RICHTERSVELD

MUNICIPALITY

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RICHTERSVELD

RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

NATURE OF BUSINESS

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

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Richtersveld Municipality includes the areas of Port Nolloth, Eksteensfontein, Kuboes, Alexander Bay, Sandrift and Lekkersing.

MAYOR

C Knoph

MUNICIPAL MANAGER

JG Cloete

RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

ATTORNEYS

Schreuders
Werksmans Attorney

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)

RICHTERSVELD MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2025, which are set out on pages 5 to 105 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

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

RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

Proportional	F Thulo	(from 01/04/2025)

RICHTERSVELD MUNICIPALITY

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STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R	2024 R
ASSETS			
Non-Current Assets		**220,021,465**	**215,053,916**
Property, Plant and Equipment	2	213,725,117	208,443,302
Investment Property	3	6,296,348	6,610,614
Intangible Assets	4	-	-
Current Assets		**25,732,558**	**18,157,102**
Inventory	5	33,470	22,652
Receivables from Exchange Transactions	6	9,165,752	6,208,705
Receivables from Non-exchange Transactions	7	6,781,538	5,552,995
Taxes	17.3	9,730,760	6,141,561
Cash and Cash Equivalents	8.1	21,038	231,188
Total Assets		**245,754,023**	**233,211,018**
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		**117,559,846**	**90,804,097**
Long-term Borrowings	9	3,371,686	2,493,105
	10	57,764,442	50,876,946

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 R
REVENUE			
Revenue from Non-exchange Transactions		**78,516,070**	**89,578,632**
Taxation Revenue		**19,795,932**	**20,568,803**
Property Rates	19	19,795,932	20,568,803
Transfer Revenue		**49,317,000**	**45,736,045**
Government Grants and Subsidies	20	49,317,000	43,719,833
Public Contributions and Donations	21	-	2,016,212
Other Revenue		**9,403,138**	**23,273,784**
Actuarial Gains	11	89,505	93,303
Availability Charges	23	7,221,902	4,276,137
Fines, Penalties and Forfeits		11,640	4,174
Interest Earned - Non-exchange Transactions	22	1,017,297	3,905,594
Operational Revenue	31	1,062,793	14,994,575
Revenue from Exchange Transactions		**41,636,999**	**34,825,439**
Service Charges	25	29,392,511	24,994,300
Sales of Goods and Rendering of Services	26	1,496,532	1,153,620
Rent on Land	27	1,852,364	400,790
Rental from Fixed Assets	28	205,753	345,536
Interest Earned - External Investments	29	282,379	511,662
Interest Earned - Exchange Transactions	30	7,299,588	7,183,196
Licences and Permits	24	19,648	24,951

MUNICIPALITY

S FOR THE YEAR ENDED 30 JUNE 2025

pital cement erve	Housing Development Fund	Accumulated Surplus/ (Deficit)	Total
R	R	R	R
567,685	**1,317**	**90,865,071**	**91,434,073**
-	-	4,122,188	4,122,188
567,685	1,317	94,987,259	95,556,261
-	-	(4,901,260)	(4,901,260)
-	-	(4,891,149)	(4,891,149)
-	-	(10,111)	(10,111)
567,685	**1,317**	**90,085,999**	**90,655,001**
-	-	(25,217,743)	(25,217,743)
567,685	**1,317**	**64,868,256**	**65,437,257**

RICHTERSVELD MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		11,448,635	7,963,981
Service Charges		43,854,891	28,168,607
Other Revenue		3,976,312	11,892,574
Government - Operating		31,566,000	29,994,833
Government - Capital		17,751,000	13,623,000
Interest		282,379	511,662
Cash payments			
Suppliers and Employees		(84,166,534)	(67,443,470)
Finance Charges		(7,147,062)	(8,354,474)
Net Cash from Operating Activities	44	**17,565,620**	**16,356,712**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(16,203,869)	(15,354,178)
Proceeds on Disposal of Fixed Assets		-	-
Net Cash from Investing Activities		**(16,203,869)**	**(15,354,178)**

monitors the operating results of these business units for the purpose of making decisions about resource allocations

	Reportable Segment	Types of Goods/Services delivered
	Governance and Administration	Supporting service departments
	Governance and administration	Supporting service departments
	Other	Tourism
	Governance and Administration	Supporting service departments
	Community and public safety	Library services, community halls and property management
	Community and public safety	
	Governance and Administration	
	Economic & Environmental Services	Motor Vehicle Licensing
	Governance and Administration	Housing, cemetaries and recreational facilities
	Community and public safety	
	Community and public safety	
	Community and public safety	
	Community and public safety	
	Community and public safety	
	Economic & Environmental Services	
	Community and public safety	
	Community and public safety	
	Community and public safety	
	Community and public safety	
	Community and public safety	
	Governance and Administration	Supporting service departments
	Governance and Administration	Supporting service departments
eported	Trading Services	Waste Management
eported	Trading Services	Waste Water Management
	Economic & Environmental Services	Roads and Stormwater
eported	Trading Services	Water Management
eported	Trading Services	Electricity Services
	Community and public safety	Recreation Facilities
	Economic & Environmental Services	Local Economic Development

	Reportable Segment	Types of Goods/Services delivered
	Governance and Administration	Supporting service departments
	Governance and Administration	Supporting service departments
	Governance and Administration	Supporting service departments
	Community and public safety	Library services, Community halls rentals and recreation centers
	Community and public safety	
	Community and public safety	
	Community and public safety	
	Community and public safety	
	Economic and environmental services	Local Economic Development
	Economic and environmental services	Roads and Storm Water
eported	Trading Services	Electricity services
eported	Trading Services	Water management
eported	Trading Services	Waste water management
eported	Trading Services	Waste management service
	Other	Tourism

s, the beneficiaries of such services and the fees charged for the services rendered (if any).

ing purposes. The Cost to develop this separately would be excessive.

TY
AR ENDED 30 JUNE 2025

nd tal	Other	Total
	R	R
4,505	-	39,176,958
3,030	-	16,632,524
-	-	2,363,744
-	-	6,449,620
-	-	3,802,146
-	-	281,665
-	-	282,379
-	-	4,702,359
-	-	19,648
-	-	697,025
6,475	-	3,945,847
1,000	-	81,648,471
-	-	11,640
1,000	-	49,317,000
-	-	19,795,932
-	-	9,489,128
-	-	2,272,906
-	-	761,866
-	-	-
-	-	-
5,505	-	120,825,429
1,638)	-	(44,528,866)
-	-	(5,347,022)
-	-	(18,092,059)
9,729)	-	(13,701,636)
-	-	(12,085,839)
-	-	(21,840,265)
-	(197,935)	(1,131,499)
8,142)	-	(5,292,804)
-	-	-
1,727)	-	(22,644,716)
-	-	(179,993)
-	-	-
-	-	-
01,235)	(197,935)	(144,844,699)
04,270	(197,935)	(24,019,270)

nd tal	Other	Total
	R	R
-	-	-
-	-	-
-	-	-
,270	(197,935)	(24,019,270)
-	-	-
,270	(197,935)	(24,019,270)
-	-	-
,270	(197,935)	(24,019,270)
-	-	-
,270	(197,935)	(24,019,270)

nd tal	Unallocated	Total
	R	R
-	245,754,023	245,754,023
-	(180,316,770)	(180,316,770)
-	-	-
-	-	-
-	-	-
-	-	-

TY

EAR ENDED 30 JUNE 2025

ding Services						
ment	Waste Water Management	Waste Management	Other	Governance and Administration	Unallocated	Total
	R	R	R	R	R	R
,876	4,316,827	1,295,617	-	7,319,252	-	39,176,958
-	-	-	-	-	-	16,632,524
,744	-	-	-	-	-	2,363,744
-	4,316,827	2,122,748	-	-	-	6,449,620
-	-	(827,131)	-	-	-	3,802,146
-	-	-	-	281,665	-	281,665
-	-	-	-	282,379	-	282,379
,131	-	-	-	2,148,577	-	4,702,359
-	-	-	-	19,648	-	19,648
-	-	-	-	697,025	-	697,025
-	-	-	-	3,889,958	-	3,945,847
,221	571,993	359,687	-	53,108,343	-	81,648,471
-	-	-	-	-	-	-
-	-	-	-	11,640	-	11,640
0,000	-	-	-	30,266,000	-	49,317,000
-	-	-	-	19,795,932	-	19,795,932
3,221	571,993	359,687	-	-	-	9,489,128
-	-	-	-	2,272,906	-	2,272,906
-	-	-	-	761,866	-	761,866
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,096	4,888,821	1,655,304	-	60,427,595	-	120,825,429
3,814)	(1,957,937)	(953,122)	-	(24,603,932)	-	(44,528,866)
-	-	-	-	(5,347,022)	-	(5,347,022)
6,596)	(3,190,655)	-	-	9,543,077	-	(18,092,059)
8,095)	-	(2,181,025)	-	(6,707,513)	-	(13,701,636)
-	-	(4,938,777)	-	(7,147,062)	-	(12,085,839)
-	-	-	-	-	-	(21,840,265)
4,447)	-	(7,558)	(197,935)	(188,241)	-	(1,131,499)
7,485)	-	-	-	(1,548,734)	-	(5,292,804)
-	-	-	-	-	-	-
4,240)	(17,409)	(13,959)	-	(19,215,294)	-	(22,644,716)
9,993)	-	-	-	-	-	(179,993)
-	-	-	-	-	-	-
4,669)	(5,166,001)	(8,094,441)	(197,935)	(55,214,720)	-	(144,844,699)
8,572)	(277,180)	(6,439,137)	(197,935)	5,212,875	-	(24,019,270)

...ding Services						
...ment	Waste Water Management	Waste Management	Other	Governance and Administration	Unallocated	Total
	R	R	R	R	R	R
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
,572)	(277,180)	(6,439,137)	(197,935)	5,212,875	-	(24,019,270)
-	-	-	-	-	-	-
,572)	(277,180)	(6,439,137)	(197,935)	5,212,875	-	(24,019,270)
-	-	-	-	-	-	-
,572)	(277,180)	(6,439,137)	(197,935)	5,212,875	-	(24,019,270)
-	-	-	-	-	-	-
,572)	(277,180)	(6,439,137)	(197,935)	5,212,875	-	(24,019,270)

...ading Services						
...ment	Waste Water Management	Waste Management	Other	Governance and Administration	Unallocated	Total
	R	R	R	R	R	R
-	-	-	-	-	245,754,023	245,754,023
-	-	-	-	-	(180,316,770)	(180,316,770)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

e Segment report

oses. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

urposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

ITY
AR ENDED 30 JUNE 2024

...nd ...tal	Other	Total
	R	R
4,070	-	36,959,915
3,041)	-	12,035,865
-	-	4,934,471
-	-	4,029,238
-	-	3,994,725
-	-	-
-	-	511,662
-	-	7,183,879
-	-	24,951
-	-	140,571
7,111	-	4,104,553
4,000	-	87,444,156
-	-	4,174
4,000	-	43,791,805
-	-	20,568,803
-	-	4,276,137
-	-	18,709,934
-	-	93,303
-	-	-
-	-	-
-	-	-
28,070	-	124,404,071
55,801)	-	(39,132,303)
-	-	(5,302,192)
-	-	(12,242,313)
33,377)	-	(13,025,958)
-	-	(13,396,984)
-	-	(20,201,722)
-	-	(691,794)
54,939)	(208,611)	(6,731,669)
-	-	-
36,589)	-	(17,007,607)
-	-	(1,572,789)
-	-	-
40,705)	(208,611)	(129,305,331)
12,636)	(208,611)	(4,901,260)

...nd ...tal	Other	Total
	R	R
-	-	-
-	-	-
-	-	-
...2,636)	(208,611)	(4,901,260)
-	-	-
...2,636)	(208,611)	(4,901,260)
-	-	-
...2,636)	(208,611)	(4,901,260)
-	-	-
...2,636)	(208,611)	(4,901,260)

...nd ...tal	Other	Total
	R	R
-	233,211,018	233,211,018
-	(142,556,018)	(142,556,018)
-	-	-
-	-	-
-	-	-
-	-	-

ITY
EAR ENDED 30 JUNE 2024

ading Services						
ment	Waste Water Management	Waste Management	Other	Governance and Administration	Unallocated	Total
	R	R	R	R	R	R
0,895	4,265,380	4,132,835	-	6,226,429	-	36,959,915
-	-	-	-	(4,532,454)	-	12,035,865
0,895	(4,318)	-	-	(40,421)	-	4,934,471
-	4,269,697	47,362	-	(31,055)	-	4,029,238
-	-	4,085,474	-	(14,940)	-	3,994,725
-	-	-	-	511,662	-	511,662
-	-	-	-	7,183,879	-	7,183,879
-	-	-	-	24,951	-	24,951
-	-	-	-	140,571	-	140,571
-	-	-	-	2,984,236	-	4,104,553
0,988	1,213,940	483,742	-	55,486,745	-	87,444,156
-	-	-	-	-	-	-
-	-	-	-	-	-	4,174
1,000	-	-	-	28,974,805	-	43,791,805
-	-	-	-	20,568,803	-	20,568,803
9,988	1,213,940	483,742	-	-	-	4,276,137
-	-	-	-	5,849,835	-	18,709,934
-	-	-	-	93,303	-	93,303
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,883	5,479,320	4,616,578	-	61,713,174	-	124,404,071
3,084)	(2,209,828)	(1,115,537)	-	(23,188,794)	-	(39,132,303)
-	-	-	-	(5,302,192)	-	(5,302,192)
2,379)	(1,123,313)	(1,331,150)	-	(12,546,261)	-	(12,242,313)
2,939)	(1,132,720)	(2,053,218)	-	(2,089,306)	-	(13,025,958)
-	-	(4,607,510)	-	(8,789,474)	-	(13,396,984)
-	-	-	-	-	-	(20,201,722)
6,793)	-	(75,476)	-	(327,524)	-	(691,794)
0,926)	(391,223)	(8,460)	(208,611)	(3,497,958)	-	(6,731,669)
1,641)	(1,090,647)	(199,360)	-	(11,235,391)	-	(17,007,607)
3,552)	-	-	-	(1,129,238)	-	(1,572,789)
-	-	-	-	-	-	-
01,313)	(5,947,731)	(9,390,711)	(208,611)	(68,106,137)	-	(129,305,331)
60,570	(468,411)	(4,774,133)	(208,611)	(6,392,962)	-	(4,901,260)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
60,570	(468,411)	(4,774,133)	(208,611)	(6,392,962)	-	(4,901,260)

ading Services						
ement	Waste Water Management	Waste Management	Other	Governance and Administration	Unallocated	Total
	R	R	R	R	R	R
-	-	-	-	-	-	-
0,570	(468,411)	(4,774,133)	(208,611)	(6,392,962)	-	(4,901,260)
-	-	-	-	-	-	-
0,570	(468,411)	(4,774,133)	(208,611)	(6,392,962)	-	(4,901,260)
-	-	-	-	-	-	-
0,570	(468,411)	(4,774,133)	(208,611)	(6,392,962)	-	(4,901,260)

ading Services						
ement	Waste Water Management	Waste Management	Other	Governance and Administration	Unallocated	Total
	R	R	R	R	R	R
-	-	-	-	-	233,211,018	233,211,018
-	-	-	-	-	(142,556,018)	(142,556,018)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

he Segment report

oses. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

urposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

TUAL AMOUNTS
JUNE 2025

	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
				2025	
	R	R	R	R	%
)	-	-	(9,521,114)	21,038	-100%
7	-	-	46,575,967	9,165,752	-80%
)	-	-	(38,280,007)	6,781,538	-118%
)	-	-	(933,317)	-	-100%
2	-	-	22,652	33,470	48%
5	-	-	500,375	9,730,760	1845%
7	-	-	4,887		-100%
7)	-	-	(1,630,557)	25,732,558	-1678%
2	-	-	7,309,342	6,296,348	-14%
2	-	-	210,478,962	213,725,117	2%
5)	-	-	(265,235)	-	-100%
9	-	-	217,523,069	220,021,465	1%
2	-	-	215,892,512	245,754,023	14%
-	-	-	-	1,502,486	100%
6	-	-	1,768,646	1,725,020	-2%
9	-	-	85,554,489	54,418,283	-36%
9	-	-	56,759	56,760	0%
3	-	-	4,389,338	5,054,375	15%
4)	-	-	(1,817,634)	-	-100%
8	-	-	89,951,598	62,756,924	-30%
3	-	-	4,276,593	3,371,686	-21%
6	-	-	52,883,946	62,782,441	19%
-	-	-	-	-	100%
9	-	-	2,248,999	51,405,719	2186%
8	-	-	59,409,538	117,559,846	98%
6	-	-	149,361,136	180,316,770	21%
4	-	-	65,962,374	64,868,251	-2%
2	-	-	569,002	569,001	0%
6	-	-	66,531,376	65,437,253	-2%

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ent ouncil ed by-)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		2025	
	R	R	%
-	25,870,162	18,899,749	-27%
-	7,640,869	2,363,744	-69%
-	4,616,113	4,326,872	-6%
-	5,364,334	3,802,146	-29%
-	114,494	1,496,532	1207%
-	428,795	697,025	63%
-	6,550,399	7,299,588	11%
-	890,136	282,379	-68%
-	440,282	1,852,364	321%
-	2,440,013	205,753	-92%
-	31,817	19,648	-38%
-	837,548	391,197	-53%
-	21,449,648	19,795,932	-8%
-	15,000	11,640	-22%
-	-		100%
-	31,757,000	31,566,000	-1%
-	561,513	1,017,297	81%
-	10,315,822	8,284,695	-20%
-	-	-	
-	123,422	-	-100%
-	119,447,367	102,312,563	-14%
-	43,543,284	44,402,962	2%
-	4,636,310	5,347,022	15%
-	25,176,000	21,840,265	-13%
-	1,809,745	1,131,499	-37%
-	3,143,000	18,092,059	476%
-	12,206,746	13,701,636	12%
-	10,035,270	12,085,839	20%
-	10,393,258	5,292,804	-49%
-	1,989,516	1,061,471	-47%
-	16,703,571	21,619,644	29%
-	288,767	706,106	145%
-	129,925,467	145,281,306	12%
-	(10,478,100)	(42,968,743)	310%
-	17,759,000	17,751,000	0%
-	-	-	
-	7,280,900	(25,217,743)	-446%
-	-	-	
-	7,280,900	(25,217,743)	-446%
-	-	-	
-	7,280,900	(25,217,743)	-446%
-	-	-	
-	7,280,900	(25,217,743)	-446%

ITY
ID ACTUAL AMOUNTS
NDED 30 JUNE 2025

al ment get	Shifting of Funds (i.t.o. s31 of the MFMA) R	Virement (i.t.o. Council approved by-law) R	Final Budget R	Actual Outcome 2025 R	Actual Outcome as % of Final Budget %
59,718	-	-	17,159,718	11,448,635	-33.28%
03,482	-	-	54,203,482	43,854,891	-19.09%
72,142	-	-	16,372,142	3,976,312	-75.71%
57,000	-	-	32,057,000	31,566,000	-1.53%
59,000	-	-	17,759,000	17,751,000	-0.05%
68,784	-	-	868,784	282,379	100.00%
-	-	-	-	-	
.5,037)	-	-	(117,015,037)	(84,166,534)	-28.07%
35,270)	-	-	(10,035,270)	(7,147,062)	-28.78%
-	-	-	-	-	
59,819	-	-	11,369,819	17,565,620	54.49%
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
96,717)	-	-	(21,196,717)	(16,203,869)	-23.55%
96,717)	-	-	(21,196,717)	(16,203,869)	-23.55%
-	-	-	-	-	
-	-	-	-	-	
	-	-	-	-	
-	-	-	-	(1,571,901)	100.00%
-	-	-	-	(1,571,901)	100.00%
26,898)	-	-	(9,826,898)	(210,150)	-97.86%
05,784	-	-	305,784	231,188	-24.39%
21,114)	-	-	(9,521,114)	21,038	-100.22%

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.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, is disclosed below.

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 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 on the basis of 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

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

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

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

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

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

Explanatory comments are provided for overall growth or decline in the budget and motivations for over or under-spending online items. The municipality considers a variance between the actual and budget of more than 10% of the budgeted value as material, provided that such variance exceeds R109 800. All variances less than R109 800 are considered immaterial.

The disclosure of comparative information in respect of the previous period is not

REFERENCE	TOPIC	EFFECTIVE DATE
	No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	
GRAP 104	**<u>Financial Instruments</u>** The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. The Municipality might need to revise the categories of financial instruments and the impairment model.	1 April 2025
GRAP 1: Going concern	**<u>Presentation of Financial statements: Going concern</u>** The objective of this Standard is to prescribe the basis for presentation of general-purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial	Unknown

REFERENCE	TOPIC	EFFECTIVE DATE
	adopt the Improvements once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	
GRAP 105, GRAP 106 and GRAP 107 (amendments)	**Transfer of Functions and Mergers** 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.	Unknown
Guideline	**<u>Application of Materiality of Financial Statements</u>** The guideline is not authoritative but only encourage.	No effective date as only encouraged

REFERENCE	TOPIC	EFFECTIVE DATE
	consideration is not relevant to the operations of the Municipality.	

1.9. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No 107 of 1997). Loans from national and provincial governments used to finance housing-selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund.

Housing selling schemes both complete and in progress as of 1 April 1998 were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.10. RESERVES

1.10.1. Capital Replacement Reserve (CRR)

To finance the provision of infrastructure and other items of property, plant and

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 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 a 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.

1.11.2. 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

- 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.

1.13. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

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

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met is

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 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.

(b) 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 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 Interest Cost in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

(e) *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.

1.16. CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with the council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.17. PROPERTY, PLANT AND EQUIPMENT

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 transactions 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.

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are treated similarly to all other assets of the municipality in asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated useful lives:

Land and Buildings	***Years***
Land	Indefinite
Buildings	20-30
Infrastructure	
Roads and Streets	3-30
Storm Water	10-40
Electricity	2-50
Water	5-100
Waste Water	5-60
Waste	20-30
Community	
Sport and Recreation Facilities	20-30
Housing	3-30
Community Halls	5-30
Parks and Gardens	20-30
Security and Policing	3-15
Libraries	5-30

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.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.

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

1.17.4. 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.

of the asset, the excess shall be recognised immediately in surplus or deficit;

- If the adjustment results in an addition to the cost of an asset, the municipality shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount and shall account for any impairment loss, in accordance with its impairment policy.

1.18. INTANGIBLE ASSETS

1.18.1. Initial Recognition

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

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

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

fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.18.2. 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.

1.18.3. Amortisation and Impairment

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

Intangible Assets	**Years**
Computer Software	2-15
Computer Software Licenses	2-15

1.19. INVESTMENT PROPERTY

1.19.1. 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. Property with a currently undetermined use is also classified as investment property.

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;

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

If owner-occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.19.2. Subsequent Measurement – Cost Model

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

1.19.3. 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.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year's end, with the effect of any changes in estimate accounted for on a asset could not be determined. The fair value as determined by a valuator was used to determine the deemed cost as on 1 July 2015.

1.20. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.20.1. 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

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.

(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 to 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.

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 includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

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.

1.21.2. Subsequent Measurement

Inventories, consisting of consumable stores, materials and supplies and water, 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 are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.22.2. *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.

1.22.2.1. *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 for example 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, interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

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

1.22.2.2. *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.

1.22.2.3. *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 bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

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.

1.22.3.2. *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-

1.23.2. 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.

(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.

1.24. REVENUE

1.24.1. 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.

recognised by the Municipality when the receivable meets the definition of an asset.

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).

Availability Charges are the basic fees levied for services and are recognised when the service is available to consumers and can be measured reliably.

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

- 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.

1.24.2. 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

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.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after the date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

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

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

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

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

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or

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.

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.

Service concession assets are measured initially at fair value except where the assets are existing assets of the municipality in which case the assets are reclassified at their carrying amounts. Service concession assets will be identified separately.

The service concession liability is recognised and initially measured at:

- The same amount as the service concession asset,
- Adjusted by the amount of any other consideration (e.g., cash) from the municipality to the operator, or from the operator to the municipality.

Subsequent Measurement

The municipality initially measures the service concession asset at fair value if it Is not an existing asset of the municipality.
After initial recognition, the municipality applies the measurement (including impairment) and derecognition principles to the service concession asset applicable to similar items of Property, Plant and Equipment, Intangible Assets or Heritage Assets.

Where the municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the municipality accounts for the liability as a financial liability.

The municipality allocates the payments to the operator and accounts for them

Recognition of the performance obligation and the right to receive significant interest in a service concession asset

Were the municipality controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the municipality recognises its right to receive the residual interest (i.e. a receivable) in the service concession asset at the commencement of the arrangement. The value of the receivable at the end of the service concession arrangement reflects the value of the service concession asset as if it were already in the age and the condition expected at the end of the service concession arrangement. The receivable is recognised at fair value . A corresponding performance liability shall be recognised at the same value as the receivable.

1.27. 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.

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.

1.28. 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:

- 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.

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.

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:

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.

1.29. 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.

1.30. 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

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.

1.33. 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. 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

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:

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.

the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates linked to government bond rate was used to calculate the effect of the time value of money.

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.

Pre-paid electricity estimation

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year-end, which is still unused. The average pre-paid electricity sold per day during the year under review is used and the estimate is

1.34. 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.

1.35. ACCUMULATED SURPLUS/(DEFICIT)

Accumulated Surplus/(Deficit) is the cumulative effect of surpluses and losses recognised in the Statement of Financial Performance. Any surplus recognised in the Statement of Financial Performance will increase the Accumulated Surplus/(Deficit) and any losses will decrease the Accumulate Surplus/(Deficit).

1.36. 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 after the specific reporting date.

1.37. 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:

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.

1.39. MATERIAL LOSSES

Material losses are disclosed in terms of MFMA Section 125(2)(d)(i) and includes electricity and water distribution losses.

Land R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
21,486,860	171,629,095	4,465,715	4,186,300	4,024,297	208,443,299
26,689,860	298,369,569	13,605,356	6,308,743	10,617,582	364,738,694
(5,203,000)	(126,740,474)	(9,139,641)	(2,122,443)	(6,593,285)	(156,295,395)
-	15,356,480	15,033	849,896	403,334	17,053,765
-	1,948,719	-	-	-	1,948,719
-	(10,505,239)	(375,274)	(1,357,033)	(1,000,247)	(13,562,070)
-	-	-	(164,415)	5,603	(158,812)
-	-	-	(320,320)	(86,577)	(406,897)
-	-	-	155,905	92,180	248,085
-	-	-	-	215	215
-	-	-	-	-	-
-	-	-	-	215	215
21,486,860	178,429,055	4,105,474	3,514,748	3,433,202	213,725,117
26,689,860	315,674,768	13,620,389	6,838,318	10,934,339	383,334,280
26,689,860	315,674,768	13,620,389	6,838,318	10,934,339	383,334,280
(5,203,000)	(137,245,713)	(9,514,915)	(3,323,571)	(7,501,136)	(169,609,164)
(5,203,000)	(137,245,713)	(9,514,915)	(3,323,571)	(7,501,136)	(169,609,164)

UNICIPALITY
OR THE PERIOD ENDED 30 JUNE 2024

Land R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
,486,860	167,150,585	4,676,362	5,673,445	2,721,168	204,718,930
,689,860	283,064,882	13,593,962	6,640,217	9,037,332	348,173,837
,689,860	283,055,097	13,593,962	6,640,217	9,037,332	348,164,052
-	9,785	-	-	-	9,785
,203,000)	(115,914,297)	(8,917,600)	(966,772)	(6,316,163)	(143,454,907)
,203,000)	(120,881,685)	(9,504,356)	(992,947)	(6,880,639)	(149,599,702)
-	4,967,388	586,757	26,175	564,476	6,144,795
-	13,151,480	11,394	71,848	2,238,026	15,472,748
	13,151,480	11,394	71,848	2,238,026	15,472,748
-	-	-	-	-	-
-	2,259,905		-	-	2,259,905
-	2,259,905		-	-	2,259,905
-	-	-	-	-	-
-	(10,145,801)	(222,042)	(1,296,127)	(922,280)	(12,879,043)
-	(10,167,505)	(222,042)	(1,296,127)	(922,280)	(12,900,747)
-	21,704	-	-	-	21,704
-	(680,376)	-	-	5,080	(741,978)
-	-	-	-	-	-
-	(680,376)	-	-	5,080	(741,978)
	(106,699)	-	(262,866)	(17,694)	(387,259)
-	(106,699)	-	(403,322)	(657,776)	(1,167,797)
-	-	-	140,456	640,082	780,538
1,486,860	171,629,095	4,465,715	4,186,300	4,024,301	208,443,303
6,689,860	298,369,569	13,605,356	6,308,743	10,617,582	364,738,694
6,689,860	298,369,569	13,605,356	6,308,743	10,617,582	364,738,694
5,203,000)	(126,740,474)	(9,139,641)	(2,122,443)	(6,598,361)	(155,553,413)
5,203,000)	(126,740,474)	(9,139,641)	(2,122,443)	(6,598,361)	(155,553,413)

		2025 R	2024 R
2.3	**Property, Plant and Equipment which is in the process of being constructed or developed:**		
	Infrastructure Assets	43,068,238	35,900,537
	Roads	716,538	716,538
	Electricity	-	3,955,037
	Water Supply	26,700,204	16,644,489
	Sanitation	15,651,495	14,584,473
	Community Assets	398,875	398,875
	Other Assets	-	-
	Total Property, Plant and Equipment under construction	**43,467,113**	**36,299,413**
	The movements for the year can be reconciled as follows:		
	Balance at beginning of year	36,299,413	36,082,436
	Expenditure during the year	15,378,716	13,054,248
	Assets unbundled during the year	(8,141,850)	(12,730,572)
	Transfer to Other Assets	(55,742)	-
	Material used for operating expenditure	(13,424)	(106,699)
	Balance at end of year	**43,467,113**	**36,299,413**
2.4	**Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:**		
	Infrastructure Assets	33,012,523	716,538
	Roads	716,538	716,538
	Water Supply	16,644,489	-
	Sanitation	15,651,495	-
	Community Assets	398,875	398,875
	Total	**33,411,398**	**1,115,414**
	The muncipality awaits additional funding to complete the project.		
2.5	**Expenditure incurred to repair and maintain Property, Plant and Equipment:**		
	Contracted Services	3,415,463	3,563,739
	Total Repairs and Maintenance	**3,415,463**	**3,563,739**

2.6 Assets pledged as security:

		2025 R	2024 R
3.	**INVESTMENT PROPERTY**		
3.1	**Net Carrying amount at 1 July**	**6,610,614**	**6,763,791**
	Cost	16,689,762	16,689,762
	Balance previously stated	16,689,762	17,990,762
	Correction of Error - Note 43.2	-	(1,301,000)
	Accumulated Depreciation	(3,518,885)	(3,371,971)
	Balance previously stated		(3,446,843)
	Correction of Error - Note 43.2		74,873
	Accumulated Impairment Loss	(6,560,262)	(6,554,000)
	Balance previously stated		(7,081,400)
	Correction of Error - Note 43.2	-	527,400
	Impairment	-	(6,262)
	Depreciation for the year	(139,566)	(146,915)
	Disposal	(174,700)	-
	Cost	(336,200)	-
	Accumulated Impairment Losses	161,500	-
	Net Carrying amount at 30 June	**6,296,348**	**6,610,614**
	Cost	16,353,562	16,689,762
	Accumulated Depreciation	(3,658,452)	(3,518,885)
	Accumulated Impairment Loss	(6,398,762)	(6,560,262)
3.2	**Revenue from Investment Property**		
	Revenue derived from the rental of Investment Property	-	343,136

There are no Investment Property which is in the process of being constructed or developed.

There are no Investment Property that are taking a significantly longer period of time to complete than expected.

There are no Investment Property where construction or development has been halted.

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

There are no contractual obligation to purchase, construct or develop Investment property or for repairs, maintenance or enhancements.

4.	**INTANGIBLE ASSETS**		
4.1	**Net Carrying amount at 1 July**	-	-
	Cost	491,855	491,855
	Accumulated Amortisation	(491,855)	(491,855)
		-	-

6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025 R	2024 R
Electricity	11,274,204	3,686,300
Balance previously stated		3,686,300
Correction of Error - Note 43.3		-
Water	40,885,372	22,641,990
Balance previously stated		22,641,990
Correction of Error - Note 43.3		-
Property Rentals	2,915,178	2,390,858
Balance previously stated		2,390,858
Correction of Error - Note 43.3		-
Waste Management	26,490,381	20,944,932
Balance previously stated		20,944,932
Correction of Error - Note 43.3		-
Waste Water Management	23,162,673	19,487,415
Balance previously stated		19,487,415
Correction of Error - Note 43.3		-
Abeyance	-	1,695,567
Grazing Fees	-	74,731
Other Arrears	7,282,409	4,552,283
Balance previously stated		5,886,631
Correction of Error - Note 43.3		(1,334,349)
Total: Receivables from exchange transactions (before provision)	**112,010,216**	**75,474,075**
Less: Provision for Debt Impairment	(102,844,465)	(69,265,371)
Total: Receivables from exchange transactions (after provision)	**9,165,752**	**6,208,705**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

	2025	2024
Current (0 - 30 days)	905,124	792,852
31 - 60 Days	141,724	259,365
61 - 90 Days	139,163	72,491
+ 90 Days	10,088,193	2,561,592
Total	**11,274,204**	**3,686,300**

	2025 R	2024 R
(Grazing Fees): Ageing		
Current (0 - 30 days)	-	24,985
31 - 60 Days	-	24,873
61 - 90 Days	-	24,873
+ 90 Days	-	-
Total	-	74,731
(Other): Ageing		
Current (0 - 30 days)	(879,801)	44,283
31 - 60 Days	10,970	5,368
61 - 90 Days	11,245	11,425
+ 90 Days	8,139,995	4,491,205
Total	7,282,409	4,552,283
(Total): Ageing		
Current (0 - 30 days)	3,465,747	2,547,732
31 - 60 Days	1,327,794	1,497,362
61 - 90 Days	1,351,481	1,126,898
+ 90 Days	105,865,194	70,302,083
Total	112,010,216	75,474,075

Summary of Debtors by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2025					
Current (0 - 30 days)	1,072,168	2,838,797	459,081	149,818	4,519,865
31 - 60 Days	384,647	956,533	48,677	8,219	1,398,076
61 - 90 Days	384,327	968,514	50,285	18,376	1,421,503
+ 90 Days	34,855,417	67,795,881	1,621,275	398,200	104,670,772
Sub-total	36,696,559	72,559,726	2,179,318	574,613	112,010,216
Less: Provision for Debt Impairment					(102,844,465)
					9,165,752

		2025 R	2024 R
6.1	**Bad Debts Written Off: Receivables from Exchange Transactions**		
	Outstanding consumer accounts written-off during the year, after approval by Council	74,211	-

7. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2025 R	2024 R
Taxes - Rates	54,473,765	47,506,303
Balance previously stated		47,506,303
Correction of Error - Note 43.4		-
Availability Charges	2,483,383	23,487,229
Balance previously stated		23,487,229
Correction of Error - Note 43.4		-
Kai-Kai Development	37,539,190	37,346,374
Other Receivables	1,871,344	303,519
	96,367,682	108,643,425
Less: Provision for Debt Impairment	(89,586,145)	(103,090,430)
Total Receivables from non-exchange transactions	**6,781,538**	**5,552,995**

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

	2025	2024
Current (0 - 30 days)	1,556,763	1,288,724
31 - 60 Days	390,352	651,546
61 - 90 Days	527,458	668,806
+ 90 Days	51,999,192	44,897,227
Total	**54,473,765**	**47,506,303**

(Availability Charges): Ageing

	2025	2024
Current (0 - 30 days)	92,080	469,687
31 - 60 Days	39,694	333,221
61 - 90 Days	37,724	323,791
+ 90 Days	2,313,885	22,360,530
Total	**2,483,383**	**23,487,229**

RICHTERSVELD MUNICIPALITY

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

	2025 R	2024 R
The total amount of this provision is R89 586 145 and consist of:		
Taxes	49,671,696	44,990,786
Availability Charges	2,259,677	20,637,688
Kai-Kai Development	37,654,772	37,461,956
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	**89,586,145**	**103,090,430**

Ageing of amounts past due but not impaired:

	2025 R	2024 R
1 month past due	430,046	-
2+ months past due	2,946,885	-
	3,376,932	-

7.1 Bad Debts Written Off: Receivables from Exchange Transactions

	2025 R	2024 R
Outstanding consumer accounts written-off during the year, after approval by Council	987,259	-

8. BANK ACCOUNTS

8.1 Cash and Cash Equivalents

	2025 R	2024 R
Current Accounts	(126,298)	196,961
Balance previously reported		228,093
Correction of Error - Note 43.4		(31,132)
Call Deposits and Investments	146,956	33,847
Cash On-hand	380	380
Total Cash and Cash Equivalents - Assets	**21,038**	**231,188**

8.2 Liabilities

	2025 R	2024 R
Current Accounts	-	-
Total Cash and Cash Equivalents - Liabilities	-	-

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 R129 097 are held to fund the Unspent Conditional Grants (2024: R6 651).

The municipality has the following bank accounts:

Current Accounts

	2025 R	2024 R
Standard Bank - Account Number 0823784902	(330,644)	(31,132)
Balance previously reported		-
Correction of Error - Note 43.4		(31,132)

	2025 R	2024 R
First National Bank - Account Number 534 7183 1653 (Primary Bank Account):		
Cash book balance at beginning of year	228,093	868,525
Cash book balance at end of year	116,344	228,093
Bank statement balance at beginning of year	717,080	805,600
Bank statement balance at end of year	116,344	717,080

Details of call investment accounts are as follow:

	2025 R	2024 R
First National Bank - Account Number 620 6266 9521 (Equitable Share Account):		
Cash book balance at beginning of year	1,385	1,000
Cash book balance at end of year	1,385	1,385
Bank statement balance at beginning of year	1,385	1,000
Bank statement balance at end of year	1,385	1,385
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):		
Cash book balance at beginning of year	11,429	103,466
Cash book balance at end of year	10,229	11,429
Bank statement balance at beginning of year	11,429	106,473
Bank statement balance at end of year	10,230	11,429
First National Bank - Account Number 620 7204 0555 (FMG Account):		
Cash book balance at beginning of year	2,800	4,942
Cash book balance at end of year	2,800	2,800
Bank statement balance at beginning of year	2,800	4,942
Bank statement balance at end of year	2,800	2,800
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):		
Cash book balance at beginning of year	2,843	2,843
Cash book balance at end of year	2,843	2,843
Bank statement balance at beginning of year	2,843	2,843
Bank statement balance at end of year	2,843	2,843

First National Bank - Account Number 620 9751 7571 (CRR Account):

	2026 R	2024 R
First National Bank - Account Number 622 7711 8313 (MIG Account):		
Cash book balance at beginning of year	1,005	35,028
Cash book balance at end of year	1,005	1,005
Bank statement balance at beginning of year	1,005	35,028
Bank statement balance at end of year	1,005	1,005
First National Bank - Account Number 624 2665 8508 (EPWP):		
Cash book balance at beginning of year	1,000	1,001
Cash book balance at end of year	10,967	1,000
Bank statement balance at beginning of year	1,000	1,001
Bank statement balance at end of year	1,000	1,000
Standard Bank - Account Number 288484436002 (EQUITABLE SHARES)		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	62,464	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	62,464	-
Standard Bank - Account Number 288484436005 (FINANCE MANAGEMENT GRANT)		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	8,870	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	8,870	-
Standard Bank - Account Number 288484436006 (LIBRARY)		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
Standard Bank - Account Number 288484436007 (MIG BANK)		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	30,911	-

Present value of finance lease obligations	4,874,172	5,463,135

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective interest rate	Annual Escalation	Lease Term	Maturity Date
Telkom	Cell phones	prime +5%	0%	2 years	08/03/2026
Nashua	Copier	14.70%	0%	3 Years	28/02/2028
Standard Bank	Fleet	14.15%	linked	5years	31/12/2027

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

		2025 R	2024 R
10.	**NON-CURRENT PROVISIONS**		
	Provision for Rehabilitation of Landfill-sites	57,764,442	50,876,946
	Total Non-current Provisions	**57,764,442**	**50,876,946**
10.1	***Landfill Sites***		
	Balance 1 July	50,876,947	44,009,531
	Balance perviously stated		44,009,531
	Correction of Error - Note 43.6		
	Contribution for the year	4,938,777	4,607,510
	Balance perviously stated		4,607,510
	Correction of Error - Note 43.6		
	Change in Provision for Rehabilitation Cost	1,948,719	2,259,905
	Balance perviously stated		2,259,905
	Correction of Error - Note 43.6		
	Total provision 30 June	**57,764,443**	**50,876,947**
	Less: Transfer of Current Portion to Current Provisions	-	-
	Balance 30 June	**57,764,443**	**50,876,947**

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Port Nolloth	Eksteensfontein	Lekkersing	Kuboes	Sanddrift
Rehabilitation Area (m²)	55,647	10,304	1,842	440	4,515
Preliminary and General	5,879,574	1,183,110	409,662	102,433	648,062
Site Clearance and Preparation	84,583	15,662	2,800	669	6,863
Storm Water Control Measures	3,876,244	1,076,249	506,195	234,021	577,784
[illegible]	35,419,352	4,932,982	1,123,618	257,327	2,351,730

	2025 R	2024 R
Long Service Awards		
Balance 1 July	2,007,000	1,898,000
Contribution for the year	378,000	371,000
Expenditure for the year	(156,495)	(168,697)
Actuarial Loss/(Gain)	(89,505)	(93,303)
Total provision 30 June	**2,139,000**	**2,007,000**
Less: Transfer of Current Portion to Current Provisions - Note 14	(182,000)	(327,000)
Balance 30 June	**1,957,000**	**1,680,000**

11.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2025	2024
In-service (employee) members	-	-
In-service (employee) non-members	-	-
Continuation members (e.g. Retirees, widows, orphans)	5	4
Total Members	**5**	**4**

The liability in respect of past service has been estimated to be as follows:

	2025	2024
In-service members	-	-
In-service non-members	-	-
Continuation members	3,354,000	2,249,000
Total Liability	**3,354,000**	**2,249,000**

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

	2023 R	2022 R	2021 R
In-service members	-	-	-
In-service non-members	-	-	-
Continuation members	2,158,000	2,215,000	1,869,000
Total Liability	2,158,000	2,215,000	1,869,000

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

	2025 R	2024 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	2,249,000	2,158,000
Total expenses	242,000	236,000
Current service cost	-	-
Interest Cost	242,000	236,000
Remeasurement of net defined benefit liability	1,119,256	62,801
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	1,119,256	62,801
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	(256,256)	(207,801)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	3,354,000	2,249,000
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	-	-

Sensitivity Analysis on the Accrued Liability on 30 June 2025

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Assumption			
Central Assumptions	-	3.354	-

Material analysis

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

#UNKNOWN!

11.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 104 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R187 000 whereas the Interest Cost for the next year is estimated to be R198 000.

Key actuarial assumptions used:	2025 %	2024 %
i) Rate of interest		
Discount rate	9.70%	10.89%
General Salary Inflation (long-term)	4.70%	5.00%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4.80%	6.00%

	2025 R	2024 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2,139,000	2,007,000
Fair value of plan assets	-	-
	2,139,000	2,007,000
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	**2,139,000**	**2,007,000**

Reconciliation of present value of fund obligation:

Withdrawal rates	x0.5	2.376	11%

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

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	177,000	201,000	378,000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
General earnings inflation rate	1%	189,000	213,000	402,000	6%
General earnings inflation rate	-1%	166,000	191,000	357,000	-6%
Discount rate	1%	167,000	208,000	375,000	-1%
Discount rate	-1%	187,000	193,000	380,000	1%
Average retirement age	2 year	190,000	222,000	412,000	9%
Average retirement age	-2 year	161,000	179,000	340,000	-10%
Rates of termination of service	x2	135,000	165,000	300,000	-21%
Rates of termination of service	x0.5	206,000	225,000	431,000	14%

	2025 Rm	2024 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(0.08151)	0.074
Assets: Gain / (loss)	-	-

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

	2023 Rm	2022 Rm	2021 Rm
Liabilities: (Gain) / loss	0.109	(0.118)	0.011
Assets: Gain / (loss)	-	-	-

Material analysis

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

12. LONG-TERM TRADE AND OTHER PAYABLES

	2025 R	2024 R
Municipal Debt Relief	51,405,719	48,290,933
Less: Current Portion transferred to Current Liabilities	-	(14,566,885)
Total Long-term Trade and Other Payables	**51,405,719**	**33,724,048**

The National Treasury approved the application from the Richtersveld Municipality for debt relief on their Eskom account of R53 045 014 on 29 September 2023. The amount will be subject to write-off over 3 years if all conditions are met.

13. CONSUMER DEPOSITS

	2025 R	2024 R
Electricity	1,011,852	1,094,619
Rental Properties	158,125	155,503
Water	20,125	-
Posters	6,721	6,721
Refuse	528,197	528,197
Total Consumer Deposits	**1,725,020**	**1,785,040**

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

14. CURRENT EMPLOYEE BENEFITS

	2025 R	2024 R
Staff Bonuses	1,093,605	1,050,018
Staff Leave	3,485,770	3,339,320
Current Portion of Non-Current Provisions	475,000	546,000
Current Portion of Post Retirement Benefits - Note 11	293,000	219,000
Current Portion of Long-Service Provisions - Note 11	182,000	327,000
Total Provisions	**5,054,375**	**4,935,338**

The movement in current provisions are reconciled as follows:

14.1 *Staff Bonuses*

	2025 R	2024 R
Balance at beginning of year	1,050,018	897,480
Contribution to current portion	2,018,684	2,113,312
Expenditure incurred	(1,975,098)	(1,960,773)
Balance at end of year	**1,093,605**	**1,050,018**

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that

		2025 R	2024 R
16.	**UNSPENT TRANSFERS AND SUBSIDIES**		
	Unspent Transfers and Subsidies	56,760	56,760
	National Government Grants	1	1
	Balance previously stated		1
	Correction of Error - Note 43.7		-
	Provincial Government Grants	-	-
	Other Sources	56,759	56,759
	Less: Unpaid Transfers and Subsidies	-	-
	National Government Grants	-	-
	Provincial Government Grants	-	-
	Other Sources	-	-
	Total Unspent Transfers and Subsidies	**56,760**	**56,760**

See appendix "D" 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.

		2025 R	2024 R
17.	**TAXES**		
17.1	VAT Payable	2,814,515	3,628,462
	VAT Output in Suspense	(24,599,394)	(11,007,534)
	Balance previously stated		(9,135,520)
	Correction of Error - Note 43.10		-
	Less: Contribution to Provision for Doubtful Debt Impairment	2,191,015	-
	Total VAT Payable	**(19,593,864)**	**(7,379,072)**
17.2	VAT Receivable	(2,198,830)	(798,832)
	VAT Input in Suspense	31,523,455	14,319,464
	Balance previously reported		13,941,702
	Correction of Error - Note 42.4		-
	Total VAT Receivable	**29,324,625**	**13,520,633**
	Correction of Error - Note 43.10	-	-
17.3	**Net VAT (Payable)/Receivable**	**9,730,760**	**6,141,561**

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

	2025 R	2024 R
Valuations - 1 July 2024		
Rateable Land and Buildings	1,645,927,000	1,647,760,000
Business and Commercial Property	111,749,000	115,032,000
Public Service Infrastructure Properties(PSI)	7,210,000	7,210,000
PBO	2,000,000	2,270,000
PBW	16,877,000	16,877,000
Properties used for accomodation and hospitality	38,640,000	38,640,000
Multi use	130,000	130,000
Municipal Properties	3,491,000	3,491,000
Vacant land	7,845,000	7,045,000
Industrial Property	20,213,000	20,213,000
Mining Properties	79,353,000	82,261,000
Residential Properties	891,906,000	893,058,000
State-owned Properties	55,145,000	58,245,000
Agricultural Property	401,983,000	399,075,000
Other Categories	9,383,000	4,213,000
Total Assessment Rates	1,645,927,000	1,647,760,000

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last valuation came into effect on 1 July 2025. Interim (supplementary) valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate		
Residential Properties	0.014363	0.013550
Farms	0.002089	0.002089
Guesthouse	0.015765	0.015765
Business	0.017984	0.017984
Private school	0.017984	0.017984
Government residential	0.013550	0.013550
Government commercial	0.017984	0.017984
Developments	0.045320	0.045320
Mine grounds	0.040650	0.040650

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential -	- The first R25 000 on the valuation is exempted.
Indigents -	- The first R75 000 on the valuation is exempted.

	2025 R	2024 R
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	26,627,000	25,229,000
Executive and Council	-	73,833
Finance and Administration	3,639,000	3,600,000
Community and Social Services	1,300,000	1,252,000
Water Management	5,000,000	6,261,000
Waste Water Management	12,751,000	7,304,000
Total Government Grants and Subsidies	**49,317,000**	**43,719,833**

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.

20.1 Equitable Share

	2025 R	2024 R
Opening balance	-	-
Grants received	26,627,000	25,127,000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Grant spent - Operating	(26,627,000)	(25,127,000)
Grant spent 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.

20.2 Local Government Financial Management Grant (FMG)

	2025 R	2024 R
Opening balance	-	-
Grants received	2,600,000	2,650,000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(2,600,000)	(2,650,000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

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 of the Financial Management Interns).

20.3 Municipal Infrastructure Grant (MIG)

		2025 R	2024 R
20.6	**Libraries, Archives and Museums**		
	Opening balance	-	-
	Grants received	1,300,000	1,252,000
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(1,300,000)	(1,252,000)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-

The grant was used to finance library activities.

		2025 R	2024 R
20.7	**Alexkor**		
	Opening balance	56,759	56,759
	Grants received	-	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Conditions still to be met	56,759	56,759

The grant was used for various projects.

		2025 R	2024 R
20.8	**Total Grants**		
	Opening balance	56,759	158,759
	Correction of Error - Note 43.9	-	-
	Grants received	49,317,000	43,544,000
	Interest received	-	-
	Repaid to National Revenue Fund	-	(102,000)
	Conditions met - Operating	(31,566,000)	(29,979,000)
	Conditions met - Capital	(17,751,000)	(13,565,000)
	Conditions still to be met/(Grant expenditure to be recovered)	56,759	56,759
	Disclosed as follows:		
	Unspent Conditional Government Grants and Receipts	56,759	56,759
	Unpaid Conditional Government Grants and Receipts	-	-
	Total	**56,759**	**56,759**

	2025 R	2024 R
25. SERVICE CHARGES		
Electricity	**18,899,749**	**15,697,757**
Service Charges	18,947,144	16,403,845
Less: Revenue Forgone	(47,395)	(706,089)
Water	**2,363,744**	**4,162,041**
Service Charges	3,367,592	4,934,471
Less: Revenue Forgone	(1,003,848)	(772,430)
Waste Management	**3,802,146**	**2,501,352**
Service Charges	4,629,276	3,994,725
Less: Revenue Forgone	(827,131)	(1,493,373)
Waste Water Management	**4,326,872**	**2,633,150**
Service Charges	5,279,829	4,029,238
Less: Revenue Forgone	(952,957)	(1,396,089)
Total Service Charges	**29,392,511**	**24,994,300**

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

26. SALES OF GOODS AND RENDERING OF SERVICES

	2025 R	2024 R
Advertisements	57,682	11,808
Building Plan Clause Levy	43,954	127,111
Camping Fees	-	965,763
Cemetery and Burial	9,414	6,891
Cleaning and Removal	12,414	-
Clearance Certificates	25,357	-
Entrance Fees	-	653
Photocopies and Faxes	1,693	2,502
Sale of Goods	1,346,019	-
Scrap, Waste & Other Goods	-	18,993
Squatter Re-allocation	-	23,363
Total Sales of Goods and Rendering of Services	**1,496,532**	**1,156,620**

RICHTERSVELD MUNICIPALITY

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

32. EMPLOYEE RELATED COSTS

	2025 R	2024 R
Basic Salaries and Wages	30,490,892	27,900,646
Pension and UIF Contributions	4,679,334	4,445,088
Medical Aid Contributions	735,723	551,734
Overtime	2,231,828	1,891,088
Bonuses	2,018,684	2,113,312
Motor Vehicle Allowance	822,960	592,227
Cell Phone Allowance	50,443	50,443
Housing Allowances	344,964	368,653
Other benefits and allowances	1,169,649	621,085
Payments in lieu of leave	384,889	363,227
Post-retirement Benefit Obligations	443,845	172,000
Total Employee Related Costs	**43,373,211**	**39,069,602**

KEY MANAGEMENT PERSONNEL

The Municipal Manager is appointed on 5-year fixed contract. The rest of key management is appointed on a full-time basis. There are no post-employment or termination benefits payable to them at the end of the contract periods.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager - JG Cloete		
Basic Salary	641,196	641,196
Contributions to UIF, Medical and Pension Funds	165,673	176,536
Cellphone allowance	18,000	18,000
Annual Bonus	53,433	44,528
Motor Vehicle Allowance	181,070	147,695
Other benefits and allowances	130,972	107,445
Back pay	34,248	21,322
Total	**1,224,592**	**1,156,722**

Remuneration of the Chief Financial Officer - D Moshobane		
Basic Salary	451,420	451,420
Contributions to UIF, Medical and Pension Funds	136,750	144,210
Cellphone allowance	14,443	14,443
Annual Bonus	37,618	37,618
Motor Vehicle Allowance	188,309	162,979
Housing Allowances	42,000	42,000
Other benefits and allowances	111,174	89,554

	2025 R	2024 R
Total Key Management Remuneration		
Basic Salary	3,564,288	3,445,437
Contributions to UIF, Medical and Pension Funds	858,035	847,750
Medical Aid Contributions	-	51,772
Cellphone allowance	50,443	50,443
Annual Bonus	290,749	226,443
Motor Vehicle Allowance	598,458	529,329
Housing Allowances	83,667	83,567
Other benefits and allowances	872,142	661,418
Rural allowance	-	92,494
Back pay	90,488	112,054
Total	**6,408,170**	**6,100,707**

33. REMUNERATION OF COUNCILLORS

	2025	2024
AM Jansen	-	6,881
C Knoph	1,007,028	1,072,138
M Fredericks	788,839	818,325
C Sonamzi	448,681	439,210
R Thomas	436,898	415,017
M Obies	418,238	453,600
F Mabala	394,632	359,184
N Mpambani	-	116,965
C Augustus	220,910	186,610
R van Wyk	351,338	338,111
G Beukes	-	1,351
WJP Links	-	1,351
B Augustus	345,364	211,806
R Jonker	-	102,546
S Isaaks	-	1,351
A Bock	363,653	351,092
CJ Stuurman	487,707	426,774
F Thuto	83,734	
Total Councillors' Remuneration	**5,347,022**	**5,302,192**

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	960,024	-	47,004	-	1,007,028

		2025 R	2024 R
36.	**FINANCE COSTS**		
	Long-term Borrowings	586,765	728,263
	Non-current Provisions	4,938,777	4,607,510
	Non-current Employee Benefits	-	435,000
	Interest on late payments	6,560,297	7,626,211
	Total Finance Costs	**12,085,839**	**13,396,984**
37.	**BULK PURCHASES**		
	Electricity	21,840,265	20,201,722
	Total Bulk Purchases	**21,840,265**	**20,201,722**
38.	**RENTAL COSTS**		
	Rental Properties	115,013	811,858
	Total Operating Leases	**115,013**	**811,858**
39.	**OPERATIONAL COSTS**		
	Achievements and Awards	-	-
	Advertising, Publicity and Marketing	19,425	35,865
	Assets less than the Capitalisation Threshold	18,100	817
	Audit Fees	4,112,854	3,278,624
	Bank Charges, Facility and Card Fees	324,899	164,995
	Balance previously stated		164,923
	Correction of Error - Note 43.6		72
	Cash Discount	677,593	-
	Commission	659,411	855,950
	Cost relating to the Sale of Houses	-	-
	Courier and Delivery Services	29,151	1,930
	Communication	499,392	248,493
	Balance previously stated		217,433
	Correction of Error - Note 43.6		31,060
	Eskom Connection Fees	-	946,750
	Entertainment	151,785	191,472
	External Computer Service	3,448,002	2,537,342
	Insurance Underwriting	1,508,765	1,678,447
	Licences	1,630,618	696,519
	Municipal Services	1,800,887	-
	Parking Fees	8,031	15,583
	Printing, Publications and Books	-	91,768
	Professional Bodies, Membership and Subscription	1,475,933	524,232
		314,500	242,500

		2025 R	2024 R
43.1	**Property, Plant and Equipment**		
	Balance previously reported		202,267,018
	Cost	-	9,785
	Infrastructure Assets recognise incorrectly in periods before 1 July 2023 - Note 2	-	9,785
	Accumulated Depreciation and Impairment	-	6,166,499
	Depreciation on Infrastructure Assets recognised incorrectly in periods before 1 July 2023 - Note 2	-	4,967,388
	Depreciation on Infrastructure Assets recognised incorrectly in 2023/24 - Note 3	-	21,704
	Depreciation on Other Assets recognised incorrectly in periods before 1 July 2023 - Note 2	-	564,476
	Depreciation on Community Assets recognised incorrectly in periods before 1 July 2023 - Note 2	-	586,757
	Depreciation on Lease Assets recognised incorrectly in periods before 1 July 2023 - Note 2	-	26,175
	Restated Balance	-	**208,443,302**

Reconstructuring of Asset Register as a result of asset verification and resolving of prior year audit findings.

		2025 R	2024 R
43.2	**Investment Property**		
	Balance previously reported	-	7,309,342
	Investment Property recognised incorrectly in periods before 1 July 2023 - Note 3	-	(1,301,000)
	Depreciation on Investment Property recognised incorrectly in periods before 1 July 2023 - Note 3	-	74,873
	Impairment Losses on Investment Property recognised incorrectly in periods before 1 July 2023 - Note 3	-	527,400
	Restated Balance	-	**6,610,614**

Reconstructuring of Investment Property Register as a result of prior year audit findings.

		2025 R	2024 R
43.3	**Receivables from Exchange Transactions**		
	Balance previously reported	-	7,543,053
	Correction of Consumer Accounts in 2023/2024 - Note 6	-	(683)
	Correction of Consumer Accounts in periods before 1 July 2023- Note 6	-	(1,333,665)
	Restated Balance	-	**6,208,705**

Correction of Consumer Accounts to resolve prior year audit findings.

		2025 R	2024 R
43.4	**Cash and Cash Equivalents**		
	Balance previously reported	-	262,320
	Operational Cost not recorded in 2023/24 - Note 8	-	(31,132)
	Restated Balance	-	**231,188**

	Note	Balance previously reported	Adjustments	Restated Balance
Expenditure				
Employee related costs		(39,069,502)	-	(39,069,502)
Remuneration of Councillors		(5,302,192)	-	(5,302,192)
Bad Debts Written Off		-	-	-
Contracted Services		(6,731,669)	-	(6,731,669)
Depreciation and Amortisation	43.1	(13,047,662)	21,704	(13,025,958)
Finance Costs		(13,396,984)	-	(13,396,984)
Bulk Purchases		(20,201,722)	-	(20,201,722)
Inventory Consumed		(691,794)	-	(691,794)
Rental Costs		(811,858)	-	(811,858)
Operational Costs	43.4	(16,164,617)	(31,132)	(16,195,749)
Total		(115,480,801)	(9,428)	(115,490,229)
Gains and Losses				
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(12,242,313)	-	(12,242,313)
Gains/(Loss) on Sale of Fixed Assets		(387,259)	-	(387,259)
Water Losses		(443,552)	-	(443,552)
Total		(13,815,102)	-	(13,815,102)
Net Surplus/(Deficit) for the year		(4,891,149)	(10,111)	(4,901,260)

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

	2025 R	2024 R
Surplus/(Deficit) for the year	(25,217,743)	(4,901,260)
__Adjustments for:__		
Depreciation and Amortisation	13,701,636	13,025,958
Loss/(Gain) on Sale of Fixed Assets	333,512	387,259
Impairment Loss/(Reversal of Impairment Loss)	(215)	748,240
Debt waived - Municipal Debt Relief	-	(12,860,099)
Government Grants and Subsidies received	49,317,000	43,617,833
Government Grants and Subsidies recognised as revenue	(49,317,000)	(43,952,833)
Government Grants repaid to National Revenue Fund	-	(102,000)
Contribution to provisions – Non-Current Provisions	4,938,777	4,607,510
Contribution from/to provisions - Non-Current Employee Benefits	207,249	230,502
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(89,505)	(30,502)
Contribution from/to - Current Employee Benefits	190,036	325,059
	20,074,809	12,372,101

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

48. BUDGET INFORMATION

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

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

48.1 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, reprioritising of operating and capital projects, incorrect reports generated by budget module.

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

48.2 Statement of Financial Position

48.2.1 Current Assets

Cash and cash equivalents

Cash and Equivalents more than budgeted for 3rd party payments made after year-end and not before year-end.

Trade and other receivables from exchange transactions

Data strings created the Adjusted Budget amount incorrectly.

Receivables from non-exchange transactions

Data strings created the Adjusted Budget amount incorrectly.

Current portion of non-current receivables

Data strings created the Adjusted Budget amount incorrectly.

VAT

Municipality budgeted for VAT liability. The net result was VAT Receivable due to the non-payment of consumer accounts.

Inventory

Data strings created the Adjusted Budget amount incorrectly.

48.2.2 Non-Current Assets

Investment Property

48.2.6 Revenue

Property rates

The new valuation roll was implemented 1 July 2019, which had an effect on the tarriffs and was more than anticipated.

Service charges - Electricity

Revenue received lower than budgeted for, as a result of high unemployment rate.

Service charges - Water

Revenue received lower than budgeted for, as a result of high unemployment rate.

Service charges - Waste Water Management

Revenue received lower than budgeted for, as a result of high unemployment rate.

Service charges - Waste Management

Revenue received lower than budgeted for, as a result of high unemployment rate.

Fines, penalties and forfeits

Decrease in fines received from Provincial Traffic.

Interest earned from Current and Non Current Assets

Decrease in cash reserves created less interest received.

Rent on Land

Increase due to additional land rented to public.

Rental from Fixed Assets

Decrease due to less buildings rented out to the public.

Licence and permits

There was a slight increase i.r.o. consumers transacting in respect of vehicle licencing etc

Operational Revenue

Increase due to insurance claims received.

48.2.7 Expenditure

Bulk purchases - electricity

48.2.9 **Net Cash from Investing Activities**

Capital Assets

Finance Lease Assets included in the budget amount for cash flow.

48.2.9 **Net Cash from Financing Activities**

Repayment of Borrowing

Incorrect budgeting.

49. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

49.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

	2025 R	2024 R
Opening balance	194,058,525	179,228,896
Correction of prior period error	-	-
Restated opening balance	194,058,525	179,228,896
Unauthorised expenditure current year - operational	41,171,156	14,829,629
Unauthorised expenditure current year - capital	4,294,765	-
Approved by Council or condoned	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	239,524,446	194,058,525

Unauthorised expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings	2025	2024
Over expenditure of approved operating budget - 2011		*Under investigation*	8,326,343	8,326,343
Over expenditure of approved capital budget - 2011		*Under investigation*	5,601,856	5,601,856
Over expenditure of approved operating budget - 2012		*Under investigation*	48,113	48,113
Over expenditure of approved capital budget - 2012		*Under investigation*	430,587	430,587
Over expenditure of approved operating budget - 2013		*Under investigation*	2,219,133	2,219,133
Over expenditure of approved capital budget - 2013		*Under investigation*	4,457,394	4,457,394
Over expenditure of approved operating budget - 2014		*Under investigation*	4,354,299	4,354,299
Over expenditure of approved capital budget - 2014		*Under investigation*	6,368,173	6,368,173

49.2 Fruitless and wasteful expenditure

	2025 R	2024 R
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	14,646,459	12,265,274
Correction of prior period error	-	-
Restated opening balance	14,646,459	12,255,274
Fruitless and wasteful expenditure current year	1,353,632	2,391,185
Balance previously reported		2,391,185
Correction of prior period error		-
Condoned or written off by Council	(974)	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting condonement	15,999,117	14,646,469

Fruitless and wasteful expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings		
Interest and Penalties Paid to SARS on late payment of employee tax.		*Under investigation*	115	115
Interest Paid to Eskom.		*Under investigation*	38,083	38,083
Interest Paid to Creditors.		*Under investigation*	6,331	6,331
Interest and Penalties Paid to SARS on late payment of VAT.		*Under investigation*	12,693	12,693
Power failure caused damages to lobster and abalone at the Port Lobster fishing factory		*Under investigation*	25,000	25,000
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor		*Under investigation*	65	65
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor		*Under investigation*	224	224
Interest Paid to Creditors		*Under investigation*	66,025	66,025
Interest and Penalties Paid to SARS on late payment of employee tax.		*Under investigation*	44	44
Interest Paid to Auditor General		*Under investigation*	13,944	13,944
Interest Paid to Creditors		*Under investigation*	4,770	4,770
Interest and Penalties Paid to SARS on late payment of Provident Fund		*Under investigation*	621	621
Interest Paid to Eskom		*Under investigation*	67,249	67,249
Interest Paid to post office		*Under investigation*	41,760	41,760
Interest Paid to D J Scholtz & de Wit		*Under investigation*	5,264	5,264
			206	206

	2025 R	2024 R

49.3 Irregular expenditure

Reconciliation of irregular expenditure:		
Opening balance	124,629,901	121,314,917
Correction of prior period error	-	-
Restated opening balance	124,629,901	121,314,917
Irregular expenditure current year	329,749	3,314,984
Balance previously stated		3,036,492
Correction of Error		278,492
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current	-	-
Prior Period	-	-
Condonement supported by council	(329,749)	-
Current	(329,749)	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	124,629,901	124,629,901

Irregular expenditure can be summarised as follow:

Incident		Disciplinary steps/criminal proceedings	2025	2024
Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms		*To be investigated*	16,460,016	16,460,016
Non compliance of tenders with Supply Chain Management Policy		*To be investigated*	24,880,494	24,880,494
Non compliance with Supply Chain Management Policy - Supplier in service of state		*To be investigated*	506,874	506,874
Non compliance with Supply Chain Management Policy - Contracts awarded not published on website		*To be investigated*	1,487,349	1,487,349
Non compliance with Supply Chain Management Policy - Deviation not reported to council		*To be investigated*	3,670	3,670
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2015		*To be investigated*	3,729,662	3,729,662
Employee Related Cost - employees acting as CFO for longer than 3 months - 2015		*To be investigated*	140,781	140,781

RICHTERSVELD MUNICIPALITY

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

		2025 R	2024 R
50.	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
50.1	**Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)**		
	Opening balance	1,917,455	1,409,205
	Correction of prior period error	-	-
	Restated opening balance	1,917,455	1,409,205
	Council subscriptions	500,000	508,250
	Amount paid - current year	-	-
	Amount paid - previous years	-	-
	Balance unpaid (included in creditors)	**2,417,455**	**1,917,455**
50.2	**Audit fees - [MFMA 125 (1)(c)]**		
	Opening balance	5,377,957	3,725,245
	Correction of prior period error	-	-
	Restated opening balance	5,377,957	3,725,245
	Current year audit fee	4,757,216	3,745,477
	External Audit - Auditor-General	4,729,782	3,745,477
	Audit Committee	27,434	-
	Amount paid - current year	(10,528)	(143,265)
	Credit note	(1,062,793)	(2,454,647)
	Interest	895,213	505,147
	Balance unpaid (included in creditors)	**9,957,064**	**5,377,957**

50.3 VAT - [MFMA 125 (1)(c)]

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. The net of VAT Input Payables and VAT Output Receivables are shown in Note 16.

50.4	**PAYE and UIF - [MFMA 125 (1)(c)]**		
	Opening balance	1,392,553	-
	Correction of prior period error	(915,575)	-
	Restated opening balance	476,978	-
	Current year payroll deductions	6,760,113	5,703,744
	Amount paid - current year	(6,248,452)	(4,311,191)
	Amount paid - previous year	(476,978)	-

RICHTERSVELD MUNICIPALITY

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

30 June 2024			Type of Deviation			
	Amount	1/2 Quotes	Single Supplier	Impossible	Impractical	Emergency
July	84,123	-	12,650	-	-	71,473
August	16,615	-	5,000	-	-	11,615
September	2,588	-	-	-	-	2,588
October	18,207	-	-	-	-	18,207
November	-	-	-	-	-	-
December	254,880	24,200	199,780	-	30,900	-
January	106,048	7,807	-	-	23,417	74,825
February	183,900	4,198	-	-	147,146	32,557
March	25,717	2,717	8,000	-	-	15,000
April	184,221	-	14,451	-	130,402	39,369
May	-	-	-	-	-	-
June	47,954	-	-	-	47,954	-
	924,253	38,921	239,881	-	379,818	265,633

	2025 R	2024 R

50.8 Material losses

	2025 R	2024 R
Electricity distribution losses		
Units purchased (Kwh)	8,781,680	9,026,010
Units lost during distribution (Kwh)	2,018,667	409,555
Percentage lost during distribution	22.98%	4.54%
Distribution loss (Rand Value)	4,817,937	329,216
Water distribution losses		
Units purchased (ml)	252,870	597,129
Units lost during distribution (ml)	65,452	161,291
Percentage lost during distribution	28.00%	27.01%
Distribution loss (Rand Value)	179,993	443,552

Normal pipe bursts and field leakages are responsible for water losses.

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.

52. 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 ... credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability

	2025 %	2025 R	2024 %	2024 R
Non-exchange Receivables				
Availability Charges	100.00%	2,483,383	100.00%	23,487,229
	100.00%	2,483,383	100.00%	23,487,229
Exchange Receivables				
Electricity	10.07%	11,274,204	4.88%	3,686,300
Water	36.50%	40,885,372	30.00%	22,641,990
Property Rentals	2.60%	2,915,178	3.17%	2,390,858
Waste Management	23.65%	26,490,381	27.75%	20,944,932
Waste Water Management	20.68%	23,162,673	25.82%	19,487,415
Abeyance	0.00%	-	2.25%	1,695,567
Grazing Fees	0.00%	-	0.10%	74,731
Other	6.50%	7,282,409	6.03%	4,552,283
	100.00%	112,010,218	100.00%	75,474,076

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:

	2025 %	2025 R	2024 %	2024 R
Non-exchange Receivables				
Availability Charges	2.15%	2,259,677	20.79%	20,637,688
Exchange Receivables				
Services	97.85%	102,844,465	79.21%	69,265,371
	100.00%	105,104,141	100.00%	89,903,059

Ageing of amounts past due but not impaired are as follow:	Exchange Receivables	Non-exchange Receivables
2025		
1 month past due	-	430,046
2+ months past due	-	2,946,886
	-	3,376,932

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.

2025	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Trade and Other Payables	-	51,405,719	-	-
Trade and Other Payables	54,418,283	-	-	-
	54,418,283	51,405,719	960,012	-

2024	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
Long-term Trade and Other Payables	-	-	-	-
Trade and Other Payables	27,437,867	-	-	-
	27,437,867	-	-	-

53. FINANCIAL INSTRUMENTS

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

53.1 Financial Assets

	Classification	2025 R	2024 R
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	11,274,204	3,686,300
Water	Financial Instruments at amortised cost	40,665,372	22,641,990
Property Rentals	Financial Instruments at amortised cost	2,915,178	2,390,858
Waste Management	Financial Instruments at amortised cost	26,490,381	20,944,932
Waste Water Management	Financial Instruments at amortised cost	23,162,673	19,487,415
Abeyance	Financial Instruments at amortised cost	-	1,695,567
Other Arrears	Financial Instruments at amortised cost	7,282,409	4,552,283
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	204,346	228,093
Call Deposits	Financial Instruments at amortised cost	146,956	33,847

		2025 R	2024 R
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Capitalised Lease Liability	4,874,172	5,463,135
Long-term Trade and Other Payables	Municipal Debt Relief	51,405,719	46,290,933
Trade and Other Payables	Trade Payables	44,416,555	20,166,577
Trade and Other Payables	Advance Payments	1,064,870	2,116,554
Trade and Other Payables	Control, Clearing and Interface Accounts	(1,725,690)	3,578
Trade and Other Payables	Other Payables	7,725,136	2,354,033
Trade and Other Payables	Retentions	2,938,313	2,797,125
Consumer Deposits	Consumer Deposits	1,725,020	1,785,040
Unspent Grants	Unspent Grants	56,760	56,760
Cash and Cash Equivalents	Bank Overdraft	330,644	31,132
		112,810,598	**83,064,866**

54. STATUTORY RECEIVABLES

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

	2025 R	2024 R
Taxes		
VAT Receivable	(2,198,830)	(798,832)
Receivables from Non-Exchange Transactions	54,473,765	47,506,303
Rates	54,473,765	47,506,303
Total Statutory Receivables (before provision)	**52,274,935**	**46,707,471**
Less: Provision for Debt Impairment	(49,671,696)	(44,990,786)
Total Statutory Receivables (after provision)	**2,603,239**	**1,716,685**

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)

(Rates): Ageing

	2025 R	2024 R
Current (0 - 30 days)	1,556,763	1,288,724
31 - 60 Days	390,352	651,546
61 - 90 Days	527,458	668,806
	51,999,192	44,897,227

56. PRIVATE PUBLIC PARTNERSHIPS

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

57. PRINCIPAL - AGENT ARRANGEMENTS

57.1 Principal in other Principal-Agent Arrangements (non-material)

Richtersveld Municipality is the Principal in arrangements with service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction.

	2025 R	2024 R
The following information is disclosed in aggregate as per GRAP 109 par 61.		
Compensation paid for agency activities		
Commission - Note 37	659,411	855,950
Total Compensation	**659,411**	**855,950**

There are no resources under the custodianship of the agents, nor have they been recognised as such.

57.2 Agent in arrangement

Richtersveld Municipality is the Agent in the Principal-Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any expenses on behalf of the Provincial Department. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and municipal cashier collection points. No resources are held on behalf of the Provincial Department (other than the receipts).

Compensation received for agency activities		
Agency Fees	697,025	140,571
Total Compensation received	**697,025**	**140,571**

Richtersveld Municipality was paid 12% commission by the Provincial Departement of Transport for acting as an agent on its behalf during the financial year.

	Rates	Service Charges	Rental	Interest	Outstanding Balance	Provision for Debt Impairment
Municipal Manager and Managers						
H Cloete	11,778	40,546	-	-	42,423	-
JG Cloete	11,203	31,043	-	-	3,386	-
D Moshobane	-	8,687	27,085	-	733	-
Ivan Cloete	-	6,309	17,116	-	3,523	-
Lara Young	2,011	9,242	-	-	525	-
	24,992	95,827	44,201	-	50,590	-

	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2024						
Councillors						
M Fredericks	2,446	10,416	-	-	32,837	-
C Sonamzi	878	4,233	-	-	351	-
R Thomas	-	3,816	-	-	955	-
M Obies	338	7,392	-	-	589	-
F Mabala	-	-	-	-	-	-
N Mpambani	-	5,326	-	-	15,789	-
R van Wyk	-	4,474	-	-	351	-
R Jonker	9,562	11,423	-	-	1,848	-
A Bock	-	-	-	-	-	-
CJ Sluurman	6,857	7,505	-	-	2,045	-
Total	20,081	54,586	-	-	54,765	-
Municipal Manager and Managers						
H Cloete	-	26,634	-	-	247	-
JG Cloete	10,291	32,668	-	-	4,102	-
D Moshobane	-	7,722	27,085	-	728	-
B Williams	-	43,084	37,276	-	2,983	-
Total	10,291	110,108	64,361	-	8,060	-

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

Related party relationship

Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.

69.2 **Compensation of key management personnel and councillors.**

The Municipality paid the following travel and subsistence to Councillors in terms of their policy:

Name	Position	2025 R	2024 R
A Bock	Councillor	23,943	-
CJ Stuurman	Councillor	44,057	-
C Knoph	Mayor	223,990	128,730
M Fredericks	Speaker	111,168	53,060
T Sonamzi	Councillor	51,186	13,840
R Thomas	Councillor	33,489	580
M Obies	Councillor	72,217	28,230
F Mabala	Councillor	54,922	24,613
N Mpambani	Councillor	-	15,156
R Van Wyk	Councillor	11,628	4,992
B Augustus	Councillor	8,381	3,540
C Augustus	Councillor	18,807	-
F Thulo	Councillor	-	-
		653,789	272,741

59.4 Other related party transactions (Key Management)

The following personeel have interest in other entities

Company Name	Related Party	Service Capacity
IEC	JG Cloete	Municipal Manager
Rabbas Boerdery	ID Cloete	Technical Manager
Boeloe	BB Williams	Community service Manager

59.5 Other related party transactions (Councillors)

The following personeel have interst in other entities

Company Name	Related Party	Service Capacity
Diggers Den Primary Co Operative Limited	CC Knoph	Mayor
Rembed Investment Services	CC Knoph	Mayor
CKS General Trading	CC Knoph	Mayor
Richtersveld Investment Holding Company	MC Fredericks	Speaker
Kuboes Nama General Trading	RD Thomas	Councillor
K201201587	FY Mabala	Councillor
Na Mpambani Services	NA Mpambani	Councillor
Aukolowa Fisheries Primary Co-Operative Limited	RM Van Wyk	Councillor
Sekkera Diamond Primary Co Operative Limited	RM Van Wyk	Councillor
[illegible]	RM Van Wyk	Councillor

The area covered by the municipality also result in high costs attached to service delivery, due to vast distances between settlements.

funding to finance the activities of the municipality. The government have no intention to liquidate or to cease operations of the municipality and grant funding have been received in terms of the DORA for 2024/25.

The municipality in terms of the Constitution and MFMA have the mandate to generate revenue through municipal services. The budget of 2024/25 does include an increase in service rates and there have been no reduction in the revenue capability of the municipality for the next financial year.

Revenue collection is however low and plans to collect revenue is continuously executed, however for economic reasons explained, is not favourable to the municipality.

The municipal budget for 2024/25 have been approved and the municipality budgeted for positive cash flows and surpluses, this budget is extensively monitored to ensure that results are achieved.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

62. EVENTS AFTER REPORTING PERIOD

No events which may have financial implications for the municipality and warrant disclosure in the financial statements occurred after 30 June 2025.

DIX A
MUNICIPALITY
OANS AS AT 30 JUNE 2025

4	Correction of Error	Received during the period	Redemption during the period	Balance at 30 June 2025
79	-	4,550	(44,881)	22,148
0	-	619,171	(83,236)	535,935
54	-	359,215	(1,443,780)	4,316,089
33	-	982,936	(1,571,897)	4,874,172
33	-	982,936	(1,571,897)	4,874,172