1 347	–	(256)	123,4%	123,4%	–	–	–	827
Interest	132	37	169	2 013	–	(1 844)	1190,5%	1520,6%	–	–	–	2 066
Contracted services	16 254	(1 325)	14 929	6 578	–	8 351	44,1%	40,5%	–	–	–	8 583
Transfers and grants	581	(100)	481	786	–	(305)	163,3%	135,2%	–	–	–	803
Irrecoverable debts written off	–	–	739	629	–	110	85,2%	#DIV/0!	–	–	–	–
Operational costs	11 316	–	12 442	10 980	–	1 462	88,3%	97,0%	–	–	–	11 226
Losses on disposal of Assets	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	137
Other Losses	–	–	–	49	–	(49)	#DIV/0!	#DIV/0!	–	–	–	12
<b>Total Expenditure</b>	<b>84 070</b>	<b>(98)</b>	<b>85 863</b>	<b>69 843</b>	<b>–</b>	<b>16 020</b>	<b>81,3%</b>	<b>83,1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>69 247</b>
<b>Surplus/(Deficit)</b>	<b>(1 728)</b>	<b>78</b>	<b>(3 876)</b>	<b>2 374</b>		<b>(6 250)</b>	<b>-61,3%</b>	<b>-137,4%</b>				<b>4 317</b>
Transfers and subsidies - capital (monetary allocations)	80	201	281	75		206	26,8%	94,3%				–
Transfers and subsidies - capital (in-kind - all)	–	2 062	2 062	2 427		(366)	117,7%	#DIV/0!				728
	<b>(1 648)</b>	<b>2 341</b>	<b>(1 533)</b>	<b>4 877</b>		<b>(6 410)</b>	<b>-318,1%</b>	<b>-296,0%</b>				<b>5 045</b>
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>												
Taxation	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<b>Surplus/(Deficit) after taxation</b>	<b>(1 648)</b>	<b>2 341</b>	<b>(1 533)</b>	<b>4 877</b>		<b>(6 410)</b>	<b>-318,1%</b>	<b>-296,0%</b>				<b>5 045</b>
Attributable to minorities	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(1 648)</b>	<b>2 341</b>	<b>(1 533)</b>	<b>4 877</b>		<b>(6 410)</b>	<b>-318,1%</b>	<b>-296,0%</b>				<b>5 045</b>
Share of surplus/ (deficit) of associate	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<b>Surplus/(Deficit) for the year</b>	<b>(1 648)</b>	<b>2 341</b>	<b>(1 533)</b>	<b>4 877</b>		<b>(6 410)</b>	<b>-318,1%</b>	<b>-296,0%</b>				<b>5 045</b>



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

Vote Description  R thousand	2023/24								2022/23			
	Original Budget	Total 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
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure</b>												
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%	-	-	-	-
<b>Capital multi-year expenditure</b>	-	-	-	-	-	-	0%	0%	-	-	-	-
<b>Single-year expenditure</b>												
Vote 1 - Municipal Manager	-	246	246	248	-	(2)	101%	#DIV/0!	-	-	-	829
Vote 2 - Manager: Corporate Services	1 015	20	1 035	799	-	236	77%	79%	-	-	-	386
Vote 3 - Manager: Economic Development	-	2 107	2 107	1 724	-	383	82%	#DIV/0!	-	-	-	65
Vote 4 - Manager: Environmental Health	-	156	156	682	-	(526)	437%	#DIV/0!	-	-	-	3
Vote 5 - Manager: Finance	100	(20)	80	58	-	22	72%	58%	-	-	-	183
Vote 6 - Manager: Roads	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 7 - Manager: Municipal Support Unit	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Capital single-year expenditure</b>	1 115	2 509	3 624	3 511	-	112	97%	315%	-	-	-	1 466
<b>Total Capital Expenditure - Vote</b>	1 115	2 509	3 624	3 511	-	112	97%	315%	-	-	-	1 466

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

Vote Description  R thousand	2023/24								2022/23			
	Original Budget	Total 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
<b>Capital Expenditure - Standard</b>												
<i>Governance and administration</i>	1 115	246	1 361	1 105	–	256	#DIV/0!	#DIV/0!	–	–	–	480
Executive and council	–	246	246	248	–	(2)	101%	#DIV/0!	–	–	–	124
Finance and administration	1 115	–	1 115	857	–	258	77%	–	–	–	–	356
Internal audit	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
<i>Community and public safety</i>	–	156	156	682	–	(526)	#DIV/0!	#DIV/0!	–	–	–	124
Community and social services	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Sport and recreation	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Public safety	–	156	156	682	–	(526)	437%	#DIV/0!	–	–	–	58
Housing	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Health	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	65
<i>Economic and environmental services</i>	–	2 107	2 107	1 724	–	383	#DIV/0!	#DIV/0!	–	–	–	–
Planning and development	–	2 107	2 107	1 724	–	383	82%	#DIV/0!	–	–	–	–
Road transport	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Environmental protection	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
<i>Trading services</i>	–	–	–	–	–	–	#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!	–	–	–	–
<i>Other</i>	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	5
<b>Total Capital Expenditure - Standard</b>	<b>1 115</b>	<b>2 509</b>	<b>3 624</b>	<b>3 511</b>	<b>–</b>	<b>112</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>609</b>
<b>Funded by:</b>												
National Government	80	160	240	–	–	240	0%	0%	–	–	–	55
Provincial Government	–	41	41	–	–	41	0%	#DIV/0!	–	–	–	58
District Municipality	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Other transfers and grants	–	2 062	2 062	2 427	–	(366)	118%	#DIV/0!	–	–	–	–
<b>Transfers recognised - capital</b>	<b>80</b>	<b>2 263</b>	<b>2 343</b>	<b>2 427</b>	<b>–</b>	<b>(85)</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>113</b>
<b>Borrowing</b>	<b>–</b>	<b>–</b>	<b>226</b>	<b>–</b>	<b>–</b>	<b>226</b>	<b>0%</b>	<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Internally generated funds</b>	<b>1 035</b>	<b>1 349</b>	<b>1 055</b>	<b>1 084</b>	<b>–</b>	<b>(29)</b>	<b>103%</b>	<b>105%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>496</b>
<b>Total Capital Funding</b>	<b>1 115</b>	<b>2 509</b>	<b>3 624</b>	<b>3 511</b>	<b>–</b>	<b>112</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>609</b>

**NAMAKWA DISTRICT MUNICIPALITY - Reconciliation of Table A7 Budgeted Cash Flows**

Description  R thousand	2023/24							2022/23
	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
	1	2	3	4	5	6	7	8
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates, peanalties and collection charges	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Service charges	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Other revenue	11 496	3 319	14 815	7 573	7 242	51,1%	65,9%	5 898
Government - operating	69 429	(334)	69 095	64 029	5 066	92,7%	92,2%	63 527
Government - capital	80	201	281	75	206	26,8%	94,3%	211
Interest	1 540	-	1 540	2 086	(546)	135,4%	135,4%	1 165
Dividends	-	-	-	-	-	#DIV/0!	#DIV/0!	-
<b>Payments</b>								
Suppliers and employees	(83 453)	(1 115)	(84 568)	(66 948)	(17 620)	79,2%	80,2%	(48 841)
Finance charges	(132)	(37)	(169)	(41)	(128)	24,5%	31,3%	(66)
Transfers and Grants	(581)	100	(481)	(786)	305	163,3%	135,2%	(840)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(1 621)</b>	<b>2 134</b>	<b>513</b>	<b>5 988</b>	<b>(5 475)</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>21 055</b>
<b>CASH FLOWS FROM INVESTING ACTMITIES</b>								
<b>Receipts</b>								
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!	-
<b>Payments</b>								
Capital assets	(1 115)	(447)	(1 562)	(836)	(726)	53,5%	75,0%	(405)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1 115)</b>	<b>(447)</b>	<b>(1 562)</b>	<b>(836)</b>	<b>(726)</b>	<b>53,5%</b>	<b>75,0%</b>	<b>(405)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Borrowing long term/refinancing	-	226	226	-	226	0,0%	#DIV/0!	-
Increase (decrease) in consumer deposits	-	(0)	(0)	-	(0)	0,0%	#DIV/0!	-
<b>Payments</b>								
Repayment of borrowing	(230)	(13)	(243)	(123)	(120)	50,6%	105,6%	(110)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(230)</b>	<b>213</b>	<b>(17)</b>	<b>(123)</b>	<b>106</b>	<b>731,8%</b>	<b>53,4%</b>	<b>(110)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(2 966)</b>	<b>1 900</b>	<b>(1 066)</b>	<b>5 029</b>				<b>156</b>
Cash/cash equivalents at the year begin:	8 083	2 833	10 916	9 302				9 145
Cash/cash equivalents at the year end:	5 117	4 733	9 850	14 331	(4 480)	208,1%	192,5%	9 302