NAMA KHOI LOCAL MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2025

NAMA KHOI LOCAL MUNICIPALITY

INDEX

NAMA KHOI LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Nama Khoi Local Municipality performs the functions as set out in the Constitution of South Africa, 1996

LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act, 1998 (Act 117 of 1998).

JURISDICTION

The Nama Khoi Local Municipality includes the following areas:

Springbok	Concordia	Viooldrift	Buffelsrivier
Okiep	Goodhouse	Nababeep	Bulletrap
Steinkopf	Kleinzee	Komaggas	Carolusberg
Kotzehoop/Rooiwal			

MEMBERS OF THE COUNCIL

Kritzinger R (Mayor)
Bock GMS (Speaker)
Visser C
Jordaan WS
Coetzee CG
De Jongh ZP
Van Den Heever JE
Cloete S
Baadjies MR (Resigned on 17 February 2025)
Kleinbooi S (Inaugurated on 26 May 2025)
Adams RF
Cloete SJ
Julie AM
Otto JFM
Claasen RSJ
Losper JC (Resigned on 10 March 2025)
De Jongh L (Inaugurated on 26 June 2025)
Polori KA
Britz WC

MEMBERS OF THE MAYORAL COMMITTEE

Kritzinger R
Jordaan WS
Visser C
Bock GMS (Ex-officio)

MUNICIPAL MANAGER

Sebela R (Acting)

CHIEF FINANCIAL OFFICER

Cloete HE

AUDIT COMMITTEE

Rootman FJ (Chairperson)
J Stone
T Fortuin (Terminated January 2025)

REGISTERED OFFICE

4 Namakwa St
Springbok
8240

POSTAL ADDRESS

Private Bag X17
Springbok
8240

AUDITORS

Auditor General of South Africa

PRINCIPAL BANKERS

Nedbank Limited

RELEVANT LEGISLATION

Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
Collective Agreements
Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)
Division of Revenue Act
Electricity Act, 1987 (Act 41 of 1987)
Employment Equity Act, 1998 (Act 55 of 1998)
Employment Services, 2014 (Act 4 of 2014)
Housing Act, 1997 (Act 107 of 1997)
Labour Relations Act, 1995 (Act 66 of 1995)
Municipal Budget and Reporting Regulations
Municipal Finance Management Act, 2003 (Act 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act, 2004 (Act 6 of 2004)
Municipal Regulations on a Standard Chart of Accounts, 2014
Municipal Structures Act, 1998 (Act 117 of 1998) as amended
Municipal Systems Act, 2000 (Act 32 of 2000) as amended
National Environmental Management Act, 2008 (Act 62 of 2008)
National Minimum Wage Act 9 of 2018
Occupational Health and Safety Act, 1993 (Act 85 of 1993)
Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998)
SALGBC Leave Regulations
Skills Development Levies Act, 1999 (Act 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act, 1966 (Act 30 of 1966)
Unemployment Insurance Contributions Act 4 of 2002
Value Added Tax Act
Water Services Act, 1997 (Act 108 of 1997)

NAMA KHOI LOCAL MUNICIPALITY

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2025, which are set out on pages 1 to 88 in terms of Section 126 (1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and which I have signed on behalf of the Municipality.

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

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 is satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

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

	30 August 2025
Sebela R (Acting)	Date
Municipal Manager	

NAMA KHOI LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
ASSETS			
Current Assets		**483 506 714**	**150 192 597**
Cash and Cash Equivalents	**2**	323 917 331	44 220 285
Receivables from Exchange Transactions	**3**	82 156 943	53 278 240
Receivables from Non-Exchange Transactions	**4**	42 679 369	23 229 378
Taxes	**5**	27 129 779	25 739 085
Inventory	**7**	7 623 293	3 725 609
Non-Current Assets		**986 677 610**	**809 285 635**
Long-term Receivables	**6**	-	-
Investment Property	**8**	124 023 809	124 227 508
Property, Plant and Equipment	**9**	861 092 757	683 462 839
Intangible Assets	**10**	76 775	111 019
Heritage Assets	**11**	1 484 269	1 484 269
Total Assets		**1 470 184 324**	**959 478 232**
Current Liabilities		**185 987 108**	**407 739 702**
Current Portion of Long-term Liabilities	**12**	5 059 859	4 781 775
Consumer Deposits	**13**	4 410 335	4 325 922
Payables from Exchange Transactions	**14**	132 185 927	369 684 099
Unspent Conditional Government Grants	**15**	33 538 764	18 970 141
Current Employee Benefits	**16**	10 792 223	9 977 765
Provisions	**18**	-	-
Non-Current Liabilities		**265 610 395**	**283 545 888**
Long-term Liabilities	**12**	112 367 121	148 271 639
Employee Benefits	**17**	31 943 000	27 407 000
Non-Current Provisions	**18**	121 300 274	107 867 249
Total Liabilities		**451 597 502**	**691 285 590**
NET ASSETS		**1 018 586 822**	**268 192 642**
COMMUNITY WEALTH			
Accumulated Surplus		1 018 586 822	268 192 642
		1 018 586 822	**268 192 642**

NAMA KHOI LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**976 052 735**	**190 738 557**
Taxation Revenue		**55 906 675**	**50 991 845**
Property Rates	19	55 906 675	50 991 845
Transfer Revenue		**569 504 094**	**81 395 644**
Government Grants and Subsidies - Operating	20	73 883 948	68 852 204
Government Grants and Subsidies - Capital	20	17 371 923	12 543 440
Transfer and Subsidies - Private Enterprise	21	266 042 535	-
Contributed Assets	22	212 205 688	-
Other Revenue		**350 641 966**	**58 351 068**
Availability Charges	23	1 750 624	1 301 429
Fines, penalties and forfeits		330 296	586 821
Interest Earned - outstanding debtors (non-exchange)		6 401 675	5 712 243
Licences and Permits	24	3 015 130	1 830 599
Actuarial Gains	25	-	4 444 000
Debt Waived	26	339 144 240	44 475 975
REVENUE FROM EXCHANGE TRANSACTIONS		**308 840 793**	**234 160 308**
Operating Activities		**308 840 793**	**234 160 308**
Service Charges	27	261 975 897	200 520 254
Rental of Facilities and Equipment	28	1 926 206	3 276 313
Interest Earned - external investments	29	11 826 402	4 321 711
Interest Earned - outstanding debtors (exchange)		32 011 471	21 739 140
Agency Services	30	-	100 021
Other Income	31	1 100 817	4 202 869
TOTAL REVENUE		**1 284 893 528**	**424 898 865**
EXPENDITURE			
Employee Related Costs	32	101 704 630	95 247 662
Remuneration of Councillors	33	7 307 217	7 340 041
Debt Impairment	34	10 645 646	39 222 085
Debts Written Off	35	52 068 126	-
Depreciation, Amortisation and Impairment	36	57 828 537	37 155 577
Finance Charges	37	59 238 770	43 000 767
Bulk Purchases	38	140 719 370	109 867 151
Other Expenditure	39	57 219 726	45 504 712
Loss on disposal of Non-Monetary Assets	40	1 303 267	127 234
Inventory Consumed	41	42 584 752	36 429 467
Inventory Write Off	42	2 016 304	9 725 969
Actuarial Losses	25	1 863 000	-
TOTAL EXPENDITURE		**534 499 347**	**423 620 664**
NET SURPLUS FOR THE YEAR		**750 394 182**	**1 278 200**

NAMA KHOI LOCAL MUNICIPALITY

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

	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2023 - Previously Reported	**260 809 826**	**260 809 826**
Correction of error restatement - note 41.3	6 104 617	6 104 617
Balance on 30 June 2023 - Restated	**266 914 443**	**266 914 443**
Net Surplus for the year	1 278 200	1 278 200
Balance on 30 June 2024 - Restated	**268 192 644**	**268 192 644**
Net Surplus for the year	750 394 182	750 394 182
Balance on 30 June 2025	**1 018 586 825**	**1 018 586 825**

NAMA KHOI LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		39 822 000	41 806 098
Service Charges and Interest on outstanding Debtors		264 382 416	176 097 850
Other Revenue and receipts		606 983 532	46 822 239
Government Grants		105 824 494	84 887 137
Investment Income		11 826 402	4 321 711
Payments			
Suppliers and employees		(646 781 525)	(440 401 239)
Finance charges		(45 676 291)	(30 266 125)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**44**	**336 381 027**	**(116 732 329)**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Non-Monetary Assets		-	-
Payments			
Purchase of Capital Assets		(21 057 546)	(13 631 764)
NET CASH USED INVESTING ACTIVITIES		**(21 057 546)**	**(13 631 764)**
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		-	132 319 332
Payments			
Loans repaid		(35 626 434)	(4 505 298)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(35 626 434)**	**127 814 035**
NET INCREASE/(DECREASE) IN CASH HELD		**279 697 048**	**(2 550 058)**
Cash and Cash Equivalents at the beginning of the year		44 220 285	46 770 344
Cash and Cash Equivalents at the end of the year		323 917 331	44 220 285

NAMA KHOI LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current assets					
Cash and cash equivalents	2 591 911	251 285 020	253 876 931	323 917 331	70 040 400
Receivables from exchange transactions	104 116 543	(21 080 545)	83 035 998	82 156 943	(879 055)
Receivables from non-exchange transactions	20 018 420	(6 509 031)	13 509 389	42 679 369	29 169 980
Inventory	3 363 080	(6 587 172)	(3 224 092)	7 623 293	10 847 385
Taxes	69 416 780	(43 677 695)	25 739 085	27 129 779	1 390 694
Other current assets	373 849	8 379 561	8 753 410	-	(8 753 410)
Total current assets	**199 880 583**	**181 810 138**	**381 690 721**	**483 506 714**	**101 815 993**
Non current assets					
Investment property	124 391 402	(368 931)	124 022 471	124 023 809	1 338
Property, plant and equipment	579 797 661	57 403 996	637 201 657	861 092 757	223 891 100
Heritage assets	1 484 269	-	1 484 269	1 484 269	-
Intangible assets	152 401	(41 383)	111 018	76 775	(34 243)
Non-current receivables	1 489 513	220 153	1 709 666	-	(1 709 666)
Total non current assets	**707 315 246**	**57 213 835**	**764 529 081**	**986 677 610**	**222 148 529**
TOTAL ASSETS	**907 195 829**	**239 023 973**	**1 146 219 802**	**1 470 184 324**	**323 964 522**
LIABILITIES					
Current liabilities					
Current portion of long-term liabilities	3 615 182	1 166 593	4 781 775	5 059 859	278 084
Consumer deposits	3 734 465	774 744	4 509 209	4 410 335	(98 874)
Trade and other payables from exchange transactions	34 371 002	197 252 688	231 623 690	132 185 927	(99 437 763)
Trade and other payables from non-exchange transactions	15 679 256	(6 705 474)	8 973 782	33 538 764	24 564 982
Employee Benefits	17 139 826	(8 640 200)	8 499 626	10 792 223	2 292 597
VAT	53 032 276	(53 032 276)	-	-	-
Total current liabilities	**127 572 007**	**130 816 075**	**258 388 082**	**185 987 108**	**(72 400 974)**
Non current liabilities					
Long-term Liabilities	21 624 197	(5 671 890)	15 952 307	112 367 121	96 414 814
Provisions	95 494 755	17 935 494	113 430 249	121 300 274	7 870 025
Long term portion of trade payables	354 181 152	(170 449 820)	183 731 332	-	(183 731 332)
Employee Benefits	23 456 200	(1 059 900)	22 396 300	31 943 000	9 546 700
Total non current liabilities	**494 756 304**	**(159 246 116)**	**335 510 188**	**265 610 395**	**(69 899 793)**
TOTAL LIABILITIES	**622 328 311**	**(28 430 041)**	**593 898 270**	**451 597 502**	**(142 300 768)**
NET ASSETS	**284 867 518**	**267 454 014**	**552 321 532**	**1 018 586 822**	**466 265 289**
COMMUNITY WEALTH					
Accumulated Surplus	284 637 441	267 454 005	552 091 446	1 018 586 822	466 495 376
Reserves	230 077	-	230 077	-	(230 077)
TOTAL COMMUNITY WEALTH/EQUITY	**284 867 518**	**267 454 005**	**552 321 523**	**1 018 586 822**	**466 265 299**

Refer to note 45.2 for explanations of material variances.

Material variances are considered to be any variances greater than R4 million.

NAMA KHOI LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

STATEMENT OF FINANCIAL PERFORMANCE	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
REVENUE					
Property Rates	57 426 530	-	57 426 530	55 906 675	(1 519 855)
Service charges - Electricity	120 610 505	20 610 457	141 220 962	180 336 866	39 115 904
Service Charges - Water Revenue	57 879 354	796 310	58 675 664	48 190 128	(10 485 536)
Service Charges - Sanitation Revenue	21 428 961	218 710	21 647 671	16 299 168	(5 348 503)
Service Charges - Refuse Revenue	25 847 033	-	25 847 033	18 900 360	(6 946 673)
Sale of Goods and Rendering of Services	3 922 066	282 145	4 204 211	-	(4 204 211)
Agency Services	93 786	-	93 786	-	(93 786)
Rent on Land	1 252 978	-	1 252 978	693 446	(559 532)
Rental of Facilities and Equipment	3 399 035	-	3 399 035	1 232 760	(2 166 275)
Interest Earned - External Investments	22 299 427	-	22 299 427	11 826 402	(10 473 025)
Interest Earned - Outstanding Debtors	8 817 280	11 793 589	20 610 869	38 413 146	17 802 277
Fines, Penalties and Forfeits	603 022	4 787	607 809	330 296	(277 513)
Licences and Permits	1 664 099	2 189 945	3 854 044	3 015 130	(838 914)
Transfers Recognised - Operational	73 321 000	266 042 535	339 363 535	339 926 483	562 948
Other Revenue	60 996 205	144 709	61 140 914	340 245 057	279 104 143
Gains	-	-	-	-	-
Total Revenue (excluding capital transfers)	**459 561 281**	**302 083 187**	**761 644 468**	**1 055 315 917**	**293 671 449**
EXPENDITURE					
Employee Related Costs	105 612 784	8 896 321	114 509 105	105 094 630	(9 414 475)
Remuneration of Councillors	7 282 094	379 335	7 661 429	7 307 218	(354 211)
Debt Impairment	22 200 000	16 800 000	39 000 000	10 645 646	(28 354 354)
Debts Written Off	1 000 000	-	1 000 000	52 068 126	51 068 126
Depreciation and Asset Impairment	72 391 567	-	72 391 567	57 828 537	(14 563 030)
Finance Charges	17 225 338	2 557 438	19 782 776	55 848 770	36 065 994
Bulk purchases - electricity	125 880 000	9 120 000	135 000 000	140 719 370	5 719 370
Inventory consumed	50 096 000	125 000	50 221 000	42 584 752	(7 636 248)
Contracted Services	22 215 720	19 143 795	41 359 515	30 173 676	(11 185 839)
Transfers and Grants	-	-	-	-	-
Other Expenditure	27 434 094	8 111 035	35 545 129	27 046 050	(8 499 079)
Losses	3 420 552	6 303 644	9 724 196	5 182 571	(4 541 625)
Total Expenditure	**454 758 149**	**71 436 568**	**526 194 717**	**534 499 348**	**8 304 631**
Surplus/(Deficit)	**4 803 132**	**230 646 619**	**235 449 751**	**520 816 569**	**285 366 818**
Transfers and subsidies - capital (monetary) - Government	26 322 000	34 443 000	60 765 000	17 371 923	(43 393 077)
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	212 205 688	212 205 688
Surplus/(Deficit) for the year	**31 125 132**	**265 089 619**	**296 214 751**	**750 394 180**	**454 179 429**

Refer to note 45.3 for explanations of material variances.

Material variances are considered to be any variances greater than R4 million.

NAMA KHOI LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW STATEMENT					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	55 018 426	618 184	55 636 610	39 822 000	(15 814 610)
Service charges	205 263 509	(246 175)	205 017 334	264 382 416	59 365 082
Other revenue	4 095 843	61 600 548	65 696 391	606 899 119	541 202 728
Transfers and Subsidies	105 637 372	299 120 198	404 757 570	105 824 494	(298 933 076)
Interest	4 425 355	7 500 000	11 925 355	11 826 402	(98 953)
Payments					
Suppliers and Employees	(330 743 599)	(111 729 323)	(442 472 922)	(646 781 525)	(204 308 603)
Finance Charges	(17 225 338)	(2 557 438)	(19 782 776)	(45 676 291)	(25 893 515)
Net Cash from/(used) Operating Activities	**26 471 568**	**254 305 994**	**280 777 562**	**336 296 614**	**55 519 052**
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-
Payments					
Capital Assets	(28 122 000)	(42 998 918)	(71 120 918)	(21 057 546)	50 063 372
Net Cash from/(used) Investing Activities	**(28 122 000)**	**(42 998 918)**	**(71 120 918)**	**(21 057 546)**	**50 063 372**
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	-	-	-	-	-
Increase/(Decrease) in Consumer Deposits	-	-	-	84 413	84 413
Payments					
Repayment of Borrowing	-	-	-	(35 626 434)	(35 626 434)
Net Cash from/(used) Financing Activities	**-**	**-**	**-**	**(35 542 021)**	**(35 542 021)**
NET INCREASE/(DECREASE) IN CASH HELD	**(1 650 432)**	**211 307 076**	**209 656 644**	**279 697 048**	**70 040 403**
Cash and Cash Equivalents at the year begin	4 242 343	39 977 944	44 220 287	44 220 285	(2)
Cash and Cash Equivalents at the year end	2 591 911	251 285 020	253 876 931	323 917 331	70 040 400

Refer to note 45.4 for explanations of material variances.

Material variances are considered to be any variances greater than R4 million.

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

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

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

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

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

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

1.02 PRESENTATION CURRENCY

The financial statements are presented in South African Rand, rounded off to the nearest Rand, which is the Municipality's functional currency.

1.03 GOING CONCERN ASSUMPTION

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

1.04 COMPARATIVE INFORMATION

1.04.1 Prior year comparatives

When the presentation or classification of items in the financial statements are 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 material accounting errors, which relate to prior periods, 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.

1.04.2 Amended 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.

No significant amendments were made to the accounting policy in the current year.

1.05 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 is determined as 1% of total actual operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

Standards of GRAP set out how material items should be recognised, measured and disclosed in the financial statements. In some cases, the Municipality does not recognise, measure, present or disclose information in accordance with the specific requirements outlined in the Standards of GRAP if the effect of applying those requirements are immaterial.

1.06 BUDGET INFORMATION

Budget information is presented on the accrual basis and is based on the same fiscal period as the actual amounts.

The Statement of Comparison of Budget and Actual Amounts includes the comparison between the approved and final budget amounts, as well as a comparison between the actual amounts and final budget amounts.

The disclosure of comparative information in respect of the previous period is not required by the Standards of GRAP.

1.07 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

1.07.1 Effective dates determined

Entities are required to apply the Standards of GRAP where the Minister has determined the effective date.

For financial periods commencing on or after 1 April 2023, the following pronouncements will be effective:

Pronouncement	**Expected impact of the pronouncement**
GRAP 25 - Employee Benefits (replacement of 2009 version)	The impact is considered insignificant
IGRAP 7 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (replacement of 2010 version)	The impact is considered insignificant
IGRAP 21 - The Effect of Past Decisions on Materiality	The impact is considered insignificant
GRAP 1 amendments as a result of the changes agreed as part of the developing of the Guideline on The Application of Materiality to Financial Statements.	The impact is considered insignificant
Guideline - Accounting for Landfill Sites	The impact is considered insignificant

The Municipality further resolved not to early adopt the following Standards of GRAP which was issued but is not yet effective:

1.07.1.1 GRAP 104 (Revised 2019) - Financial Instruments (effective 1 April 2025)

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. This Standard was revised to align it with IFRS 9 on Financial Instruments.

The impact of the revised Standard may be significant on the financial statements, due to the following key changes to the Standard:

(a) Changes in the classification of instruments for subsequent measurement – financial assets are measured at either amortised cost or fair value based on the reason why they are held and their economic characteristics. Specific liabilities are measured at fair value, and all others are measured at amortised cost.

(b) The approach to impairing financial assets changed from an incurred loss to an expected loss model. As indicated in the name, expected losses estimate the expected default of financial assets over a period of time rather than only recognising an impairment loss when an event occurs.

(c) Loan commitments and financial guarantee contracts are recognised and measured differently. They are no longer in the scope of GRAP 19 on *Provisions, Contingent Liabilities and Contingent Assets* . When entering into these transactions there is an economic consequence that exposes an entity to risk. Accounting for them as financial instruments best captures this risk exposure.

(d) With the changes in the classification of instruments and impairment approach, there is new information that GRAP 104 requires entities to disclose.

1.07.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but not yet effective and the Minister of Finance has not yet determined an effective date for application, the Municipality may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event.

The following Standards of GRAP have been issued but are not yet effective as the Minister of Finance has not yet determined the effective date for application:

1.07.2.1 GRAP 103 (Revised 2022) - Heritage Assets

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

Preliminary investigations indicate that this revised Standard may have a significant impact with regards to heritage assets which have a dual purpose. Even though some heritage assets can have cultural significance while being used in delivering services, the revised Standard will now require that all heritage assets be accounted for using GRAP 103. A consequence of this amendment is that a heritage asset will no longer be depreciated. Instead, a heritage asset should be tested for impairment when an impairment indicator has been triggered.

1.08 INVESTMENT PROPERTY

1.08.1 Initial Recognition

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, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

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

Investment property is initially measured at cost on its acquisition date. The cost of investment property is the purchase price and other costs attributable to bring the asset to a condition necessary for operation as intended by the Municipality.

Where an investment property is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition and any other costs attributable to bring the asset to a condition necessary for operation as intended by the Municipality. The cost of self-constructed investment property is the cost at date of completion. Transfers are made to or from investment property only when there is a change in use.

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

1.08.2 Subsequent Measurement – Cost Model

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

1.08.3 Depreciation – Cost Model

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for operation as intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS
Land	N/A
Buildings	10 - 50

1.08.4 Impairment

Investment property is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in 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 an impairment is recognised in the Statement of Financial Performance.

1.08.5 Derecognition

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

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance in the period of the retirement or disposal.

Compensation from third parties for items of investment property that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.09 PROPERTY, PLANT AND EQUIPMENT

1.090.1 Initial Recognition

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

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for operation as 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.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for operation as intended by the Municipality.

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

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.

Spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment.

1.090.2 Subsequent Measurement - Cost Model

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

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

1.090.3 Depreciation

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for operation as intended by the Municipality. Depreciation of an asset ceases at the date that the asset is derecognised.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The depreciation method is reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date the Municipality assesses whether there is any indication that expectations about the residual value and the useful life of an asset may have changed since the preceding reporting date. If any such indication exists, the expected residual value and useful life are revised and the effect of any changes in estimate accounted for on a prospective basis.

The annual depreciation rates are based on the following estimated useful lives:

	YEARS		YEARS
Land and Buildings		**Leased Assets**	
Land	N/A	Furniture and Office Equipment	3 - 5
Buildings	5 - 60		
Work in progress	N/A	**Community Assets**	
		Community Facilities	10 - 60
Infrastructure		Sport and Recreational Facilities	10 - 60
Electrical	10 - 60	Work in progress	N/A
Roads	5 - 80		
Sanitation	10 - 60	**Other Assets**	
Solid Waste	5 - 80	Computer Equipment	3 - 10
Storm Water	5 - 80	Furniture and Office Equipment	5 - 15
Water Supply	5 - 80	Machinery and Equipment	2 - 15
Work in progress	N/A	Transport Assets	5 - 15

1.090.4 Impairment

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in 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 an impairment is recognised in the Statement of Financial Performance.

1.090.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed 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.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.10 INTANGIBLE ASSETS

1.1.1 Initial Recognition

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

The Municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost on its acquisition date. The cost of an intangible asset is the purchase price and other costs attributable to bring the asset to the location and condition necessary for operation as intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost is measured at its fair value at the date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for operation as intended by the Municipality.

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

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

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) its intention to complete the intangible asset and use or sell it;
(c) its ability to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits or service potential;
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.1.2 Subsequent Measurement - Cost Model

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

1.1.3 Amortisation

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 still subject to an annual impairment test.

Amortisation of an intangible with a finite life asset begins when it is available for use, i.e. when it is in the location and condition necessary for operation as intended by the Municipality. Amortisation ceases at the date that the asset is derecognised.

Amortisation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the intangible assets. The amortisation charge for each period is recognised in Statement of Financial Performance, unless it is included in the carrying amount of another asset.

The residual value of an intangible asset with a finite useful life is considered to be zero.

The amortisation period and amortisation method are reviewed at each reporting date, 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:

	Years
Computer Software	2 - 5

1.1.4 Impairment

Intangible assets 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 recognised in 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 an impairment is recognised in the Statement of Financial Performance.

1.1.5 Derecognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.11 HERITAGE ASSETS

1.11.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

Heritage assets are initially recognised at cost on its acquisition date. The cost of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for operation as intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, the cost is deemed to be equal to the fair value of that asset as at date of acquisition and any other costs attributable to bring the asset to the location and condition necessary for operation as intended by the Municipality.

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

1.11.2 Subsequent Measurement – Cost Model

Heritage assets are carried at its cost less any accumulated impairment losses.

1.11.3 Depreciation

Heritage assets are not depreciated.

1.11.4 Impairment

Heritage assets 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 recognised in 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 an impairment is recognised in the Statement of Financial Performance.

1.11.5 Derecognition

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset.

The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

Compensation from third parties for heritage assets that were impaired, lost or given up is recognised in the Statement of Financial Performance when the compensation becomes receivable.

1.12 IMPAIRMENT OF NON-MONETARY ASSETS

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

Cash-generating assets are assets used with the objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality estimates the recoverable amount of the asset.

1.12.1 Recoverable amount of Cash-generating assets

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

The best evidence of 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.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

1.12.2 Recoverable amount of Non-cash-generating assets

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

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. 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.

1.12.3 Impairment loss

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

An impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation decrease in accordance with that Standard of GRAP.

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.

1.12.4 Reversal of an impairment loss

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in the Statement of Financial Performance.

A reversal of an impairment loss of assets carried at a revalued amount in accordance with another Standard of GRAP is treated as a revaluation increase in accordance with that Standard of GRAP.

After the reversal 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.

1.13 INVENTORIES

1.13.1 Initial Recognition

Inventories are assets:

(a) in the form of materials or supplies to be consumed in the production process;
(b) in the form of materials or supplies to be consumed or distributed in the rendering of services;
(c) held for sale or distribution in the ordinary course of operations; or
(d) in the process of production for sale or distribution.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably.

Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventories are acquired through a non-exchange transaction, the cost is measured at the fair value as at the date of acquisition plus any other costs in bringing the inventories to their current location and condition.

1.13.2 Subsequent Measurement

When inventories are sold, exchanged or distributed the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

Inventories 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.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Current replacement cost is the cost the Municipality would incur to acquire the asset on the reporting date.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The basis of allocating cost to inventory items is the weighted average method.

At reporting date, the water volume is determined by way of dip readings and the calculated volume in the distribution network. Water inventory is then measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.14 EMPLOYEE BENEFITS

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

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

1.14.1 Post-Retirement Benefits

The Municipality provides retirement benefits for its employees and councillors. Retirement benefits consist of defined-contribution plans and defined-benefit plans.

1.14.1.1 Multi-employer defined benefit plans

The Municipality contributes to various National and Provincial-administered defined benefit plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable. These defined benefit funds are actuarially valued on the projected unit credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

1.14.1.2 Post Retirement Medical Benefits

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined. The plan is unfunded.

Contributions are recognised in the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability is calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly, plus any liability that may arise as a result of a minimum funding requirements. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in 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 recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.14.2 Long-term Benefits

1.14.2.1 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 annually 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 recognised in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the Statement of Financial Performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

1.14.3 Short-term Benefits

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

Short-term employee benefits include items such as:

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

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service

(a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise 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

(b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset

1.14.3.1 Staff Leave

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

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

1.14.3.2 Bonuses

The liability for staff bonuses is based on the accrued bonus for each employee at reporting date.

1.15 PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision. In the Statement of Financial Performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

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.

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

1.16 LEASES

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

1.16.1 Municipality as Lessee

1.16.1.1 Finance Leases

At the commencement of the lease term, the Municipality recognises assets acquired under finance leases as assets and the associated lease obligations as liabilities in the Statement of Financial Position.

At the inception of the lease, the assets and liabilities are recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payment is the interest rate implicit in the lease. If the rate implicit to the lease is not available the Municipality's incremental borrowing rate is used. Any initial direct costs of the Municipality are added to the amount recognised as an asset.

Subsequent to initial recognition, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents, if any, are charged as expenses to the Statement of Financial Performance in the periods in which they are incurred. The leased assets are accounted for in accordance with the stated accounting policies applicable to the assets.

1.16.1.2 Operating leases

Lease payment under an operating lease is recognised as an expense in the Statement of Financial Performance on a straight-line basis over lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. The difference between the straight-lined expenses and actual payments made will give rise to a liability.

1.16.2 Municipality as Lessor

1.16.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (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 asset (receivable) is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis in the Statement of Financial Performance.

1.16.2.2 Operating Leases

Operating lease revenue is recognised in the Statement of Financial Performance on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The difference between the straight-lined revenue and actual payments received will give rise to an asset.

1.17 FINANCIAL INSTRUMENTS

1.17.1 Initial Recognition

Financial instruments (financial assets and financial liabilities) are recognised on the Municipality's Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

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

1.17.2 Subsequent Measurement

Financial instruments are categorised as follow:

(a) **Financial instruments at amortised cost** are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. After initial recognition, both financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. Financial assets are also subject to an impairment review.

(b) **Financial instruments at cost** are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. Both financial assets and financial liabilities are subsequently measured at cost. Financial assets are subject to an impairment review.

(c) **Financial instruments at fair value** comprise of financial assets or financial liabilities that are:

(i) derivatives;
(ii) combined instruments that are designated at fair value;
(iii) instruments held for trading;
(iv) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
(v) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Both, financial assets and financial liabilities are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

1.17.3 Impairment and uncollectability of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of financial assets.

1.17.3.1 Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Cash flows relating to short-term financial assets are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed by adjusting an allowance account. The amount of the reversal is recognised in Statement of Financial Performance.

1.17.3.2 Financial assets measured at cost

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

1.17.4 Derecognition of financial instruments

1.17.4.1 Financial assets

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.17.4.2 Financial liabilities

The Municipality derecognises financial liabilities when the Municipality's obligations are discharged, cancelled or they expire.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.17.5 Offsetting of financial instruments

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

1.18 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

1.18.1 Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

1.18.2 Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

1.18.3 Impairment and uncollectability of statutory receivables

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 the 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.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

1.18.4 Derecognition

The Municipality derecognises a statutory receivable when the rights to the cash flows from the receivable are settled, expire or are waived or the Municipality transfers the receivable and substantially all the risks and rewards of ownership of the receivable to another entity.

When the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of receivable to another entity, the Municipality derecognises the receivable and recognises separately any rights and obligations created or retained in the transfer.

1.19 CASH AND CASH EQUIVALENTS

Cash includes cash on hand, cash held with banks, and call deposits. Cash equivalents are short-term highly liquid investments with registered banking institutions with maturities of three months or less from inception, readily convertible to cash without significant change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred in the Statement of Financial Performance.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

1.20 RECEIVABLES

Receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for impairment of receivables, based on past default experience of all outstanding amounts at reporting date.

Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

1.21 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 in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

1.22 PAYABLES AND ANNUITY LOANS

Payables and annuity loans 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.

1.23 CONSUMER DEPOSITS

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with 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.

1.24 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

Grants, transfers and donations received or receivable are recognised as assets when the resources that have been transferred to the Municipality meet the definition and criteria for recognition as assets.

Conditional grants, transfers and donations are recognised as revenue to the extent that the Municipality has complied with the conditions embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the conditions have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

The liability recognised to the extent that the conditions associated with the grant, transfer or donation have not been met, always has to be cash-backed. The cash which backs up the liability is invested as a individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on investments of grants, transfers and donations are treated in accordance with conditions as stipulated in the agreement. If it is payable to the grantor it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.25 REVENUE

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 Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

1.25.1 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.

1.25.1.1 Taxation Revenue

Taxation revenue comprises of property rates. Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

1.25.1.2 Transfer Revenue

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is recognised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants, transfers and donations without any conditions attached are recognised as revenue when the asset is recognised.

1.25.1.3 Availability Charges

Availability charges are based on the approved tariffs of the Municipality. These charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity and sewerage) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.

1.25.1.4 Insurance Refund

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.

1.25.1.5 Debt forgiveness and Unclaimed deposits

All debt owed arising from delict or contract, or any other liability and unclaimed amounts, deposited into the Municipality's bank account, are initially recognised as a liability until 36 months expire, whereafter it will be recognised as revenue. This policy is in line with the prescribed debt principle as enforced by the Prescription Act 68 of 1969.

Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

1.25.1.6 *Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure*

Income from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the MFMA (Act 56 of 2003), and is recognised upon the recovery thereof from the responsible party.

1.25.1.7 *Services in-kind*

Services in-kind include services provided by individuals to the Municipality at no charge or where the Municipality has the right to use assets at no charge.

The Municipality's recognises services in-kind that are significant to its operations as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the Municipality and the fair value of the assets can be measured reliably.

When the criteria for recognition is satisfied, services in-kind are recognised at their fair value as at the date of acquisition.

If the services in-kind are not significant to the Municipality’s operations or does not satisfy the criteria for recognition, the Municipality only disclose the nature and type of services in-kind received during the reporting period.

1.25.1.8 Contributed Assets

Contributed assets are recognised at fair value when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

1.25.2 **Revenue from Exchange Transactions**

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

1.25.2.1 *Service Charges*

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption and a basic charge as per the approved tariffs. Meters are read on a monthly basis and are recognised as revenue when invoiced. Where the Municipality was unable to take the actual month's reading of certain consumers, a provisional estimate of consumption for that month will be created, based on consumption history. The provisional estimates of consumption are recognised as revenue when invoiced, except at reporting date when estimates of consumption up to the reporting date are recorded as revenue without being 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. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

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 date of purchase. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to each property. These service charges are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved and are levied on a monthly basis.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

1.25.2.2 *Interest earned*

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.25.2.3 Rental income

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

1.25.2.4 Income from Agency Services

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.

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.25.2.5 Other Tariffs

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

1.25.2.6 Sale of goods

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

(a) The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods.
(b) The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
(c) The amount of revenue can be measured reliably.
(d) It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.25.2.7 Deferred payment

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

1.26 BORROWING COSTS

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

1.27 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and 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.

1.28 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at 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 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

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

1.31 CAPITAL COMMITMENTS

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

1.32 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:

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

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

1.33 RELATED PARTIES

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

Related party transaction is a transfer of resources, services or obligations between the Municipality and a related party, regardless of whether a price is charged.

Management is considered a related party and comprises those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

A close family member of management is also considered to be related party. A person is considered to be a close member of the family of another person if they are married or live together in a relationship similar to a marriage or are separated by no more than two degrees of natural or legal consanguinity or affinity.

The Municipality is exempt from the disclosure requirements in relation to related party transactions if that transactions occurs within the normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Municipality to have adopted if dealing with that individual entity or person in the same circumstances, and the terms and conditions are within the normal operating parameters established by Municipality's legal mandate.

Where the Municipality is exempt from the disclosures in accordance with the above-mentioned paragraph, the Municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable to users of the financial statements to understand the effect of related party transactions.

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

1.34 ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

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

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

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

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

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

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

Where the Municipality acts as a principal, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP.

Where the Municipality acts as an agent, it recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

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

1.35 SEGMENT REPORTING

A segment is an activity of the Municipality:

(a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same Municipality);
(b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
(c) for which separate financial information is available.

Management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation.

Financial information relating to the reporting segments are aligned to the financial information distributed to management on a regular basis (similar basis of preparation). This information is utilised to measure performance of the relevant services provided by the Municipality and also to ensure that resources are appropriately allocated to various departments/segments to provide high quality services to the community.

Adjustments and eliminations made in preparing the Municipality’s financial statements, which includes the allocation basis of revenues and expenses, are prepared on a similar basis as the information distributed to management on a regular basis.

Financial information distributed to management does not include a segment/department analysis of assets and liabilities associated with each segment/department. In line with this principle utilised during the financial year, the segment reporting included in the financial statements are prepared on a similar basis which excludes such an analysis. Assets and liabilities are reported on for the Municipality as a whole.

Management reviews capital expenditure/performance on a regular basis and accordingly the relevant information is reported on per segment.

1.36 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality’s accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.36.1 Application of Directive 7

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

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

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

1.36.2 Impairment of Receivables

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

1.36.3 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 historical information available.

1.36.4 Useful lives and residual values

The useful lives of assets are based on management’s estimates. 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 estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

1.36.5 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

1.36.6 Post-Retirement and Long-term Benefits

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

1.36.7 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to government bond rates for the applicable periods.

1.36.8 Financial Instruments and Statutory Receivables

The Municipality analyses the terms and conditions of the transactions that give rise to its receivables in order to understand whether they arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement is applied in applying the principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.

1.36.9 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

1.36.10 Revenue Recognition

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

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

In considering the revenue to which the Municipality is entitled, the Municipality considers other factors that may impact the inflow of future economic benefits or service potential on initial recognition of revenue. Such factors include fines issued which will be reduced or withdrawn after reporting date. The Municipality applies judgement based on past experience and current facts and circumstances in order to adjust the traffic fine revenue accordingly.

1.36.11 Recognition and Derecognition of Land

In order for land to be meet the definition of an asset, the Municipality must be able to prove that control is being exercised. Control of land is evidenced by either legal ownership and/or the right to direct access to land, and to restrict or deny the access of others to land.

To demonstrate access/restriction rights, the Municipality assesses whether it has a substantive right for an unlimited period through a binding arrangement.

The above-mentioned assessment is subject to management's judgements and assumptions are applied to conclude that the Municipality controls land.

1.36.12 Materiality

Since materiality is an entity-specific concept, its application may result in different outcomes based on the Municipality’s circumstances. The assessment of materiality therefore requires management to apply judgement about:

(a) How information could reasonably be expected to influence the discharge of accountability by the Municipality or decisions that the users make on the basis of those financial statements.

(b) How the nature or size or both, of the information could reasonably be expected to influence users’ decisions.

1.36.13 Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

1.36.14 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 reporting date. This provision will be realised as employees take leave or when employment is terminated.

1.36.15 Provision for Performance bonuses

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historic patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by Council.

1.36.16 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 calculated using between 5 and 7 days’ worth of unused electricity.

Figures in Rand	2025	2024

2 CASH AND CASH EQUIVALENTS

	2025	2024
Bank Accounts	10 377 422	4 989 164
Investment Deposits	313 519 716	39 210 929
Cash Floats	20 193	20 193
Total	**323 917 331**	**44 220 285**

Due to the short-term nature of cash deposits, all above balances align with their fair values.

Cash and Cash Equivalents are held to support the following commitments:

	2025	2024
Unspent Borrowings	14 995 106	14 995 106
Unspent Conditional Grants	33 538 764	18 970 141
Cash available for working capital requirements	275 383 461	10 255 038
Total Cash and Cash Equivalents	**323 917 331**	**44 220 285**

Bank Accounts

	2025	2024
Nedbank Limited - Account number 11-9237-1690 (Primary Bank Account)	**363 282**	**4 989 164**
Cash book balance at beginning of year	4 989 164	4 883 312
Cash book balance at end of year	363 282	4 989 164
Bank statement balance at beginning of year	4 869 444	4 869 444
Bank statement balance at end of year	363 282	4 869 444
Nedbank Limited - Account number 13-1169-9546	**10 014 140**	**-**
Cash book balance at beginning of year	-	-
Cash book balance at end of year	10 014 140	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	10 014 140	-

Investment Deposits

Call investment deposits consist out of the following accounts:

Nedbank Limited	- Call Deposit	- Account Number 03/7881154713 (Library)	1 027 680	799 127
Nedbank Limited	- Call Deposit	- Account Number 03/7881154683 (FMG)	229 826	(0)
Nedbank Limited	- Call Deposit	- Account Number 03/7881154675 (Interest Earned)	2 171 003	508 377
Nedbank Limited	- Call Deposit	- Account Number 03/7881154675 (Interest Earned) - Security	5 000 000	5 000 000
Nedbank Limited	- Call Deposit	- Account Number 03/7881154780 (MIG)	4 054 490	11 856
Nedbank Limited	- Call Deposit	- Account Number 03/7881154667 (Housing)	1 466 222	1 466 222
Nedbank Limited	- Call Deposit	- Account Number 03/7881154659 (DME)	1 000	1 000
Nedbank Limited	- Call Deposit	- Account Number 03/7881154705 (NDM)	550 000	550 000
Nedbank Limited	- Call Deposit	- Account Number 03/7881154691 (MSIG)	975	975
Nedbank Limited	- Call Deposit	- Account Number 03/7881154721 (EPWP)	1 000	2 971
Nedbank Limited	- Call Deposit	- Account Number 03/7881154748 (ACIP)	1 153 495	15 162 400
Nedbank Limited	- Call Deposit	- Account Number 03/7881154756 (LGSETA)	228 580	228 580
Nedbank Limited	- Call Deposit	- Account Number 03/7881154764 (Drought relief)	1 000	514 297
Nedbank Limited	- Call Deposit	- Account Number 03/7881183101 (Car Allowance)	2 001	2 001
Nedbank Limited	- Call Deposit	- Account Number 03/7881183098 (Loan Allowance)	10 763 124	14 963 124
Nedbank Limited	- Call Deposit	- Account Number 03/7881188499 (Disaster)	22 947 080	-
Nedbank Limited	- Call Deposit	- Account Number 03/7881154586 (Kleinzee)	263 922 241	-
Total			**313 519 717**	**39 210 929**

The Nedbank call deposit account 03/7881154675 (Interest Earned) serve as security for the annuity loan as per note 12.1.

Figures in Rand	2025	2024

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Service Receivables	**374 410 052**	**337 424 245**
Electricity	89 699 907	107 623 425
Water	156 036 481	122 757 373
Refuse	71 674 114	58 463 507
Sewerage	37 168 264	28 427 996
Property Rentals	14 901 780	16 731 560
Other	4 929 506	3 420 383
Total Gross Balance	**374 410 052**	**337 424 245**
Less: Allowance for Debt Impairment	(292 253 110)	(284 146 005)
Total Net Receivable	**82 156 943**	**53 278 240**

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 trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

	2025	2024
Balance at the beginning of the year	284 146 005	254 325 009
Movement in the contribution to the provision	8 107 105	29 820 997
Balance at the end of the year	**292 253 110**	**284 146 005**

Management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

30 June 2025	**Gross Balance** **R**	**Allowance for Debt Impairment** **R**	**Net Receivable** **R**
Service Receivables			
Electricity	89 699 907	(39 125 866)	50 574 042
Water	156 036 481	(136 504 933)	19 531 549
Refuse	71 674 114	(64 692 015)	6 982 099
Sewerage	37 168 264	(33 073 650)	4 094 614
Property Rentals	14 901 780	(14 255 057)	646 722
Other	4 929 506	(4 601 590)	327 916
Total	**374 410 052**	**(292 253 111)**	**82 156 942**
30 June 2024			
Service Receivables			
Electricity	107 623 425	(84 912 352)	22 711 073
Water	122 757 373	(107 028 704)	15 728 670
Refuse	58 463 507	(52 603 648)	5 859 860
Sewerage	28 427 996	(24 375 341)	4 052 655
Property Rentals	16 731 560	(5 410 651)	11 320 910
Other	3 420 383	(9 815 310)	(6 394 927)
Total	**337 424 245**	**(284 146 005)**	**53 278 240**

Ageing of Receivables from Exchange Transactions

	2025	2024
Electricity		
Current (0 - 30 days)	32 464 026	9 187 603
Past Due (31 - 60 Days)	7 275 144	5 183 828
Past Due (61 - 90 Days)	9 290 052	2 330 078
Past Due (90 Days +)	40 670 686	90 921 916
Total	**89 699 907**	**107 623 425**

Figures in Rand	2025	2024
Water		
Current (0 - 30 days)	16 504 473	5 613 253
Past Due (31 - 60 Days)	5 048 403	4 026 918
Past Due (61 - 90 Days)	7 565 340	2 772 473
Past Due (90 Days +)	126 918 266	110 344 730
Total	**156 036 481**	**122 757 373**
Refuse		
Current (0 - 30 days)	6 517 256	2 000 890
Past Due (31 - 60 Days)	1 955 229	1 392 623
Past Due (61 - 90 Days)	2 600 510	1 088 420
Past Due (90 Days +)	60 601 118	53 981 574
Total	**71 674 114**	**58 463 507**
Sewerage		
Current (0 - 30 days)	4 385 482	1 484 593
Past Due (31 - 60 Days)	1 152 051	890 252
Past Due (61 - 90 Days)	1 578 153	663 470
Past Due (90 Days +)	30 052 578	25 389 681
Total	**37 168 264**	**28 427 996**
Property Rentals		
Current (0 - 30 days)	238 338	297 756
Past Due (31 - 60 Days)	121 116	273 877
Past Due (61 - 90 Days)	303 817	173 338
Past Due (90 Days +)	14 238 508	15 986 589
Total	**14 901 780**	**16 731 560**
Other		
Current (0 - 30 days)	421 488	41 822
Past Due (31 - 60 Days)	86 525	17 862
Past Due (61 - 90 Days)	101 268	26 022
Past Due (90 Days +)	4 320 226	3 334 678
Total	**4 929 506**	**3 420 383**
Summary Ageing of all Receivables from Exchange Transactions		
Current (0 - 30 days)	60 531 062	18 625 918
Past Due (31 - 60 Days)	15 638 468	11 785 360
Past Due (61 - 90 Days)	21 439 139	7 053 801
Past Due (90 Days +)	276 801 383	299 959 166
Total	**374 410 052**	**337 424 245**

Figures in Rand	2025	2024

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2025	2024
Service Receivables	**106 863 812**	**89 127 652**
Property Rates	99 608 147	83 523 471
Availability Charges	7 255 666	5 604 181
Other Receivables	**18 702 302**	**15 058 559**
Unpaid Traffic Fines	5 105 388	4 780 228
Unauthorised, Irregular and Fruitless and Wastefull Expenditure	607 687	475 608
Sundry Receivables	1 839 813	1 986 643
Deposits	11 149 413	7 816 080
Total Gross Balance	**125 566 114**	**104 186 211**
Less: Allowance for Debt Impairment	(82 886 745)	(80 956 832)
Total Net Receivable	**42 679 369**	**23 229 378**

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation.

Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

	2025	2024
Balance at the beginning of the year	80 956 832	71 975 281
Movement in the contribution to the provision	1 929 913	8 981 551
Balance at the end of the year	**82 886 745**	**80 956 832**

Management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2025			
Service Receivables			
Property Rates	99 608 147	(70 890 188)	28 717 959
Availability Charges	7 255 666	(6 914 066)	341 599
Other Receivables			
Unpaid Traffic Fines	5 105 388	(5 082 491)	22 897
Unauthorised, Irregular and Fruitless and Wastefull Expenditure	607 687	-	607 687
Sundry Receivables	1 839 813	-	1 839 813
Deposits	11 149 413	-	11 149 413
Total	**125 566 114**	**(82 886 746)**	**42 679 368**

Figures in Rand		2025	2024
30 June 2024			
Service Receivables			
Property Rates	83 523 471	(71 161 594)	12 361 877
Availability Charges	5 604 181	(5 096 705)	507 475
Other Receivables			
Unpaid Traffic Fines	4 780 228	(4 698 533)	81 695
Unauthorised, Irregular and Fruitless and Wastefull Expenditure	475 608	-	475 608
Sundry Receivables	1 986 643	-	1 986 643
Deposits	7 816 080	-	7 816 080
Total	**104 186 211**	**(80 956 832)**	**23 229 378**

	2025	2024
Ageing of Property Rates		
Current (0 - 30 days)	12 052 003	4 205 362
Past Due (31 - 60 Days)	3 331 509	2 432 548
Past Due (61 - 90 Days)	4 042 888	1 655 352
Past Due (90 Days +)	80 181 746	75 230 209
Total	**99 608 147**	**83 523 471**

	2025	2024
Ageing of Availability Charges		
Current (0 - 30 days)	656 356	226 629
Past Due (31 - 60 Days)	308 865	147 195
Past Due (61 - 90 Days)	311 404	132 878
Past Due (90 Days +)	5 979 040	5 097 478
Total	**7 255 665**	**5 604 181**

5 TAXES

	2025	2024
VAT Claimable/(Payable)	166 901	(1 449 083)
VAT Input in Suspense	63 837 127	65 102 892
VAT Output in Suspense	(36 874 250)	(37 914 724)
Total	**27 129 779**	**25 739 085**

6 LONG-TERM RECEIVABLES

	2025	2024
Receivables with repayment arrangements	3 973 255	4 853 296
Less: Allowance for Debt Impairment	(3 973 255)	(4 853 296)
Total Net Receivable	-	-
Total	-	-

Reconciliation of Allowance for Debt Impairment

	2025	2024
Balance at the beginning of the year	4 853 296	6 172 550
Movement in the contribution to the provision	(880 041)	(1 319 254)
Balance at the end of the year	**3 973 255**	**4 853 296**

Management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

Figures in Rand	2025	2024

7 INVENTORY

	2025	2024
Consumables	6 851 649	3 305 133
Materials and Supplies	378 191	210 040
Water	393 454	210 436
Total	**7 623 293**	**3 725 609**

Inventory are disclosed at the lower of cost or net realisable value.

The Municipality recognised only purification costs in respect of non-purchased purified water inventory.

No inventory were pledged as security for liabilities.

Inventory written down due to losses identified:

	2025	2024
Materials and Consumables	-	1 773
Water	2 016 304	9 724 196
Total	**2 016 304**	**9 725 969**

Refer to note 39 for inventory recognised as an expense during the year.

8 INVESTMENT PROPERTY

	2025	2024
Investment Property - Carrying Value	**124 023 809**	**124 227 508**

The carrying value of Investment Property is reconciled as follows:

	2025	2024
Opening Carrying Value	**124 227 508**	**124 584 386**
Cost	133 637 176	132 651 552
Accumulated Depreciation	(8 528 736)	(7 600 091)
Accumulated Impairment	(880 933)	(880 933)
Correction of Error - Cost First Time Recognitions - Note 41.1	-	985 624
Correction of Error - Accumulated Depreciation First Time Recognition - Note 41.1	-	(571 767)
Additions	204 943	-
Disposals	-	-
Cost	-	-
Accumulated Depreciation	-	-
Depreciation	(398 161)	(356 878)
Impairment	(10 480)	-
Closing Carrying Value	**124 023 809**	**124 227 508**
Cost	133 842 119	133 637 176
Accumulated Depreciation	(8 926 896)	(8 528 736)
Accumulated Impairment	(891 413)	(880 933)

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

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

	2025	2024
Revenue derived from the rental of investment property	693 446	1 266 863

No significant operating expenditure was incurred on investment property during the 2023/24 and 2024/25 financial year.

Figures in Rand 2025 2024

9 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2025				
Land and Buildings	133 097 444	(19 137 014)	(225 689)	113 734 740
Infrastructure	1 430 474 134	(753 292 321)	(7 532 897)	669 648 916
Community Assets	187 859 458	(121 959 026)	(7 054 057)	58 846 375
Other Assets	33 218 189	(14 355 463)	-	18 862 726
Leased Assets	-	-	-	-
Total	**1 784 649 224**	**(908 743 824)**	**(14 812 643)**	**861 092 757**
30 June 2024				
Land and Buildings	81 711 195	(13 485 831)	(209 166)	68 016 199
Infrastructure	1 274 816 378	(718 522 955)	(7 755 263)	548 538 160
Community Assets	165 192 283	(109 345 100)	(7 070 580)	48 776 603
Other Assets	29 199 213	(11 764 685)	-	17 434 528
Leased Assets	1 377 042	(679 692)	-	697 350
Total	**1 552 296 112**	**(853 798 263)**	**(15 035 009)**	**683 462 839**

	2025	2024
9.1 Repairs and Maintenance incurred on Property, Plant and Equipment	**16 540 568**	**4 604 618**

9.2 Work in Progress

Property, Plant and Equipment which is in the process of being constructed or developed:

	2025	2024
Infrastructure		
Water Supply	6 727 113	10 380 069
Sanitation	24 833 257	18 140 039
Electricity	9 290 151	235 279
Roads	1 301 670	-
Total	**42 152 191**	**28 755 387**

The movements for the year can be reconciled as follows:

	2025	2024
Balance at beginning of year	28 755 386	18 016 421
Expenditure during the year	20 875 751	10 738 966
Assets unbundled during the year	(7 174 725)	-
Disposals during the year	(304 222)	-
Balance at year-end	**42 152 191**	**28 755 386**

The Municipality identified Komaggas Bulkwater Supply Phase 5 - Construction of 1,5ml Reservoir, which are taking a significant longer period to complete.

	2025	2024
Carrying value included in work in progress	3 636 367	1 452 570

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

9.3 Reconciliation of Carrying Value

30 June 2025	Cost					Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Closing Balance	Opening Balance	Depreciation and Impairment	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**81 711 195**	**-**	**-**	**51 386 248**	**133 097 444**	**13 694 997**	**5 471 130**	**196 576**	**-**	**19 362 703**	**113 734 740**
Land	59 658 882	-	-	21 799 000	81 457 882	-	-	-	-	-	81 457 882
Buildings	22 052 314	-	-	29 587 248	51 639 562	13 694 997	5 471 130	196 576	-	19 362 703	32 276 859
Infrastructure	**1 274 816 378**	**24 136 297**	**(2 434 797)**	**133 956 256**	**1 430 474 134**	**726 278 218**	**35 451 411**	**268 599**	**(1 173 009)**	**760 825 219**	**669 648 916**
Electrical	311 908 045	9 290 151	(2 130 575)	39 712 601	358 780 222	164 095 651	10 543 278	151 397	(1 173 009)	173 617 317	185 162 905
Network and Communication	578 122	-	-	-	578 122	343 951	46 174	-	-	390 125	187 997
Roads	292 546 321	1 301 670	-	61 815 539	355 663 529	187 477 802	6 488 475	-	-	193 966 277	161 697 252
Sanitation	298 025 419	10 283 930	-	21 554 050	329 863 399	152 321 346	7 397 595	117 202	-	159 836 142	170 027 257
Solid Waste	83 266 561	3 260 546	-	-	86 527 107	60 915 151	3 943 545	-	-	64 858 695	21 668 412
Storm Water	57 656 366	-	-	113 733	57 770 099	19 932 849	1 209 789	-	-	21 142 638	36 627 461
Water Supply	230 835 544	-	(304 222)	10 760 334	241 291 656	141 191 468	5 822 556	-	-	147 014 024	94 277 631
Community Assets	**165 192 283**	**-**	**-**	**22 667 174**	**187 859 458**	**116 415 680**	**9 411 410**	**3 185 993**	**-**	**129 013 083**	**58 846 375**
Community Facilities	85 299 879	-	-	4 019 829	89 319 708	59 635 662	2 941 196	3 185 993	-	65 762 851	23 556 857
Sport and Recreational Facilities	79 892 404	-	-	18 647 345	98 539 750	56 780 019	6 470 213	-	-	63 250 232	35 289 517
Other Assets	**29 199 213**	**181 795**	**(153 886)**	**3 991 067**	**33 218 189**	**11 764 685**	**2 703 184**	**-**	**(112 406)**	**14 355 463**	**18 862 726**
Computer Equipment	2 459 760	54 800	(4 750)	8 647	2 518 457	1 313 904	233 276	-	(2 282)	1 544 897	973 560
Furniture and Office Equipment	2 984 143	7 870	(15 277)	259 346	3 236 083	1 484 681	222 018	-	(9 113)	1 697 585	1 538 498
Other Assets	1 524 806	49 000	(33 789)	36 127	1 576 144	1 096 739	87 526	-	(25 038)	1 159 227	416 917
Machinery and Equipment	1 114 429	70 125	-	971 062	2 155 617	572 782	167 384	-	-	740 166	1 415 450
Transport Assets	19 687 076	-	-	-	19 687 076	6 255 760	58 657	-	-	6 314 417	13 372 659
Specialised Vehicles	1 428 999	-	(100 070)	2 715 884	4 044 813	1 040 819	1 934 324	-	(75 972)	2 899 170	1 145 643
Leased Assets	**1 377 042**	**-**	**(1 377 042)**	**-**	**-**	**679 692**	**697 350**	**-**	**(1 377 042)**	**-**	**-**
Leased Office Equipment	1 377 042	-	(1 377 042)	-	-	679 692	697 350	-	(1 377 042)	-	-
Leased Vehicles & Accessories	-	-	-	-	-	-	-	-	-	-	-
	1 552 296 112	**24 318 092**	**(3 965 724)**	**212 000 745**	**1 784 649 224**	**868 833 273**	**53 734 484**	**3 651 168**	**(2 662 457)**	**923 556 468**	**861 092 757**

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

9.3 Reconciliation of Carrying Value

30 June 2024	Cost					Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**81 711 195**	**-**	**-**	**-**	**81 711 195**	**12 883 762**	**811 235**	**-**	**-**	**13 694 997**	**68 016 199**
Land	59 658 882		-	-	59 658 882	-	-	-	-	-	59 658 882
Buildings	22 052 314	-	-	-	22 052 314	12 883 762	811 235	-	-	13 694 997	8 357 317
Infrastructure	**1 260 938 560**	**13 877 818**	**-**	**-**	**1 274 816 378**	**696 447 701**	**29 830 517**	**-**	**-**	**726 278 218**	**548 538 160**
Electrical	311 908 045	-	-	-	311 908 045	155 603 227	8 492 424	-	-	164 095 651	147 812 393
Network and Communication	578 122	-	-	-	578 122	316 732	27 219	-	-	343 951	234 171
Roads	292 546 321	-	-	-	292 546 321	182 327 787	5 150 016	-	-	187 477 802	105 068 518
Sanitation	287 479 900	10 545 519	-	-	298 025 419	146 296 900	6 024 445	-	-	152 321 346	145 704 073
Solid Waste	80 127 709	3 138 852	-	-	83 266 561	56 809 832	4 105 319	-	-	60 915 151	22 351 411
Storm Water	57 656 366	-	-	-	57 656 366	18 692 281	1 240 568	-	-	19 932 849	37 723 518
Water Supply	230 642 097	193 447	-	-	230 835 544	136 400 942	4 790 527	-	-	141 191 468	89 644 075
Community Assets	**163 519 884**	**1 672 400**	**-**	**-**	**165 192 283**	**112 970 727**	**3 444 953**	**-**	**-**	**116 415 680**	**48 776 603**
Community Facilities	83 627 479	1 672 400	-	-	85 299 879	57 810 214	1 825 448	-	-	59 635 662	25 664 217
Sport and Recreational Facilities	79 892 404	-	-	-	79 892 404	55 160 514	1 619 505	-	-	56 780 019	23 112 385
Other Assets	**26 819 019**	**2 892 798**	**(512 604)**	**-**	**29 199 213**	**9 712 744**	**2 437 311**	**-**	**(385 370)**	**11 764 685**	**17 434 528**
Computer Equipment	2 393 032	148 373	(81 645)		2 459 760	1 091 505	261 877	-	(39 478)	1 313 904	1 145 856
Furniture and Office Equipment	3 030 765	94 490	(141 111)		2 984 143	1 328 063	244 270	-	(87 652)	1 484 681	1 499 463
Other Assets	1 444 044	112 934	(32 173)		1 524 806	1 037 568	84 768	-	(25 596)	1 096 739	428 066
Machinery and Equipment	1 106 472	7 958	-		1 114 429	453 024	119 758	-	-	572 782	541 647
Transport Assets	17 415 707	2 529 044	(257 675)		19 687 076	4 820 583	1 667 821	-	(232 644)	6 255 760	13 431 316
Specialised Vehicles	1 428 999	-	-	-	1 428 999	982 001	58 817	-	-	1 040 819	388 180
Leased Assets	**1 377 042**	**-**	**-**	**-**	**1 377 042**	**446 392**	**233 300**	**-**	**-**	**679 692**	**697 350**
Leased Office Equipment	1 377 042	-	-	-	1 377 042	446 392	233 300	-	-	679 692	697 350
Leased Vehicles & Accessories	-	-	-	-	-	-	-	-	-	-	-
	1 534 365 700	**18 443 016**	**(512 604)**	**-**	**1 552 296 112**	**832 461 326**	**36 757 316**	**-**	**(385 370)**	**868 833 273**	**683 462 839**

10 INTANGIBLE ASSETS

Figures in Rand	2025	2024
Intangible Assets - Carrying Value	**76 775**	**111 017**

The carrying value of intangible Assets is reconciled as follows:

	2025	2024
Opening Carrying Value	**111 019**	**152 401**
Cost	524 896	524 896
Accumulated Amortisation	(413 877)	(372 495)
Accumulated Impairment	-	-
Additions	-	-
Amortisation	(34 244)	(41 382)
Closing Carrying Value	**76 775**	**111 019**
Cost	524 896	524 896
Accumulated Amortisation	(448 121)	(413 877)
Accumulated Impairment	-	-

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

11 HERITAGE ASSETS

	2025	2024
Heritage Assets - Carrying Value	**1 484 269**	**1 484 269**

The carrying value of Heritage Assets are reconciled as follows:

	2025	2024
Opening Carrying Value	**1 484 269**	**1 484 269**
Cost	1 484 269	1 484 269
Accumulated Impairment	-	-
Movement	-	-
Closing Carrying Value	**1 484 269**	**1 484 269**
Cost	1 484 269	1 484 269
Accumulated Impairment	-	-

The Municipality has movable heritage assets located in the Namakwaland Museum. The Municipality has determined the fair value of these items on 30 June 2021, as there are no comparable information available to reflect the same market conditions of these assets on GRAP Implementation date. Given the nature of the heritage collection, management expect no significant change in the fair values of these assets between GRAP Implementation date and date of valuation.

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

There are no contractual commitments for the acquisition, maintenance or restoration of heritage assets.

Figures in Rand	2025	2024

12 LONG-TERM LIABILITIES

	2025	2024
Annuity Loans	15 952 306	20 480 359
Finance Lease Liabilities	-	253 723
Municipal Debt Relief	101 474 674	132 319 332
Eskom	69 358 096	132 319 332
Vaal Central Water	32 116 577	-
Sub-Total	**117 426 980**	**153 053 414**
Less: Current portion of Long-term Liabilities	(5 059 859)	(4 781 775)
Annuity Loans	(5 059 859)	(4 528 052)
Finance Lease Liabilities	-	(253 723)
Total	**112 367 121**	**148 271 639**
Non- Current	112 367 121	148 271 639
Current	5 059 859	4 781 775
	117 426 980	**153 053 414**

Long-term Liabilities were utilised as follow:

	2025	2024
Total Long-term Liabilities taken up	15 952 306	20 734 081
Used to finance Property, Plant and Equipment at cost	(957 200)	(5 738 975)
Unspent Borrowings	**14 995 106**	**14 995 106**

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

12.1 Annuity Loans

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	**Rate**	**Maturity Date**	**Carrying Value of Liability**	
Nedbank (12042023)	11.30%	01/05/2028	15 952 306	20 480 359

The following serve as security for annuity loans:

- Investment Deposit as per note 2	5 000 000	5 000 000

Annuity loans are payable as follows:

Payable within one year	6 608 350	6 608 350
Payable within two to five years	12 115 309	18 723 660
Payable after five years	-	-
Total amount payable	**18 723 660**	**25 332 010**
Less: Outstanding Future Finance Charges	(2 771 353)	(4 851 651)
Present value of annuity loans	**15 952 307**	**20 480 359**

Figures in Rand | 2025 | 2024

12.2 Finance Lease Liabilities

Annuity Loans, disclosed at amortised cost, consist out of the following agreements:

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability 2025	Carrying Value of Liability 2024
Nashua Ltd (000055 MAJ)	8.25%	31/12/2024	-	253 722

Finance Lease Liabilities are payable as follows:

	2025	2024
Payable within one year	-	259 863
Payable within two to five years	-	-
Payable after five years	-	-
Total amount payable	**-**	**259 863**
Less: Outstanding Future Finance Charges	-	(6 140)
Present value of finance lease liabilities	**-**	**253 723**

12.3 Municipal Debt Relief

Eskom

	2025	2024
Opening Balance	132 319 333	-
Derecognition of the existing liability from Eskom and the recognition of the Long-Term Trade and other Payable: Municipal Debt Relief	(69 905 681)	173 356 560
Interest	12 747 241	16 121 213
Transfer of current portion at the end of year 1	-	(57 158 440)
Transfer of current portion at the end of year 2	(62 961 235)	-
Reversal of current portion at the end of year 1	57 158 440	-
Closing Balance	**69 358 097**	**132 319 333**

Vaal Central Water

	2025	2024
Opening Balance	-	-
Derecognition of the existing liability from Vaal Central Water and the recognition of the Long-Term Trade and other Payable: Municipal Debt Relief	(44 389 560)	-
Transfer of current portion at the end of year 1	12 272 983	-
Closing Balance	**(32 116 577)**	**-**

The Municipality was approved for the ESKOM debt relief program in terms of MFMA Circular 124, effective 1 July 2023. Under this program, the arrears balance owed on 30 March 2023 (R 209 717 044) would be transferred to a suspense service agreement with permanent interest suppression.

Vaal Central Water (VCW) notified the Nama Khoi Local Municipality of the decision taken to write off a portion of the outstanding debt on their water account, following internal reviews and in accordance with Treasury Regulation 11.4.2 under the Public Finance Management Act (PFMA), Act No.1 of 1999.

Figures in Rand	2025	2024

13 CONSUMER DEPOSITS

	2025	2024
Electricity	1 754 657	1 757 085
Water	2 642 770	2 555 930
Library Books	12 908	12 908
Total	**4 410 335**	**4 325 922**

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding amount.

The fair value of consumer deposits approximates their carrying value. No interest is paid on these amounts.

14 PAYABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Trade Payables	44 581 540	302 173 989
Retentions	1 620 974	2 014 345
Unused Pre-paid Electricity	886 185	869 745
Other Payables	1 778 656	1 204 456
Unknown Receipts	8 084 354	6 263 124
Municipal Debt Relief	75 234 218	57 158 440
Eskom	62 961 235	57 158 440
Vaal Central Water	12 272 983	-
Total	**132 185 927**	**369 684 099**
As previously reported		330 673 407
Correction of error restatement - note 41.2		39 010 692
Restated balance		**369 684 099**

The carrying value of trade and other payables approximates its fair value. Payables are recognised net of any discounts received.

The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

15 UNSPENT CONDITIONAL GOVERNMENT GRANTS

	2025	2024
National Government	30 614 309	15 496 139
Provincial Government	2 924 455	3 474 002
Total	**33 538 764**	**18 970 141**

Detail reconciliations of all grants received and grant conditions met are included in note 20. Unspent grant balances are recognised to the extent of grant conditions not met. No grants were withheld in the current year.

Due to the short term nature of unspent grant balances, the carrying value approximates the fair value of the unspent conditional grants at year-end.

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

Figures in Rand		2025	2024
16	**CURRENT EMPLOYEE BENEFITS**		
	Bonuses	1 983 395	1 729 178
	Staff Leave	6 130 706	5 472 820
	Shortfall in Cape Joint Pension Fund	748 122	713 766
	Current portion of Non-Current Employee Benefits - note 17	1 930 000	2 062 000
	Total	**10 792 223**	**9 977 765**

The movement in current employee benefits are reconciled as follows:

16.1 Bonuses

	2025	2024
Opening Balance	1 729 178	2 007 853
Contribution during the year	4 835 794	4 292 130
Payments made	(4 581 577)	(4 570 805)
Balance at the end of the year	**1 983 395**	**1 729 178**

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.

16.2 Staff Leave

	2025	2024
Opening Balance	5 472 821	7 440 702
Contribution during the year	2 283 650	107 540
Payments made	(1 625 765)	(2 075 422)
Balance at the end of the year	**6 130 706**	**5 472 821**

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

16.3 Shortfall in Cape Joint Pension Fund

	2025	2024
Opening Balance	713 766	679 410
Contribution during the year	34 356	34 356
Balance at the end of the year	**748 122**	**713 766**

Actuaries have investigate the investment return of the Fund for the year ended 30 June 2009. It was reported that the established investment return was -0.94%. Local authorities, including the Municipality, associated with the fund are under an obligation to contribute pro-rata to the fund such a sum as will make up for any shortfall between the actual earnings and an investment return of 5.5% on all its assets. Provision is made for the pro-rata portion owed by the Municipality.

17 EMPLOYEE BENEFITS

	2025	2024
Post Retirement Medical Benefits	27 637 000	22 774 000
Long Service Awards	6 236 000	6 695 000
Sub-Total	**33 873 000**	**29 469 000**
Less: Current portion of Employee Benefits - note 16	1 930 000	2 062 000
Post Retirement Medical Benefits	1 203 000	930 000
Long Service Awards	727 000	1 132 000
Total	**31 943 000**	**27 407 000**

Figures in Rand	2025	2024

17 EMPLOYEE BENEFITS (CONTINUED)

17.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

	2025	2024
Opening Balance	22 774 000	23 706 000
Contribution during the year	3 481 000	3 718 000
Current Service Cost	747 000	814 000
Interest Cost	2 734 000	2 904 000
Payments made	(930 000)	(901 000)
Actuarial Loss/(Gain)	2 312 000	(3 749 000)
Total balance at year-end	27 637 000	22 774 000
Less: Current portion	(1 203 000)	(930 000)
Total	**26 434 000**	**21 844 000**

Actuarial (Gain)/Loss for the period consists of:

	2025	2024
Actuarial (gains)/loss arising from financial assumptions		
Increase in the net discount rate	1 022 000	(459 000)
Actuarial (gains)/loss arising from demographic assumptions		
Change in in-service non-member assumed medical aid option	-	-
Actuarial (gain)/loss arising Experience		
Subsidy inflationary increases higher/(lower) than assumed	753 000	338 000
Changes to membership profile different from assumed	537 000	(3 628 000)
Total actuarial (gain) / loss	**2 312 000**	**(3 749 000)**

There are no curtailments or settlements to reflect.

The service cost is equal to the current service cost of the obligation as there are no past service costs or settlement gains/losses to consider.

With no plan asset in place, there is no interest revenue, and thus the net interest is equal to the interest cost of the obligation.

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

	2025	2024
In-service members	71	74
In-service non-members	109	111
Continuation members	20	15
Total	**200**	**200**

Figures in Rand | 2025 | 2024

Post-employment medical aid subsidy policy

Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement. Continuation members and their eligible dependants receive a 70% subsidy.

Upon a member's death-in-service, surviving dependants are not entitled to commence receipt of the subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

Notable benefit plan risks faced by the Municipality

Inflation - The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.

Longevity - The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.

Volatility of open-ended, long-term defined benefit obligations - The risk that the obligation may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules - The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

Future changes in legislation - The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the obligation for the Municipality.

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:	**In-Service Members R**	**In-Service non-Members R**	**Continuation Members R**	**Total unfunded Liability R**
30 June 2025	10 401 000	2 622 000	14 614 000	**27 637 000**
30 June 2024	10 495 000	2 245 000	10 034 000	**22 774 000**
30 June 2023	10 948 000	2 231 000	10 527 000	**23 706 000**
30 June 2022	12 059 000	1 788 000	9 932 000	**23 779 000**
30 June 2021	12 196 000	1 686 000	5 962 000	**19 844 000**

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:	**Liabilities (Gain) / Loss R**	**Assets Gain / (Loss) R**
30 June 2025	1 290 000	-
30 June 2024	(3 290 000)	-
30 June 2023	(208 000)	-
30 June 2022	1 262 000	-
30 June 2021	(2 813 000)	-

The Municipality contributes to the following medical schemes on a monthly basis:

Bonitas	Samwumed
LA Health	Keyhealth

Actuarial Assumptions used are as follows:

Financial Assumptions:

	2025	2024
Discount rate	11.10%	12.25%
CPI inflation rate	5.10%	6.22%
Health care cost inflation rate	6.90%	7.72%
Net discount rate	3.90%	4.21%

Demographic Assumptions:

i) Post-employment Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age, and a 1% annual compound mortality improvement from 2010. This means that 1% fewer people are expected to die next year. The SA 85-90 table is used for in-service employees.

ii) Average Retirement Age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement.

iii) Continuation of Membership

It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

The last valuation was performed on 22 July 2025.

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis - Liability at year-end

Assumption	Eligible Employees (R)	Continuation members (R)	Total liability (R)	Change %
Liability	13 023 000	14 614 000	27 637 000	
Health care inflation rate (+ 1%)	15 589 000	16 138 000	31 727 000	15%
Health care inflation rate (- 1%)	10 961 000	13 312 000	24 273 000	-12%
Discount rate (+ 1%)	11 047 000	13 368 000	24 415 000	-12%
Discount rate (- 1%)	15 507 000	16 090 000	31 597 000	14%
Post-employment mortality (+ 1 year)	12 694 000	14 196 000	26 890 000	-3%
Post-employment mortality (- 1 year)	13 344 000	15 030 000	28 374 000	3%
Average retirement age (- 1 year)	14 317 000	14 614 000	28 931 000	5%
Membership continuation (- 10%)	11 285 000	14 614 000	25 899 000	-6%

Sensitivity Analysis - Future Service and Interest Cost (Next Financial Year)

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	Change %
Estimated for 2025/26	819 000	2 999 000	3 818 000	
Health care inflation rate (+ 1%)	1 004 000	3 453 000	4 457 000	17%
Health care inflation rate (- 1%)	672 000	2 626 000	3 298 000	-14%
Discount rate (+ 1%)	685 000	2 880 000	3 565 000	-7%
Discount rate (- 1%)	989 000	3 129 000	4 118 000	8%
Post-employment mortality (+ 1 year)	799 000	2 916 000	3 715 000	-3%
Post-employment mortality (- 1 year)	838 000	3 081 000	3 919 000	3%
Average retirement age (- 1 year)	916 000	3 143 000	4 059 000	6%
Membership continuation (- 10%)	710 000	2 807 000	3 517 000	-8%

Figures in Rand 2025 2024

Maturity analysis

The table below illustrates the maturity analysis of the obligation (undiscounted expected benefit payments) for the next 80 years.

Future year	Expected Benefit Payments (Rm)	Future year	Expected Benefit Payments (Rm)	Future year	Expected Benefit Payments (Rm)
1	1.269	6 to 10	13.133	31 to 40	130.407
2	1.434	11 to 15	22.36	41 to 50	114.587
3	1.563	16 to 20	34.011	51 to 60	65.365
4	1.652	21 to 25	45.865	61 to 70	21.996
5	1.863	26 to 30	57.442	71 to 80	3.289

17.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

	2025	2024
Opening Balance	6 695 000	6 926 000
Contribution during the year	1 122 000	1 217 000
Current Service Cost	466 000	501 000
Interest Cost	656 000	716 000
Payments made	(1 132 000)	(753 000)
Actuarial (Gain)	(449 000)	(695 000)
Total balance at year-end	**6 236 000**	**6 695 000**
Less: Current portion	(727 000)	(1 132 000)
Total	**5 509 000**	**5 563 000**

Actuarial (Gain)/Loss for the period consists of:

	2025	2024
Actuarial gains arising from financial assumptions		
Increase in the net discount rate	(19 000)	(70 000)
Actuarial (gain)/loss arising Experience		
Earnings increases higher than assumed	112 000	21 000
Changes to membership profile different from assumed	(542 000)	(646 000)
Total actuarial (gain) / loss	**(449 000)**	**(695 000)**

There are no curtailments or settlements to reflect.

The service cost is equal to the current service cost of the obligation as there are no past service costs or settlement gains/losses to consider.

With no plan asset in place, there is no interest revenue, and thus the net interest is equal to the interest cost of the obligation.

The Long Service Awards plans are defined benefit plans.

	2025	2024
Number of employees that are eligible for Long Service Awards	180	185

Long service award policy

The Municipality offers employees long service awards for every five years of service completed, from ten years of service to 45 years of service, inclusive.

The employees' costs to company are used to determine the Rand value of leave day awards, whereas cash awards are based on basic salaries.

The Municipality does not pay any pro-rata LSA.

Figures in Rand	2025	2024

Notable benefit plan risks faced by the Municipality

Inflation - The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.

Termination of service - The risk that fewer eligible employees terminate their service at the Municipality i.e. more long service awards vest than expected.

Volatility of open-ended, long-term defined benefit obligations - The risk that the obligation may be volatile which is exacerbated by its long-term nature.

Enforcement of eligibility criteria and rules - The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.

Future changes in legislation - The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the obligation for the Municipality.

The unfunded liability in respect of past service recognised in the Statement of Financial Position is as follows:	**Unfunded Liability R**
30 June 2025	6 236 000
30 June 2024	6 695 000
30 June 2023	6 926 000
30 June 2022	8 005 000
30 June 2021	7 783 000

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.

Experience adjustments were calculated as follows:	**Liabilities (Gain) / Loss R**	**Assets Gain / (Loss) R**
30 June 2025	(430 000)	-
30 June 2024	(625 000)	-
30 June 2023	(248 000)	-
30 June 2022	(94 000)	-
30 June 2021	(666 562)	-

Actuarial Assumptions used are as follows:

Financial Assumptions:

	2025	2024
Discount rate	9.40%	10.68%
CPI Inflation rate	3.60%	4.91%
General Salary Inflation (long-term)	4.60%	5.91%
Net discount rate	4.60%	4.51%

Demographic Assumptions:

i) Promotional Earnings Scale

The annual escalation rates below are in addition to the general earnings inflation assumption of 5.91% per annum for all employees.

Age band	Additional promotional scale
20 - 24	5.0%
25 - 29	4.0%
30 - 34	3.0%
35 - 39	2.0%
40- 44	1.0%
45+	0.0%

ii) Average Retirement Age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

iii) Mortality During Employment

SA85-90 ultimate table, adjusted for female lives.

iii) Termination of Service

If an eligible employee leaves due to resignation or retrenchment, the employer's obligation to that employee ceases. The assumed annual rates are set out below.

Age band	Rate	Age band	Rate
20 - 24	9.0%	40 - 44	5.0%
25 - 29	8.0%	45 - 49	4.0%
30 - 34	6.0%	50 - 54	3.0%
35 - 39	5.0%	45+	0.0%

Management has indicated that there are currently no long-term assets set aside off-balance sheet in respect of the long service award benefit obligation.

The last valuation was performed on 14 August 2024.

The Projected Unit Credit Method has been used to value the liabilities.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Current Liability (R)	Liability (R)	% Change
General earnings inflation rate (+ 1%)	6 236 000	6 538 000	5%
General earnings inflation rate (- 1%)	6 236 000	5 956 000	-4%
Discount rate (+ 1%)	6 236 000	5 944 000	-5%
Discount rate (- 1%)	6 236 000	6 557 000	5%
Average retirement age (+ 2 years)	6 236 000	6 986 000	12%
Average retirement age (- 2 years)	6 236 000	5 592 000	-10%
Withdrawal rates (x 2)	6 236 000	5 331 000	-15%
Withdrawal rates (x 0.5)	6 236 000	6 803 000	9%

Sensitivity Analysis on the Current-service and Interest Costs

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Estimated for 2025/26	468 000	549 000	1 017 000	
General earnings inflation rate (+ 1%)	496 000	578 000	1 074 000	6%
General earnings inflation rate (- 1%)	442 000	523 000	965 000	-5%
Discount rate (+ 1%)	445 000	578 000	1 023 000	1%
Discount rate (- 1%)	493 000	518 000	1 011 000	-1%
Average retirement age (+ 2 years)	520 000	617 000	1 137 000	12%
Average retirement age (- 2 years)	425 000	489 000	914 000	-10%
Withdrawal rates (x 2)	377 000	465 000	842 000	-17%
Withdrawal rates (x 0.5)	528 000	602 000	1 130 000	11%

Figures in Rand	2025	2024

Maturity analysis

The table below illustrates the maturity analysis of the long service obligation (undiscounted expected benefit payments) for the next 40 years.

Future year	Expected Benefit Payments (Rm)	Future year	Expected Benefit Payments (Rm)
1	0.802	6 to 10	5.235
2	0.883	11 to 15	4.025
3	1.304	16 to 20	2.704
4	1.247	21 to 30	2.029
5	1.034	31 to 40	0.158

17.3 Other Pension Benefits

Defined Benefit Plans

Council contributes to the following defined benefit plans:

	2025	2024
LA Retirement Fund (Former Cape Joint Pension Fund)	-	43 308
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2024 revealed that the fund is in a sound financial position with a funding level of 118.5% (30 June 2023 - 120.3%).		
Consolidated Retirement Fund (Former Cape Retirement Fund)	5 906 594	6 115 396
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2024 revealed that the fund is in a sound financial position with a funding level of 100.2% (30 June 2023 - 100.2%).		
Total	**5 906 594**	**6 158 704**

Both the LA Retirement Fund and Consolidated Retirement Fund are multi-employer plans. Multiple local authorities participate in these multi-employer funds. Multi-employer plans are defined as defined benefit plans. When sufficient information is not available to use defined benefit accounting for a multi-employer plan, an entity will account for the plan as if it were a defined contribution plan.

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

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

Therefore, although the LA Retirement Fund and Consolidated Retirement Fund are Multi-employer funds defined as defined benefit plan, it will be accounted for as defined contribution plan due to sufficient information not being available.

Figures in Rand	2025	2024

Defined Contribution Plans

Council contributes to the following defined contribution plans:

	2025	2024
Sanlam Umbrella Fund	695 185	1 037 696
SAMWU National Provident Fund	5 931 121	6 943 572
Total	**6 626 306**	**7 981 268**

The retirement benefit funds are subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

18 NON-CURRENT PROVISIONS

	2025	2024
Provision for Rehabilitation of Landfill-sites	**121 300 274**	**107 867 249**

The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:

	2025	2024
Opening Balance	107 867 249	95 613 755
Contribution during the year	13 433 025	12 253 494
Increase in estimate	3 260 546	3 138 852
Interest Cost	10 172 479	9 114 642
Total	**121 300 274**	**107 867 249**

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life.

The future obligations for rehabilitating the landfill sites have been calculated using a discount rate of 7.150% to 11.045% (2024 - 8.63% to 12.22%) which is based on the South African Government Bond yield for the relevant period.

19 PROPERTY RATES

	2025	2024
Business and Commercial Property	12 330 576	12 279 788
Farm Properties	829 700	480 479
Industrial Property	2 756 537	2 263 686
Mining Properties	2 469 647	746 850
Residential Properties	48 803 758	32 905 392
State-owned Properties	3 922 079	5 202 107
Total Revenue	**71 112 292**	**53 878 303**
Less: Rebates	(15 205 616)	(2 886 457)
Total	**55 906 675**	**50 991 845**

Property rate levied are based on the following rateable valuations:

	2025	2024
Business and Commercial Property	660 320 000	484 531 000
Industrial Property	121 213 500	119 343 000
Mining Properties	92 008 000	52 381 000
Public benefit organisations	138 044 000	86 702 000
Public Service Infrastructure Properties	10 161 000	94 561 000
Residential Properties	2 935 388 500	2 080 378 000
State-owned Properties	306 177 000	115 050 500
Agricultural Property	938 737 500	700 901 500
Multiple purposes	52 741 000	6 435 000
Total Valuation	5 254 790 500	3 740 283 000

Figures in Rand	2025	2024
Rate that is applicable to the valuations above:		
Residential	0.01297 c/R	0.01617 c/R
Commercial and Industrial	0.02226 c/R	0.02226 c/R
Agricultural	0.00070 c/R	0.00070 c/R
Mining	0.02797 c/R	0.02797 c/R

The last valuation came into effect on 1 July 2019. Valuations on land and buildings are performed every five years, but due to numerous challenges with the latest valuations, the municipality requested the MEC for Local Government to extend the validity period to six years. The new General Valuation Roll have been implemented on 1 July 2024.

Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act. A further discount of 10% was granted to all indigents and 20% for qualifying pensioners.

Rates are levied monthly and annually. Monthly rates are payable by the end of the month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but in terms of Council's own policy opted not to collect it.

The following properties are deemed non-rateable: Municipal properties, churches, creches, old age homes and care centres, public infrastructure and public benefit organisations.

20 GOVERNMENT GRANTS AND SUBSIDIES

	2025	2024
Unconditional Grants - National Government	**67 455 139**	**63 411 304**
Equitable Share	67 455 139	63 411 304
Conditional Grants - National Government	**21 429 691**	**16 746 440**
Finance Management Grant (FMG)	2 985 628	3 100 000
Municipal Infrastructure Grant (MIG)	1 532 521	10 260 144
Expanded Public Works Programme (EPWP)	1 890 000	1 103 000
Municipal Disaster Response Grant	1 496 920	-
Water Service Infrastructure Grant (WSIG)	13 524 622	2 283 296
Conditional Grants - Provincial Government	**2 371 041**	**1 237 900**
Libraries, Archives and Museums	1 394 417	1 237 900
LG SETA	158 763	-
Municipal Drought Relief Grant	817 860	-
Total	**91 255 871**	**81 395 644**

Figures in Rand	2025	2024

20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

Disclosed as:

	2025	2024
Government Grants and Subsidies - Operating	73 883 948	68 852 204
Government Grants and Subsidies - Capital	17 371 923	12 543 440
Total	**91 255 871**	**81 395 644**

Grants per Vote (MFMA Sec 123 (c)):

	2025	2024
Equitable Share	-	-
Vote 1 - Executive Mayor And Council (10: IE)	-	-
Vote 2 - Municipal Manager (11: IE)	1 890 000	1 103 000
Vote 3 - Corporate Services (13: IE)	-	-
Vote 4 - Financial Services (15: IE)	20 008 392	50 658 304
Vote 5 - Community Services: Comm Dev (16: IE)	1 394 417	1 237 900
Vote 6 - Community Services: Publsafety (17: IE)	-	-
Vote 7 - Infrastructure,Eng And Technical (18: IE)	67 963 062	28 396 441
Vote 8 - Executive Mayor And Council (20: CS)	-	-
Vote 9 - Municipal Manager (21: CS)	-	-
Vote 10 - Corporate Services (23: CS)	-	-
Vote 11 - Community Services: Comm Dev (26: CS)	-	-
Vote 12 - Infrastructure,Eng And Technical (28: CS)	-	-
Total	**91 255 871**	**81 395 644**

The movements per grant can be summarised as follows:

20.01 Equitable Share

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	67 455 139	63 411 304
Transferred to Revenue - Operating	(67 455 139)	(63 411 304)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	**-**	**-**

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.

20.02 Finance Management Grant (FMG)

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	3 000 000	3 100 000
Transferred to Revenue - Operating	(2 985 628)	(3 100 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	**14 372**	**-**

The Financial Management Grant is a conditional grant to assist municipalities in the implementation of financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The grant also utilised to cover expenditure relating to the Financial Management Internship Programme.

20.03 Municipal Infrastructure Grant (MIG)

	2025	2024
Opening Unspent Balance	11 856	4 645 673
Grants Received / (Repaid)	7 698 144	5 626 327
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(1 532 521)	(10 260 144)
Closing Unspent Balance	**6 177 479**	**11 856**

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

Figures in Rand

20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

20.04 Expanded Public Works Programme (EPWP)

	2025	2024
Opening Unspent Balance	-	69 270
Grants Received / (Repaid)	1 890 000	1 033 730
Transferred to Revenue - Operating	(1 890 000)	(1 103 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	**-**	**-**

The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.

20.05 Integrated National Electrification Programme (INEP)

	2025	2024
Opening Unspent Balance	-	49 224
Grants Received / (Repaid)	-	(49 224)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	**-**	**-**

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

20.06 Water Service Infrastructure Grant (WSIG)

	2025	2024
Opening Unspent Balance	15 484 283	7 767 579
Grants Received / (Repaid)	(484 283)	10 000 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(13 524 622)	(2 283 296)
Closing Unspent Balance	**1 475 378**	**15 484 283**

The grant was used for water infrastructure projects.

20.07 Libraries, Archives and Museums

	2025	2024
Opening Unspent Balance	512 797	185 697
Grants Received / (Repaid)	1 635 000	1 565 000
Transferred to Revenue - Operating	(1 394 417)	(1 237 900)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	**753 380**	**512 797**

The grant was used to finance library activities.

20.08 LG SETA

	2025	2024
Opening Unspent Balance	228 576	228 576
Grants Received / (Repaid)	186 494	-
Transferred to Revenue - Operating	(158 763)	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	**256 306**	**228 576**

The grant was allocated for skills development.

Figures in Rand

20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

20.09 Swimming Pool

	2025	2024
Opening Unspent Balance	450 000	450 000
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
As previously reported	450 000	450 000
Correction of error restatement - note 41.4		-
Closing Unspent Balance	**450 000**	**450 000**

The grant was received for the building of a swimming pool in the district.

20.10 Municipal Drought Relief Grant

	2025	2024
Opening Unspent Balance	817 356	817 356
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(817 860)	-
Closing Unspent Balance	**(504)**	**817 356**

The grant was used for water infrastructure projects.

20.11 Housing

	2025	2024
Opening Unspent Balance	1 465 273	1 265 273
Grants Received / (Repaid)	-	200 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	**1 465 273**	**1 465 273**

The grant was used for emergency housing and establishment of housing accreditation office.

20.12 Municipal Disaster Response Grant

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	24 444 000	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(1 496 920)	-
Closing Unspent Balance	**22 947 080**	**-**

The grant was used for water infrastructure projects.

20.13 Total Grants

	2025	2024
Opening Unspent Balance	18 970 142	15 478 648
Grants Received / (Repaid)	105 824 494	84 887 137
Transferred to Revenue - Operating	(73 883 948)	(68 852 204)
Transferred to Revenue - Capital	(17 371 923)	(12 543 440)
As previously reported	33 538 764	18 970 142
Closing Unspent Balance	**33 538 764**	**18 970 142**

Figures in Rand		2025	2024
21	**TRANSFER AND SUBSIDIES - PRIVATE ENTERPRISE**		
	De Beers Consolidated Mines	266 042 535	-
	Total	**266 042 535**	**-**

De Beers Consolidated Mines (Pty) Ltd agreed to contribute a capped amount to Nama Khoi Municipality for the transfer of Kleinzee Municipal Services.

		2025	2024
22	**CONTRIBUTED ASSETS**		
	Property, Plant and Equipment	212 205 688	-
	Total	**212 205 688**	**-**

Contributed assets relate to the donations from De Beers Group of land/properties and movable assets, which also include the support network assets.

		2025	2024
23	**AVAILABILITY CHARGES**		
	Electricity	713 455	873 526
	Water	748 506	234 463
	Sewerage and Sanitation	288 664	193 440
	Total	**1 750 624**	**1 301 429**

Availability charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity and sewerage) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.

		2025	2024
24	**LICENCES AND PERMITS**		
	Trading	156 007	113 618
	Road and Transport	2 859 123	1 716 980
	Total	**3 015 130**	**1 830 599**
25	**ACTUARIAL GAINS / (LOSSES)**		
	Post Retirement Medical Benefits	(2 312 000)	3 749 000
	Long Service Awards	449 000	695 000
	Total	**(1 863 000)**	**4 444 000**
26	**DEBT WAIVED**		
	Debt Waived	339 144 240	44 475 975
	Total	**339 144 240**	**44 475 975**

The Municipality was approved for the ESKOM debt relief program in terms of MFMA Circular 124, effective 1 July 2023. Under this program, the arrears balance owed on 30 March 2023 (R 209 717 044) would be transferred to a suspense service agreement with permanent interest suppression.

Vaal Central Water (VCW) notified the Nama Khoi Local Municipality of the decision taken to write off a portion of the outstanding debt on their water account, following internal reviews and in accordance with Treasury Regulation 11.4.2 under the Public Finance Management Act (PFMA), Act No.1 of 1999.

Figures in Rand		2025	2024
27	**SERVICE CHARGES**		
	Electricity	184 021 288	126 406 852
	Water	57 536 803	54 765 749
	Refuse Removal	28 373 333	26 073 128
	Sewerage and Sanitation	23 576 354	21 835 296
	Total Revenue	**293 507 778**	**229 081 025**
	Less: Rebates	(31 531 881)	(28 560 771)
	Electricity	(4 397 877)	(4 569 684)
	Water	(10 095 181)	(8 026 282)
	Refuse Removal	(9 472 973)	(8 904 519)
	Sewerage and Sanitation	(7 565 850)	(7 060 286)
	Total	**261 975 897**	**200 520 254**
	As previously reported		194 619 262
	Correction of error restatement		5 900 992
	Restated balance		**200 520 254**

Rebates can be defined as any income that the Municipality is entitled to levy, but in terms of Council's own policy opted not to collect it.

		2025	2024
28	**RENTAL OF FACILITIES AND EQUIPMENT**		
	Halls	27 792	30 002
	Grazing Fees	693 446	1 352 189
	Mines	-	205 050
	Buildings	1 204 968	1 689 073
	Total	**1 926 206**	**3 276 313**
29	**INTEREST EARNED - EXTERNAL INVESTMENTS**		
	Bank Accounts	823 981	454 300
	Investment Deposits	11 002 421	3 867 411
	Total	**11 826 402**	**4 321 711**
30	**AGENCY SERVICES**		
	Drivers Licences	-	100 021
	Motor Vehicle Registration	-	-
	Total	**-**	**100 021**

The Municipality acts as an agent for the Department of Transport and Public Works and manages the issuing of vehicle licences for a commission. Refer to note 53.2 for additional disclosure in this regard.

The Municipality earns revenue from applications for driver's and learner's licences, issuing of public driver permits, driver's and learner's licences and the issue of roadworthy certificates.

Figures in Rand	2025	2024
31 OTHER INCOME		
Administrative Handling Fees	167 140	1 490 079
Building Plan Approval	249 521	430 880
Camping Fees	32 385	15 652
Cemetery and Burial	31 444	37 587
Commission	-	38 099
Membership Fees	61 268	55 347
Parking Fees	-	8 023
Scrap, Waste Other Goods	-	1 432 994
Staff Recoveries	410 649	370 606
Sub-division and Consolidation Fees	-	35 478
Valuation Services	4 951	50 729
Sundry Income	100 287	237 395
Total	**1 100 817**	**4 202 869**

	2025	2024
32 EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	62 307 208	61 619 443
Pension and UIF Contributions	8 063 304	9 158 342
Medical Aid Contributions	3 117 469	2 884 544
Overtime	9 898 144	8 834 109
Motor Vehicle Allowances	2 612 378	2 131 326
Cell Phone Allowances	275 893	230 129
Housing Allowances	777 701	896 554
Bonuses	4 818 771	4 292 130
Staff Leave	1 625 765	107 540
Long Service Awards	466 000	551 532
Post Retirement Medical Benefits	747 000	814 000
Other benefits and allowances	6 994 997	3 728 014
Acting Allowances	1 130 207	564 630
Bargaining Council Levy	39 638	36 906
Group Life Insurance	-	1 761
Standby Allowances	2 911 807	2 810 408
Transport Cost	1 468 068	34 308
Scarcity Allowance	332 192	196 778
Other Allowances	1 113 084	83 222
Total	**101 704 630**	**95 247 662**

Remuneration of Management Personnel

Key management personnel are all appointed on a permanent basis, except for the Municipal Manager who is appointed on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract periods.

Municipal Manager - Mr J Swarts	2025	2024
Annual Remuneration	1 048 371	1 017 671
Benefits and Allowances	368 468	395 656
Contributions to UIF, Medical and Pension Funds	2 125	2 125
Total	**1 418 964**	**1 415 452**

Chief Financial Officer - Mr HE Cloete	2025	2024
Annual Remuneration	512 998	497 976
Benefits and Allowances	615 651	727 741
Contributions to UIF, Medical and Pension Funds	2 125	2 125
Total	**1 130 774**	**1 227 842**

Figures in Rand	2025	2024
Head : Corporate Services - Mr D M Malan (Appointed on 01 January 2025)		
Annual Remuneration	356 479	-
Benefits and Allowances	154 604	-
Contributions to UIF, Medical and Pension Funds	1 063	-
Total	**512 146**	**-**

Head : Technical Services - Mr JH Adams (Appointed on 01 January 2025)

	2025	2024
Annual Remuneration	473 312	-
Benefits and Allowances	162 441	-
Contributions to UIF, Medical and Pension Funds	1 417	-
Total	**637 170**	**-**

Head : Community Services - Mrs. R Sebela (Appointed on 01 February 2025)

	2025	2024
Annual Remuneration	380 629	-
Benefits and Allowances	45 273	-
Contributions to UIF, Medical and Pension Funds	886	-
Total	**426 788**	**-**

Employees acting in management positions

The following employees acted in management positions during the course of the year. The amounts as indicated below are the acting allowances and additional benefits received for the period in which they acted in the respective positions.

Employee	**Acting Position**	2025	2024
H Fielding	Head: Community Services	27 599	78 895
Q Titus	Head: Technical Services	-	35 567
Total		**27 599**	**114 462**

33 REMUNERATION OF COUNCILLORS

	2025	2024
JE van den Heever	359 163	433 075
R Kritzinger	1 026 153	808 859
ZP De Jongh	445 710	386 025
WS Jordaan	356 873	444 795
GJ Coetzee	5 309	347 529
SJ Cloete	355 785	347 529
GMS Bock	838 532	999 673
C Visser	456 504	444 795
MR Baadjies	280 228	347 529
RF Adams	455 199	347 529
AM Julie	355 785	347 529
JFM Otto	355 785	347 529
RSJ Claasen	355 785	347 529
S Cloete	355 785	347 529
JC Losper	252 804	347 529
KA Polori	355 785	347 529
WC Britz	355 785	347 529
W Goedeman	264 961	-
S Kleinbooi	46 061	-
L de Jongh	29 225	-
Total	**7 307 217**	**7 340 041**

Figures in Rand 2025 2024

	Basic Salary	Motor Vehicle Allowance	Cell Phone Allowance	Medical and Pension Contributions	Total
2025					
Executive Mayor	982 953	-	43 200	-	1 026 153
Speaker	651 332	144 000	43 200	-	838 532
Executive Committee	813 303	12 000	86 400	-	911 703
Section 79 Committee Chairperson	253 127	-	27 101	-	280 228
Chief Whip	305 694	-			
Other Councillors	3 142 371	297 063	505 474	-	3 944 908
Total	**6 148 780**	**453 063**	**705 375**	**-**	**7 307 218**
2024					
Executive Mayor	791 956	164 518	43 200	-	999 674
Speaker	729 565	36 094	43 200	-	808 859
Executive Committee	650 752	152 438	86 400	-	889 590
Section 79 Committee Chairperson	370 370	19 505	43 200	-	433 075
Other Councillors	3 264 211	426 233	518 400	-	4 208 844
Total	**5 806 854**	**798 788**	**734 400**	**-**	**7 340 042**

In-kind Benefits

The Executive Mayor, Speaker and certain members Executive Committee members serve in a full-time capacity. They are provided with secretarial support and an office each at the cost of the Council.

Councillors may utilize municipal transportation when engaged in official duties.

34 DEBT IMPAIRMENT

	2025	2024
Receivables from Exchange Transactions	8 107 105	29 820 997
Receivables from Non-Exchange Transactions	1 929 913	8 981 551
Long-term Receivables	(880 041)	(1 319 254)
VAT Component of Debt Impairment	1 488 670	1 738 791
Total	**10 645 646**	**39 222 085**

35 DEBTS WRITTEN OFF

	2025	2024
Receivables from Exchange Transactions	52 068 126	-
Total	**52 068 126**	**-**

36 DEPRECIATION, AMORTISATION AND IMPAIRMENT

	2025	2024
Depreciation and Amortisation	54 166 889	37 155 577
Property, Plant and Equipment	53 734 484	36 757 316
Intangible Assets	34 244	41 382
Investment Property	398 161	356 878
Impairment	3 661 648	-
Property, Plant and Equipment	3 651 168	-
Investment Property	10 480	-
Total	**57 828 537**	**37 155 577**
As previously reported		37 219 580
Correction of error restatement - note 41.1		(64 003)
Restated balance		**37 155 577**

Figures in Rand

37 FINANCE CHARGES

	2025	2024
Cash	45 676 291	30 266 125
Long-term Liabilities	30 298 646	2 622 780
Overdue Accounts	15 377 646	27 643 345
Non-cash	13 562 479	12 734 642
Post Retirement Medical Benefits	2 734 000	2 904 000
Long Service Awards	656 000	716 000
Rehabilitation of Landfill Sites	10 172 479	9 114 642
Total	**59 238 770**	**43 000 767**

38 BULK PURCHASES

	2025	2024
Electricity	140 719 370	109 867 151
Total	**140 719 370**	**109 867 151**

Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom.

39 OTHER EXPENDITURE

	2025	2024
Accounting and Auditing	8 840 136	3 105 410
Advertising, Publicity and Marketing	384 183	536 098
Assets less than the Capitalisation Threshold	25 652	5 484
Audit Committee	74 142	68 624
Bank Charges, Facility and Card Fees	650 854	592 732
Building Contractors	83 712	143 952
Business and Financial Management	1 169 112	676 142
Catering Services	437 447	217 923
Clearing and Grass Cutting Services	-	97 000
Commission - Prepaid Electricity	1 683 951	1 015 049
Communication	1 649 547	1 699 002
Contractors Equipment	6 625 031	3 717 123
Contractors Other Assets	7 890	86 865
Electrical	8 912 592	6 441 233
Eskom Connection Fees	59 130	107 668
External Audit Fees	5 006 225	3 843 179
External Computer Service	6 278 722	6 878 924
External Personnel and Labour	1 284 648	1 938 879
Hire Charges	1 067 659	1 674 916
Indigent Relief	1 693 071	536 013
Infrastructure and Planning	-	45 219
Insurance	2 912 054	2 960 425
Laboratory Services	409 354	365 232
Legal Cost	1 734 670	2 383 835
Medical Health Services	-	3 450
Pest Control and Fumigation	-	7 600
Printing, Publications and Books	1 425 203	1 489 488
Professional Bodies, Membership and Subscription	1 221 848	1 785 529
Registration Fees	1 064 966	348 420
Road Worthy Test	547 998	409 187
Security Services	594 943	712 598
Travel and Subsistence	962 215	669 061
Uniform and Protective Clothing	412 771	40 523
Valuer and Assessors	-	673 430
Ward Committees	-	228 500
Total	**57 219 726**	**45 504 712**

Figures in Rand	2025	2024

40 GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS

	2025	2024
Proceeds	-	-
Less: Carrying value of Investment Property disposed	-	-
Less: Carrying value of Property, Plant and Equipment disposed	(1 303 267)	(127 234)
Less: Carrying value of Intangible Assets	-	-
Total	**(1 303 267)**	**(127 234)**
As previously reported		(143 493)
Correction of error restatement - note 41.1		16 259
Restated balance		**(127 234)**

41 INVENTORY CONSUMED

	2025	2024
Consumables	4 150 004	10 868 328
Materials and Supplies	941 517	248 403
Water	37 493 231	25 312 737
Total	**42 584 752**	**36 429 467**

42 INVENTORY WRITE OFF

	2025	2024
Materials and Consumables	-	1 773
Water	2 016 304	9 724 196
Total	**2 016 304**	**9 725 969**

43 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

41.1 Investment Property and Property, Plant and Equipment

The following errors were noted:

The official assets register did not agree to the financial records. Accordingly, prior year error restatement is required in order for the asset register to agree to the financial records.

The net effect of the above-mentioned errors were as follows:

- Investment Property - note 8	Understated	205 037
- Property, Plant and Equipment - note 9	Understated	44 990 534
- Depreciation, Amortisation and Impairment - note 36	Overstated	(64 003)
- Loss on disposal of Non-Monetary Assets note 40	Overstated	(16 258)
- Accumulated Surplus - note 41.3	Understated	6 104 617

41.2 Payables from Exchange Transactions

Correction of retentions.

The net effect of the above-mentioned errors were as follows:

- Retention	Understated	149 725
- Trade Payables	Overstated	(39 160 417)

Figures in Rand	2025	2024
41.3 Accumulated Surplus		
Investment Property and Property, Plant and Equipment - note 41.1	Understated	6 104 617
Total		**6 104 617**

44 NET CASH FROM/(USED) OPERATING ACTIVITIES

	2025	2024
Net Surplus for the year	750 394 182	1 278 200
Adjusted for:		
Non-cash revenue included in Net Surplus	(210 342 688)	(4 444 000)
Actuarial Gains	1 863 000	(4 444 000)
Contributed Assets	(212 205 688)	-
Non-cash expenditure included in Net Surplus	91 706 729	94 988 564
Employee Related Costs - Contributions towards	8 366 800	5 749 027
Post Retirement Medical Benefits	747 000	814 000
Long Service Awards	466 000	501 000
Bonuses	4 835 794	4 292 130
Staff Leave	2 283 650	107 540
Shortfall in Cape Joint Pension Fund	34 356	34 356
Debt Impairment	10 645 646	39 222 085
Depreciation, Amortisation and Impairment	57 828 537	37 155 577
Finance Charges	13 562 479	12 734 642
Post Retirement Medical Benefits	2 734 000	2 904 000
Long Service Awards	656 000	716 000
Provision for Rehabilitation of Landfill-sites	10 172 479	9 114 642
Actuarial Losses	-	-
Loss on disposal of Non-Monetary Assets	1 303 267	127 234
Cash expenditure not included in Net Surplus	(8 269 342)	(8 300 227)
Post Retirement Medical Benefits	(930 000)	(901 000)
Long Service Awards	(1 132 000)	(753 000)
Bonuses	(4 581 577)	(4 570 805)
Staff Leave	(1 625 765)	(2 075 422)
Operating Surplus before changes in working capital	623 488 881	83 522 537
Movement in working capital	(287 107 854)	(200 254 866)
Receivables	(58 974 340)	(71 636 114)
Inventory	(3 897 685)	(1 507 995)
Consumer Deposits	84 413	287 373
Payables from exchange transactions	(237 498 172)	(132 227 041)
Unspent Conditional Government Grants	14 568 623	3 491 493
Taxes	(1 390 694)	1 337 418
Cash Flow from Operating Activities	**336 381 027**	**(116 732 329)**

45 BUDGET COMPARISONS

45.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats.

The following items are affected by these classification differences:

Statement of Financial Position

The Statement of Financial Position is presented on a comparable basis in all material aspects.

Statement of Financial Performance

The following actual results were reclassified to ensure that the performance for the year is measured on a comparable basis to the budget approved, which are guided by mSCOA and National Treasury (NT) classifications and principles:

	Actuals per Statement of Financial Performance R	Reclassification due mSCOA vs GRAP classification R	Actuals per Budget Comparison R
REVENUE			
Property Rates	55 906 675	-	55 906 675
Service Charges - Electricity Revenue	180 336 866	-	180 336 866
Service Charges - Water Revenue	48 190 128	-	48 190 128
Service Charges - Sanitation Revenue	16 299 168	-	16 299 168
Service Charges - Refuse Revenue	18 900 360	-	18 900 360
Rent on land	-	693 446	693 446
Rental of Facilities and Equipment	1 926 206	(693 446)	1 232 760
Interest Earned - External Investments	11 826 402	-	11 826 402
Interest Earned - Outstanding Debtors	38 413 146	-	38 413 146
Fines	330 296	-	330 296
Licences and Permits	3 015 130	-	3 015 130
Agency Services	-	-	-
Transfers Recognised - Operational	339 926 483	-	339 926 483
Other Revenue	340 245 057		340 245 057
Total Revenue (excluding capital transfers)	**1 055 315 917**	**-**	**1 055 315 918**

Figures in Rand 2025 2024

45 BUDGET COMPARISONS (CONTINUED)

	Actuals per Statement of Financial Performance R	Reclassification due mSCOA vs GRAP classification R	Actuals per Budget Comparison R
EXPENDITURE			
Employee Related Costs	101 704 630	3 390 000	105 094 630
Remuneration of Councillors	7 307 217	-	7 307 218
Debt Impairment	10 645 646	-	10 645 646
Depreciation and Asset Impairment	57 828 538	-	57 828 537
Finance Charges	59 238 770	(3 390 000)	55 848 770
Bulk purchases	140 719 370	-	140 719 370
Inventory consumed	42 584 752	-	42 584 752
Contracted Services	-	30 173 676	30 173 676
Other Expenditure	57 219 726	(30 173 676)	27 046 050
Losses	5 182 571	-	5 182 571
Loss on disposal of Non-Monetary Assets	1 303 267		
Inventory Write Off	2 016 304		
Actuarial Losses	1 863 000		
Total Expenditure	**482 431 221**	**-**	**482 431 222**
Surplus/(Deficit)	**572 884 696**	**-**	**572 884 696**
Transfers and subsidies - capital (monetary) - Government	17 371 924	-	17 371 924
Transfers and subsidies - capital (in-kind)	212 205 688	-	212 205 688
Surplus/(Deficit) for the year	**802 462 308**	**-**	**802 462 307**

The items reclassified can be summarised as follow:

Item	GRAP Classification	Budget Classification	Amount
Grazing Fees	Rentals of Facilities and Equipment	Rent on Land	693 446
Post Retirement Medical Benefits	Finance Charges	Employee Related Costs	2 734 000
Long Service Awards	Finance Charges	Employee Related Costs	656 000
Catering Services	Other Expenditure	Contracted Services	437 447
Audit Committee	Other Expenditure	Contracted Services	74 142
External Personnel and Labour	Other Expenditure	Contracted Services	1 284 648
Electrical	Other Expenditure	Contracted Services	8 912 592
Legal Cost	Other Expenditure	Contracted Services	1 734 670
Infrastructure and Planning	Other Expenditure	Contracted Services	-
Medical Health Services	Other Expenditure	Contracted Services	-
Valuer and Assessors	Other Expenditure	Contracted Services	-
Contractors Equipment	Other Expenditure	Contracted Services	6 625 031
Accounting and Auditing	Other Expenditure	Contracted Services	8 840 136
Building Contractors	Other Expenditure	Contracted Services	83 712
Contractors Other Assets	Other Expenditure	Contracted Services	7 890
Security Services	Other Expenditure	Contracted Services	594 943
Laboratory Services	Other Expenditure	Contracted Services	409 354
Business and Financial Management	Other Expenditure	Contracted Services	1 169 112
			-

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis in all material aspects.

45 BUDGET COMPARISONS (CONTINUED)

45.2 Statement of Financial Position

Actual Amounts vs Final Budget

Cash and cash equivalents	Improvement in cash management, internal controls and an overall reduction of non-priority spending.
Receivables from exchange transactions	Improvement in the overall collection rate due to stringent credit control and debt collection procedures.
Other current assets	The balance includes the VAT portion of the provision for debt impairment. If the Taxes balance is included, the variance is immaterial.
Trade and other payables & Long term portion of trade payables	The municipality moved creditors to long-term liabilities based on the Eskom Debt Relief Programme and the National Dispute with the Water Board.
Employee Benefits	The variance is due to the split between current and non-current portions of Employee benefits. When the balances are netted-off, the remaining variance is immaterial.
Long-term Liabilities	The loan repayment amounts were not sufficiently considered during the budget compilation process.
Provisions	Increase in the estimated costs to rehabilitate Landfill sites at the end of its useful life.
Accumulated Surplus	The net results of the above exceeded expectations.

45.3 Statement of Financial Performance

Actual Amounts vs Final Budget

Property Rates	Under collection is based on the complaints from the community that the rates tariff are too high and unaffordable.
Service charges - Electricity	The municipality installed new meters and replaced faulty meters that resulted in the municipality billing more than the anticipated budget.
Service Charges - Water Revenue	The municipality has started with the installation of check water meters to determine usage within the municipal boundaries and has identified where certain buildings were not billed.
Service Charges - Sanitation Revenue	The municipality will do a household audit and cost of supply study to determine the cost of the service to align the budget with the actual billing.
Service Charges - Refuse Revenue	The municipality will do a household audit and cost of supply study to determine the cost of the service to align the budget with the actual billing.

Virements

All virement were done in line with the approved virement policy of the Municipality where funds are transferred from one line item to another within a specific vote. No material virements were made.

45 BUDGET COMPARISONS (CONTINUED)

Actual Amounts vs Final Budget

Gains	Municipality did not bargain for gains to be receive.
Debt Impairment	The municipality tried to keep debt impairment to the very limit based on a higher collection rate as the collection rated dipped the debt impairment increased.
Depreciation and Asset Impairment	The budget for the depreciation of landfill sites was excessive.
Finance Charges	The municipality budgeted to have less interest and penalties to be paid as per the ESKOM debt relief program and Vaal Central Water dispute, however interest was still incurred in the financial year, but the municipality had an improvement compared to the previous financial year. Interest and penalties incurred were written off and the municipality will not occur interest in the following year.
Inventory consumed	Inventory, contract services , other expenditure – is based on the availability of actual cash flow, the municipality will only incur expenses if the funding is available although there is a budgeted or planned expenditure .
Losses	The municipality tried to keep debt impairment to the very limit based on a higher collection rate as the collection rated dipped the debt impairment increased
Transfers and subsidies - capital (monetary) - Government	Grant funding received less than expected.

45.4 Cash Flow Statement

Actual Amounts vs Final Budget

Property rates, penalties & collection charges	The Municipal Council approves an additional rebate on property rates, the municipality is struggling to collect property rates from certain state departments due to ongoing disputes.
Service charges	The Municipal Council approves an additional rebate on property rates, the municipality is struggling to collect property rates from certain state departments due to ongoing disputes.
Transfers and Subsidies	Grant funding received less than expected.
Suppliers and Employees	Improvement in expenditure management, internal controls, and an overall reduction of non-priority spending.
Capital Assets	Under expenditure due to the Disaster Response Grant, the municipality had several disputes in the tender process that resulted in the under expenditure of the grant.
Repayment of Borrowing	The loan repayment amounts were not sufficiently considered during the budget compilation process.

Figures in Rand	2025	2024

46 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

46.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

	2025	2024
Opening balance	480 466 806	455 965 439
Unauthorised expenditure current year - operating	57 555 931	24 501 367
Unauthorised expenditure current year - capital	87 883 950	-
Approved by Council	(176 483)	-
Unauthorised expenditure awaiting further action	**625 730 204**	**480 466 806**

Unauthorised expenditure only relates to expenditure in excess of approved budget votes. No disciplinary steps or criminal proceedings were instituted as a result of unauthorised expenditure incurred. Refer below for votes of which the expenditure was in excess of the approved budget:

Unauthorised expenditure - Operating	2025 (Actual) R	2025 (Final Budget) R	2025 (Unauthorised) R	2024 (Unauthorised) R
Vote 1 - Executive Mayor And Council (10: Ie)	13 644 584	14 230 850	-	1 527 481
Vote 2 - Municipal Manager (11: Ie)	10 375 667	12 929 375	-	6 018 489
Vote 3 - Corporate Services (13: Ie)	28 888 332	33 725 543	-	-
Vote 4 - Financial Services (15: Ie)	103 055 120	62 137 620	40 917 500	14 002 821
Vote 5 - Community Services: Comm Dev (16: Ie)	35 236 555	72 039 837	-	-
Vote 6 - Community Services: Publsafety (17: Ie)	9 012 629	13 483 462	-	-
Vote 7 - Infrastructure,Eng And Technical (18: Ie)	334 286 461	317 648 030	16 638 431	2 952 575
Total	**534 499 348**	**526 194 717**	**57 555 931**	**24 501 367**

Unauthorised expenditure - Capital	2025 (Actual) R	2025 (Final Budget) R	2025 (Unauthorised) R	2024 (Unauthorised) R
Vote 4 - Financial Services (15: Ie)	3 913 515	1 800 000	2 113 515	-
Vote 7 - Infrastructure,Eng And Technical (18: Ie)	115 119 406	69 320 918	45 798 488	-
Vote 8 - Executive Mayor And Council (20: Cs)	-	-	-	-
Vote 9 - Municipal Manager (21: Cs)	259 346	-	259 346	-
Vote 10 - Corporate Services (23: Cs)	-	-	-	-
Vote 11 - Community Services: Comm Dev (26: Cs)	-	-	-	-
Vote 12 - Infrastructure,Eng And Technical (28: Cs)	39 712 601	-	39 712 601	-
Total	**159 004 868**	**71 120 918**	**87 883 950**	**-**

46.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

	2025	2024
Opening balance	62 433 616	55 998 101
Fruitless and wasteful expenditure incurred - prior years	-	-
Fruitless and wasteful expenditure incurred - current year	2 605 766	11 487 776
Recovered from Employees	-	-
Approved by Council	(8 323 740)	(5 052 262)
Fruitless and wasteful expenditure awaiting further action	**56 715 641**	**62 433 616**

Figures in Rand	2025	2024

46 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Details of fruitless and wasteful expenditure incurred

	2025	2024
(a) Creditors interest paid prior to 1 July	62 433 616	55 998 102
(b) SA Post Office interest paid	-	-
(c) MH Office machines interest paid	-	-
(d) Eskom penalties and interest paid	(3 419 037)	6 317 427
(e) Telkom interest paid	3 427	17 365
(f) Namaqua Gas interest paid	199	384
(g) Auditor General interest paid	180 043	3 546
(h) Compensation Fund	-	-
(i) ABSA Card Services	11 658	3 468
(j) TGIS	508	266
(k) Driver's Licence Card interest	-	3 549
(l) ABCO	(774)	195
(m) LA retirement Fund	-	89 314
(n) HUGE TNS (pty) ltd	0	-
(o) Cape Retirement Fund	6 140	-
(p) Vaal Central Water	(2 500 138)	-
Total	**56 715 641**	**62 433 616**

No disciplinary steps or criminal proceedings were instituted as a result of fruitless and wasteful expenditure incurred due to the fact that no criminal offence occurred.

46.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

	2025	2024
Opening balance	366 553 610	371 055 994
Correction of prior period	-	-
Restated balance	366 553 610	371 055 994
Irregular expenditure incurred - current year	2 522 285	3 030 210
Approved by Council	(10 377 057)	(7 532 594)
Irregular expenditure awaiting further action	**358 698 839**	**366 553 610**

Details of irregular expenditure incurred

	2025	2024
(a) Deviations from SCM regulations - 3 quotations not obtained	624 404	-
(b) Deviations from SCM regulations	1 897 881	3 030 210
Total	**2 522 285**	**3 030 210**

Details of irregular expenditure awaiting further action:

	2025	2024
(a) Deviations from SCM regulations - 3 quotations not obtained	2 553 976	1 929 572
(b) Deviations from SCM regulations	11 626 903	9 729 022
(c) Irregular expenditure prior to 1 July	344 517 960	354 895 016
Total	**358 698 838**	**366 553 610**

Figures in Rand

47 MATERIAL LOSSES

47.1 Water distribution losses

Figures in Rand	2025	2024
Kilo litres disinfected/purified/purchased	1 946 304	2 073 593
Kilo litres sold and free basic services	1 680 160	1 641 022
Kilo litres lost during distribution	266 144	432 571
Percentage lost during distribution	**13.67%**	**20.86%**
Distribution loss (Rand Value)	6 400 773	9 724 196

Water losses can mainly be ascribed to a combination of major pipe bursts, field leakages and ageing meter infrastructure.

47.2 Electricity distribution losses

Figures in Rand	2025	2024
Units purchased (Kwh)	68 759 999	57 778 379
Units sold, free basic services and standard friction losses	57 674 790	45 296 442
Units lost during distribution (Kwh)	11 085 209	12 481 937
Percentage lost during distribution	**16.12%**	**21.60%**
Distribution loss (Rand Value)	17 062 265	17 645 711

Electricity losses are due to electricity theft on pre-paid meters and illegal connections.

48 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

48.1 SALGA Contributions [MFMA 125 (1)(b)]

Figures in Rand	2025	2024
Opening balance	376 142	463 046
Expenditure incurred	1 186 874	1 163 096
Payments - current year	(936 954)	(750 000)
Payments - previous year	(376 142)	(500 000)
Payments in advance	**249 920**	**376 142**

48.2 Audit Fees [MFMA 125 (1)(c)]

Figures in Rand	2025	2024
Opening balance	6 131 204	5 801 868
Expenditure incurred	5 079 208	3 280 090
External Audit - Auditor-General	5 006 226	3 211 466
Audit Committee	72 982	68 624
Payments - current year	-	-
Payments - previous year	(5 261 466)	(2 950 754)
Outstanding Balance	**5 948 946**	**6 131 204**

48.3 VAT [MFMA 125 (1)(c)]

Figures in Rand	2025	2024
Opening balance	(990 734)	210 285
Net amount claimed / (declared) during the year	(2 147 100)	(2 361 860)
Net amount paid / (received) during the year	3 464 849	1 160 842
Outstanding Balance	**327 016**	**(990 734)**

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors. All VAT returns have been submitted by the due date throughout the year.

Figures in Rand	2025	2024

48 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

48.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]

	2025	2024
Opening balance	(1 263 674)	(569)
Payroll deductions and Council Contributions during the year	(17 002 385)	(16 336 713)
Payments	16 894 867	15 073 608
Outstanding Balance	**(1 371 193)**	**(1 263 674)**

48.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]

	2025	2024
Opening balance	(1 522 638)	-
Payroll deductions and Council Contributions during the year	(19 374 188)	(19 633 262)
Payments made to pension and medical fund	19 240 012	18 110 624
Outstanding Balance	**(1 656 814)**	**(1 522 638)**

48.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June:

	2025	2024
WJ Goedeman	74 282	-
Total	**74 282**	**-**

48.7 Deviations from Supply Chain Management Regulations

Deviations from Supply Chain Management Regulations were identified on the following categories:

	2025	2024
Section 36(1)(a)(i) - Emergencies	-	406 972
Section 36(1)(a)(ii) - Single provider	-	-
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical so follow official procurement process	273 428	568 555
Total	**273 428**	**975 527**

All the deviations were ratified by the Municipal Manager and reported to Council.

49 CAPITAL COMMITMENTS

	2025	2024
Approved and contracted for	**8 850 536**	**6 795 845**
Infrastructure	8 850 536	4 917 323
Correction	-	1 878 522
This expenditure will be financed from:		
Government Grants	8 036 312	6 795 845
Own Funding	814 224	-
Total	**8 850 536**	**6 795 845**

Capital Commitments are disclosed inclusive of Value Added Tax (VAT).

Figures in Rand | 2025 | 2024

50 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

50.1 Credit Risk

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

The following financial assets are exposed to credit risk:

	2025	2024
Cash and Cash Equivalents	323 897 138	44 200 093
Receivables from exchange transactions	82 156 942	53 278 240
Receivables from non-exchange transactions	341 599	507 475
Long-term Receivables	-	-
Total	**406 395 679**	**97 985 808**

Cash and Cash Equivalents

Deposits of the Municipality is only held at reputable banks that are listed on the JSE. The credit quality is regularly monitored through required SENS releases by the various banks. The risk pertaining to these deposits are considered to be very low.

There are no restrictions on the cash deposits held and no cash were pledged as security. No collateral is held for any cash and cash equivalents.

Receivables from Exchange Transactions

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

Receivables are disclosed after taking into account the provision for impairment raised against each class of receivable.

Receivables are payable within 30 days. All receivables outstanding for more than 30 days are considered to be past due.

Refer to note 3 and 4 for more information regarding the provision for impairment raised against each service type as well as receivables considered to be past due.

Also refer to note 6 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

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

	2025	2024
Electricity	18 110 016	13 523 470
Water	3 027 076	10 115 417
Refuse	464 843	3 858 969
Sewerage	(290 868)	2 568 062
Other	(93 571)	(6 436 749)
Availability Charges	(314 757)	(1 536 514)
Total	**20 902 739**	**22 092 655**

Figures in Rand	2025	2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

50.2 Currency risk (Market Risk)

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

The financial instruments of the Municipality is not directly exposed to any currency risk.

50.3 Interest rate risk (Market Risk)

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

The following balances are exposed to interest rate fluctuations:

	2025	2024
Cash and Cash Equivalents (excluding cash on hand)	323 897 138	44 200 093
Long-term Liabilities (including current portion)	(15 952 306)	(20 480 359)
Net balance exposed	**307 944 832**	**23 719 734**

Potential effect of changes in interest rates on surplus and deficit for the year:

	2025	2024
0.5% (2023 - 0.5%) increase in interest rates	1 539 724	118 599
0.5% (2023 - 0.5%) decrease in interest rates	(1 539 724)	(118 599)

50.4 Liquidity risk

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

Liquidity risk is mitigated by approving cash funded budgets at all times to ensure commitments can be settled once due over the long term. The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2025				
Annuity Loans	6 608 350	12 115 309	-	18 723 660
Finance Lease Liabilities	-	-	-	-
Payables from exchange transactions	47 981 170	-	-	47 981 170
Total	**54 589 520**	**12 115 309**	**-**	**66 704 830**
30 JUNE 2024				
Annuity Loans	6 608 350	18 723 660	-	25 332 010
Finance Lease Liabilities	259 863	-	-	259 863
Payables from exchange transactions	305 392 790	-	-	305 392 790
Total	**312 261 004**	**18 723 660**	**-**	**330 984 664**

50.5 Other price risk (Market Risk)

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

The Municipality is not exposed to any other price risk.

Figures in Rand	2025	2024

51 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

	2025	2024
Financial Assets		
Cash and Cash Equivalents	323 897 138	44 200 093
Bank Accounts	10 377 422	4 989 164
Investment Deposits	313 519 716	39 210 929
Receivables from Exchange Transactions	82 156 942	53 278 240
Electricity	50 574 042	22 711 073
Water	19 531 549	15 728 670
Refuse	6 982 099	5 859 860
Sewerage	4 094 614	4 052 655
Property Rentals	646 722	11 320 910
Other	327 916	(6 394 927)
Receivables from Non-Exchange Transactions	341 599	507 475
Availability Charges	341 599	507 475
Long-term Receivables	-	-
Receivables with repayment arrangements	-	-
Total	**406 395 679**	**97 985 808**
Financial Liabilities		
Payables from exchange transactions	47 981 170	305 392 790
Trade Payables	44 581 540	302 173 989
Retentions	1 620 974	2 014 345
Other Payables	1 778 656	1 204 456
Long-term Liabilities	117 426 980	153 053 414
Annuity Loans	15 952 306	20 480 359
Finance Lease Liabilities	-	253 723
Municipal Debt Relief	101 474 674	132 319 332
Total	**165 408 150**	**458 446 204**

Figures in Rand	2025	2024

52 STATUTORY RECEIVABLES

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

	2025	2024
Receivables from Non-Exchange Transactions	28 740 855	12 443 572
Rates	28 717 959	12 361 877
Fines	22 897	81 695
Taxes - VAT Claimable from SARS	166 901	-
Total	**28 907 757**	**12 443 572**

The amounts above are disclosed after any provision for impairment has been taken into account.

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 19 for property rates levied for the year and basis for interest and rate used on outstanding balances.

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 4 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

Taxes (Value Added Tax) are raised in terms of the Value Added Tax Act. No interest is paid by the South African Revenue Service on outstanding VAT claims.

Refer to note 4 for determining the recoverability of property rates and traffic fines.

Property Rates	2025	2024
- Past due at the reporting date, and which have been impaired	70 890 188	71 161 594
- Past due that have not been impaired	16 665 955	8 156 515

53 PRINCIPAL-AGENT ARRANGEMENTS

The Municipality has assessed that the following significant principal-agent arrangements exists:

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

Nama Khoi 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.

The following information is disclosed in aggregate:

Compensation paid for agency activities:

	2025	2024
Commission - Prepaid Electricity - note 39	1 683 951	1 015 049

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

Figures in Rand	2025	2024

53.2 Agent in arrangement with Provincial Department of Transport

Nama Khoi 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.

Compensation received for agency activities:

	2025	2024
Agency Services - note 30	-	100 021

Nama Khoi municipality was paid a commission fee by Provincial Department of Transport for acting as an agent on its behalf during the financial year.

Reconciliation of Agency Funds and Disbursements:

	2025	2024
Total agency funds received	-	100 021
Amount remitted to the principal	-	(100 021)
Variance between amounts received and amounts remitted	-	-

54 EVENTS AFTER REPORTING DATE

The Municipal had no significant events after reporting date.

55 IN-KIND DONATIONS AND ASSISTANCE

SMEC SA (Pty) Ltd was appointed on Project No. RFP057/2023 for development of the Water Services Master Plan (WSMP), updating of the Water Services Development Plan (WSDP) and Management Plan to reduce non-revenue water for Nama Khoi Local Municipality (NKLM) in 2024/2025.

56 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

57 CONTINGENT LIABILITIES

The municipality is currently engaged in the following litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.

Management have determined that there is a possibility of economic outflow regarding legal fees and associated costs with regard to the below mentioned cases. Management have also assessed the estimated legal fees to be reasonable in terms of general costs based on management’s experience with similar transactions and experience opinion of experts.

	2025	2024
57.1 Nama Khoi Municipality / Cornelissen Inc (obo Schreuders Attorneys)	1 000 000	1 000 000

Legal fees charged to the Municipality which was not sanctioned by Council. Management's estimate of financial exposure, including costs and disbursements is estimated at R1.0 million

	2025	2024
57.2 IMATU obo RC Hartley / Nama Khoi Municipality (Neville Cloete Attorneys Inc)	160 000	160 000

Claim for allegedly unpaid Acting Allowance as Acting Head of Department of Community services. Estimated costs exposure approximately R160 000.

Figures in Rand	2025	2024
57.3 Nama Khoi Municipality / Okiep Copper Company (Pty) Ltd (obo Webber Wentzel Attorneys)	500 000	500 000

This matter involves a summons issued by the Municipality against O'Okiep Copper Company (Pty) Ltd (OCC) for the transfer of the Springbok airfield pursuant to a written sale agreement entered into between the Municipality and the OCC in 1994 in terms of which Springbok Municipality (Nama Khoi Local Municipality's predecessor) bought the airfield from the OCC. The OCC is defending the action, and has also instituted a counter-claim and as a consequence thereof was claiming (1) an order declaring that the Municipality must vacate the airfield, (2) that the Municipality must pay rental income for the period the Municipality occupied the airfield, and (3) that the Municipality must pay rehabilitation costs for the repair and maintenance of the airfield. The OCC has now amended its plea and as a consequence has done away with it counter-claim for rental and rehabilitation costs.

The pleadings have closed and the matter needs to be prepared for trial. However, the OCC has made certain proposals to settle the matter, which proposal for settlement have not been accepted and thus the matter is in process of being prepared for trial.

The Municipality has succesfully obtained an order for the issue of prescription to be decided and adjudicated separately and a trial date needs to be obtained for this purpose. However, further proposals have been made and the parties are in the process of consideration to resolve the matter amicably.

Management's estimate of financial exposure is estimated at R500 000.

57.4 Nama Khoi Municipality / Afriforum NPC (obo Webber Wentzel Attorneys)	200 000	200 000

This matter involves an application by Afriforum NPC against the Municipality for declaratory relief pertaining to the appointment of the Head of Department: Technical services. The Municipality has opposed the matter, however the parties are currently attempting to resolve the matter amicably. In the event that the matter can not be resolved amicably and the application is proceeded with, the estimate of financial exposure including legal costs and disbursements will be approximately R200 000 in the event that the application is successful.

57.5 Nama Khoi Municipality / Country Hotels (Pty) Ltd (obo Webber Wentzel Attorneys)	855 738	855 738

This matter involves a summons issued by Country Hotels for payment of damages in the form of 50% of water charges paid as a result of the alleged improper installation of an alleged defective water meter on the water supply that serves the Springbok Inn resulting in the plaintiff allegedly being overcharged for water consumed at the Springbok Inn. The Municipality has defended the action, however, the parties have resolved the matter between themselves and the amicable resolution has to be formalised.

The amount being claimed is R605 737.99, being 50% of the total water charges paid to the Municipality to date, plus interest on 50% of each payment for water at the prescribed rate from date of the payment of the overestimated charges.

57.6 Nama Khoi Municipality / Liquid Telecommunications (obo Webber Wentzel Attorneys)	2 899 683	2 899 683

This matter involves a summons issued by Liquid Telecommunications South Africa for payment relating to the alleged failure by the Municipality to make payments in respect of telecommunication services and for breach of contract.

The Municipality has defended the matter and the parties have been attempting to resolve the matter amicably. Liquid Telecom's legal representatives have also indicated that they intend to amend Liquid Telecom's Particulars of Claim. Liquid Telecoms' legal representatives have delivered a Notice of Intention to amend Liquid Telecom's Particulars of Claim. The Municipality objected against the amendments pursuant to which Liquid Telecoms had to institute an application for leave to amend, which they have not done.

The amount being claimed is R2 449 683 plus interest on overdue amount at Nedbank's prevailing prime overdraft rate plus 2%, compounded monthly in arrears.

Figures in Rand	2025	2024
57.7 Nama Khoi Municipality / Pauline le Cordeur (obo Webber Wentzel Attorneys)	150 000	150 000

This matter involves an application for a declaration that the Applicant is the lawful owner of Erf 1323 Nababeep, situated within the Nama Khoi Municipality, in the Northern Cape Province. A declaration that the transfer and registrtation of the Property, in terms of the Title Deed number T297/1889, is null and void. An order directing the Third Respondent, in terms of section 6 of the Deeds Registries Act 47 of 1937, to cancel the transfer of the Property to the Second Respondent. An order authorising and directing the Third Respondent to transfer the Property into the name of the Applicant and that the Municipality and the Second Respondent pay the costs of the application.

The Municipality initially opposed the application, however, the Municipality subsequently filed a Conditional Notice of Withdrawal and to abide as well as an explanatory affidavit to assist the Court.

The matter was heard on 16 May 2025 before Judge Nxumalo in the Northern Cape High Court, who ordered, *inter alia* , that the matter be postponed *sine die* , that the Applicant institute an enquiry in terms of section 30 of the Conversion of Certain Rights to Leasehold Act and that the matter of costs be set down following the completion of the equiry.

55.8 Nama Khoi Municipality / Eskom SOC Limited, (Bossr Inc Cape Town)	31 138	31 138

Nama Khoi Municipality held an Court Order prohibiting Eskom to disconnect the electricity. Nama Khoi Municipality and ESKOM has settled the litigation on 26 January 2024. Bossr were instructed to withdraw the application.

57.9 Nama Khoi Municipality / Letitia Louw (obo Webber Wentzel Attorneys)	200 000	-

This matter involved an application by Letitia Eveline Louw (the "Applicant"), inter alia, for an order to provide her with certain information sought in terms of the Promotion of Access to Information Act 2 of 2000 relating to the Kookfontein Rondawels, , No 22/N7, Steinkopf.

The Municipality opposed the matter pursuant to which the Applicant's attorneys delivered a Notice in terms of Rule 30A. The Municipality delivered a Notice in terms of Rule 30(2)(b) and Rule 30A(1) and (2), *inter alia* , on the basis that the Applicant's Rule 30A Notice is premature and irregular and constitutes an irregular step, and that the Applicant has failed to comply with the Uniform Rules of Court. The Applicant did not adhere to the Notice interms of Rule 30(2)(b) and Rule 30A(1) and (2) and an application in terms of Rule 30 and Rule 30A was brought on 14 October 2024 to, *inter alia* , set aside the Applicants Notice of Motion and Rule 30A Notice. The Applicant opposed this application on or about 25 October 2024.

As the matter was previously postphoned to 15 November 2024 whice coincided with the date on which the Applicant had to deliver har answering affidavit in the application in terms of Rule 30 and Rule 30A and given that a date has to be obtained on the Opposed Motion Roll for the Rule 30 and Rule 30A Application once all the affidavits have been delivered , it was agreed to remove the matter from the Motion Court Roll on 15 November 2024 and to have it enrolled on the Opposed Motion Roll once all papers have been filed.

To date, the Applicant has not delivered any answering papers and we are in the process of formulating a proposal that the matter be resolved amicably.

55.10 Nama Khoi Municipality / MEC for the Department of Cooperative Governance, Human Settlements and traditional Affairs (obo Webber Wentzel Attorneys)	75 000	-

This matter involves an urgent application brought by the Member of the Executive Council (MEC) for Cooperative Governance, Human Settlements and Traditional Affairs, seeking an order, *inter alia* , declaring the appointment of the ertswhile Municipal Manager as acting Municipal Manager unlawful, invalid, and therefore null and void.

The Municipality successfully opposed , and the High Court dismissed the MEC's application but decided that it would be prudent for each party to carry its own costs. The MEC has now applied for leave to appeal againts the High Court's aforesaid judgement, which application the Municipality is opposing. The parties have delivered their Heads of Argumant and is in the process of arranging a hearing date for the application for leave to appeal.

Figures in Rand		2025	2024
55.11	**Nama Khoi Municipality / Minister of Cooperative Governance and Traditional Affairs (obo Webber Wentzel Attorneys)**	25 000	-

This matter involves an urgent application brought by Nama Khoi Municipality (the "Applicant") to, *inter alia* , direct the Minister of Cooperative Governance and Traditional Affairs to forthwith take a decision in terms of the Municipality's application for a waiver of the retirement age of its ertswhile Municipal Manager and, in the event of any unfavourable decision , to simultaneously provide written reasons to the Applicant for any such decision, as well as for the interim interdictory relief that the Municipal Manager shall remain in his position until 30 September 2025.

The Application was brought on an urgent basis as a result of the Minister's delay and/or failure to take a decision in respect of the waiver application. The Minister eventually delivered an unfavourable decision shortly before the matter was to be heard, and the Court struck the matter from the roll due to lack of urgency and the Municipality was ordered to pay the costs of the Minster and the Second Respondent, the Member of the Executive Council for Cooperative Governance, Human Settlements and Traditional Affairs, Northern Cape for the day.

55.12	**Total**	**6 096 559**	**5 796 559**

58 RELATED PARTIES

58.1 Related Party Transactions

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

Other related parties transactions relates to the acquisition of goods under terms and conditions applicable to open market trading on a willing buyer and seller principles. The payment terms are not favourable to other transactions (other related parties) and are not secured or encumbered. Settlement terms are in accordance with the general terms of trade with no guarantees received or given.

58.2 Related Party Loans

There are no loans outstanding to any related party. Since 1 July 2004 loans to councillors and senior management employees are not permitted.

58.3 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 32 and 33.

58.4 Other related party transactions

The Municipality did not enter into any transactions where Councillors or Management had an interest.

Figures in Rand **2025** **2024**

59 OTHER TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

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

Company Name	Employee of the State (Service Capacity) / Relationship	Amount (2025)	Amount (2024)
Supplies Ablaze	Harold Roberts (Regional Director - Dept Roads and Public Works) - Parent of Director	-	246 665
BVI Raadgewende Ingenieurs	Elaxzan Cloete (HR Officer - Dept of Roads and Public Works) - Spouse of Director	13 594 611	3 799 258
Springbok A-Z Repair cc	Petronella Cloete (SAPS) - Spouse of Director	105 488	331 598
Adv Ettienne Vermaak	Johanna Vermaak (Pharmacist - Department of Health Karl Bremer Hospital) - Spouse of Director	390 934	1 147 269
CF Hiring and Supply Services	Sheroline Muller (Admin Clerk - Dept of Education) - Spouse of Director	60 719	1 147 269
Total		**14 151 752**	**5 524 790**

60 FINANCIAL SUSTAINABILITY

Nama Khoi municipality operates with a Funded Budget Plan and implements cost containment measures rigorously, as it has limited available revenue compared to its extensive expenditure needs. The municipality initiated a cost of supply studies for water, electricity, and sewerage services and will be implementing the cost-reflective tariffs starting with the 2025-26 Budget. The municipality manage its income and expenditure on a month-to-month basis as to ensure the municipality meets its financial obligations. The municipality introduced a new tariffs structure for electricity purchases with the aim to protect the poorest of the poor while also billing the correct tariffs for consumers, businesses and other stakeholders.

The going concern remained a challenge for Nama Khoi municipality as debtors and creditors kept on increasing during the financial year; however, the municipality managed to maintain compliance with the ESKOM Debt Relief Program, and it is expecting the second 1/3 to be written off as the second cycle was reached in July 2025. The municipality further managed to settle the outstanding dispute with Vaal Central Water and agreed to write off the debt, which had a positive impact on the debtors, while the municipality received a write-off of R262 098 348 and entered into a Water Incentive Scheme that will see the remainder of the debt be written off over three years. The municipality appointed a Revenue Enhancement Partner that assisted the municipality with the replacement of faulty meters, installing check meters at various points, and various other initiatives; this has shown a positive cash flow boost for the municipality.

Basic Services is the main source of income for Nama Khoi, with operational grants in the form of Equitable Shares closely second. Many households within the municipal region are also social grant dependent with 5000+ registered indigents out of the 11 500 + households. At this stage, it will be extremely difficult for the municipality to operate without government grants, as it does not have funds for Capital Projects and solely rely on MIG, WSIG, EPWP, and INEP.

Nama Khoi municipality revises its current policies and aligns them with the latest legislation and best practice industry standards. The municipality does financial reporting monthly and has an active Institutional Economic and Finance Committee where matters such as the collection of cash, outstanding debtors, and new revenue enhancement initiatives are discussed. The municipality also reports monthly on all reporting requirements to the National Treasury.

Service Delivery remains a challenge due to vast distances and aged infrastructure, the municipality did submit the necessary business plans and will implement projects and various towns to start addressing the major issues. The municipality plans to acquire additional fleet in the 2025-26 financial year to assist with the backlog in service delivery.

62 B-BBEE PERFORMANCE

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

Figures in Rand **2025** **2024**

63 SEGMENT REPORTING

63.1 General Information

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

No	Reportable Segment	Goods and/or services delivered
1	Executive and Council	Supply of overall governance and oversight
2	Municipal Manager	Supply of overall governance and administration
3	Corporate Services	Supply of support functions
4	Financial Services	Supply of financial management functions and management of property rates
5	Community Services	Facilitation of community services including cemetries, halls, health, parks, libraries and sport facilities, and public safety including traffic control, fire fighting, disaster management and pounds.
6	Technical Services	Planning and development and maintenance of roads
7	Energy sources	Electricity services
8	Water management	Water services
9	Waste water management	Sewerage services
10	Waste management	Refuse removal

63.2 Reporting on segment assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed.

63.3 Geographic Segment Reporting

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area.

63.4 Measurement of specific segment information

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about the surplus/(deficit) and capital expenditure of the respective segments are disclosed on the next page.

NAMA KHOI LOCAL MUNICIPALITY

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

63 SEGMENT REPORTING (CONTINUED)

	Executive and Council R	Municipal Manager R	Corporate Services R	Financial Services R	Community Services R	Technical Services R	Energy sources R	Water management R	Waste water management R	Waste management R	Total R
2025											
REVENUE											
External Revenue from Non-Exchange Transactions	**-**	**1 890 000**	**-**	**562 307 000**	**4 718 450**	**21 394**	**351 793 904**	**14 144 705**	**28 529 499**	**12 647 785**	**976 052 735**
Property Rates	-	-	-	55 906 675	-	-	-	-	-	-	55 906 675
Government Grants and Subsidies - Operating	-	1 890 000	-	20 008 392	1 394 417	-	12 647 785	12 647 785	12 647 785	12 647 785	73 883 948
Government Grants and Subsidies - Capital	-	-	-	-	-	-	-	1 496 920	15 875 003	-	17 371 924
Transfer and Subsidies - Private Enterprise	-	-	-	266 042 535	-	-	-	-	-	-	266 042 535
Contributed Assets	-	-	-	212 205 688	-	-	-	-	-	-	212 205 688
Availability Charges	-	-	-	1 742 035	-	-	1 879	-	6 711	-	1 750 624
Fines, penalties and forfeits	-	-	-	-	330 296	-	-	-	-	-	330 296
Interest Earned - outstanding debtors (non-exchange)	-	-	-	6 401 675	-	-	-	-	-	-	6 401 675
Licences and Permits	-	-	-	-	2 993 737	21 394	-	-	-	-	3 015 130
Actuarial Gains	-	-	-	-	-	-	-	-	-	-	-
Debt Waived	-	-	-	-	-	-	339 144 240	-	-	-	339 144 240
External Revenue from Exchange Transactions	**410 649**	**149**	**1 304 802**	**61 594 371**	**1 181 489**	**6 460**	**176 381 822**	**47 348 318**	**16 010 504**	**4 602 229**	**308 840 793**
Service Charges	-	-	-	17 633 024	-	-	176 381 822	47 348 318	16 010 504	4 602 229	261 975 897
Rental of Facilities and Equipment	-	-	1 034 744	-	891 462	-	-	-	-	-	1 926 206
Interest Earned - external investments	-	-	-	11 826 402	-	-	-	-	-	-	11 826 402
Interest Earned - outstanding debtors (exchange)	-	-	-	32 011 471	-	-	-	-	-	-	32 011 471
Agency Services	-	-	-	-	-	-	-	-	-	-	-
Other Income	410 649	149	270 058	123 474	290 027	6 460	-	-	-	-	1 100 817
TOTAL REVENUE	**410 649**	**1 890 149**	**1 304 802**	**623 901 371**	**5 899 939**	**27 854**	**528 175 726**	**61 493 023**	**44 540 003**	**17 250 014**	**1 284 893 529**
EXPENDITURE											
Employee Related Costs	3 214 231	9 664 837	6 922 667	22 194 991	18 375 026	13 070 701	5 895 064	8 062 974	7 539 043	6 765 097	101 704 630
Remuneration of Councillors	6 417 377	889 841	-	-	-	-	-	-	-	-	7 307 218
Debt Impairment	-	-	-	-	-	-	10 645 646	-	-	-	10 645 646
Debts Written Off	-	-	52 068 126	-	-	-	-	-	-	-	52 068 126
Depreciation, Amortisation and Impairment	-	-	9 511 160	-	12 597 403	-	17 353 345	7 032 311	7 397 595	3 936 724	57 828 537
Finance Charges	-	-	-	59 238 770	-	-	-	-	-	-	59 238 770
Bulk Purchases	-	-	-	-	-	-	140 719 370	-	-	-	140 719 370
Other Expenditure	878 704	2 955 262	11 468 392	19 447 515	2 361 409	4 291 474	10 649 524	4 893 154	220 967	53 326	57 219 726
Loss on disposal of Non-Monetary Assets	-	-	-	1 303 267	-	-	-	-	-	-	1 303 267
Inventory Consumed	-	-	206 942	-	-	3 253 953	-	38 173 390	941 517	8 950	42 584 752
Inventory Write Off	-	-	-	-	-	-	-	2 016 304	-	-	2 016 304
Actuarial Losses	-	-	-	1 863 000	-	-	-	-	-	-	1 863 000
Total Expenditure	**10 510 311**	**13 509 940**	**80 177 288**	**104 047 543**	**33 333 837**	**20 616 128**	**185 262 948**	**60 178 133**	**16 099 122**	**10 764 097**	**534 499 348**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**(10 099 662)**	**(11 619 791)**	**(78 872 486)**	**519 853 828**	**(27 433 898)**	**(20 588 274)**	**342 912 777**	**1 314 890**	**28 440 881**	**6 485 916**	**750 394 181**
Less: Government Grants and Subsidies - Capital	-	-	-	-	-	-	-	(1 496 920)	(15 875 003)	-	(17 371 924)
Less: Contributed Assets	-	-	-	(212 205 688)	-	-	-	-	-	-	(212 205 688)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**(10 099 662)**	**(11 619 791)**	**(78 872 486)**	**307 648 140**	**(27 433 898)**	**(20 588 274)**	**342 912 777**	**(182 031)**	**12 565 878**	**6 485 916**	**520 816 569**
CAPITAL EXPENDITURE FOR THE YEAR	**-**	**-**	**-**	**77 476 327**	**-**	**73 401 139**	**49 002 752**	**10 760 334**	**22 622 683**	**-**	**233 263 234**

63 SEGMENT REPORTING (CONTINUED)

	Executive and Council	Municipal Manager	Corporate Services	Financial Services	Community Services	Technical Services	Energy sources	Water management	Waste water management	Waste management	Total
	R	R	R	R	R	R	R	R	R	R	R

NAMA KHOI LOCAL MUNICIPALITY

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

63 SEGMENT REPORTING (CONTINUED)

	Executive and Council R	Municipal Manager R	Corporate Services R	Financial Services R	Community Services R	Technical Services R	Energy sources R	Water management R	Waste water management R	Waste management R	Total R
2024											
REVENUE											
External Revenue from Non-Exchange Transactions	**-**	**1 103 000**	**-**	**112 345 301**	**3 467 254**	**-**	**61 185 451**	**-**	**12 637 551**	**-**	**190 738 557**
Property Rates	-	-	-	50 991 845	-	-	-	-	-	-	50 991 845
Government Grants and Subsidies - Operating	-	1 103 000	-	50 658 304	1 237 900	-	15 853 000	-	-	-	68 852 204
Government Grants and Subsidies - Capital	-	-	-	-	-	-	-	-	12 543 441	-	12 543 441
Contributed Assets	-	-	-	-	-	-	-	-	-	-	-
Availability Charges	-	-	-	528 901	-	-	678 417	-	94 111	-	1 301 429
Fines, penalties and forfeits	-	-	-	10 007	398 755	-	178 059	-	-	-	586 821
Interest Earned - outstanding debtors (non-exchange)	-	-	-	5 712 243	-	-	-	-	-	-	5 712 243
Licences and Permits	-	-	-	-	1 830 599	-	-	-	-	-	1 830 599
Actuarial Gains	-	-	-	4 444 000	-	-	-	-	-	-	4 444 000
Debt Waived	-	-	-	-	-	-	44 475 975	-	-	-	44 475 975
External Revenue from Exchange Transactions	**370 606**	**294 778**	**1 904 850**	**40 481 001**	**3 243 961**	**90 502**	**117 817 612**	**46 739 468**	**14 775 010**	**8 442 520**	**234 160 309**
Service Charges	-	-	-	12 745 644	-	-	117 817 612	46 739 468	14 775 010	8 442 520	200 520 255
Rental of Facilities and Equipment	-	-	1 698 735	-	1 577 578	-	-	-	-	-	3 276 313
Interest Earned - external investments	-	-	-	4 321 711	-	-	-	-	-	-	4 321 711
Interest Earned - outstanding debtors (exchange)	-	-	-	21 739 140	-	-	-	-	-	-	21 739 140
Agency Services	-	-	-	-	100 021	-	-	-	-	-	100 021
Other Income	370 606	294 778	206 115	1 674 506	1 566 362	90 502	-	-	-	-	4 202 869
TOTAL REVENUE	**370 606**	**1 397 778**	**1 904 850**	**152 826 302**	**6 711 215**	**90 502**	**179 003 063**	**46 739 468**	**27 412 561**	**8 442 520**	**424 898 867**
EXPENDITURE											
Employee Related Costs	1 662 347	10 254 110	8 923 374	19 484 627	15 895 496	11 405 438	6 618 390	8 355 699	8 035 152	4 613 028	95 247 662
Remuneration of Councillors	7 340 041	-	-	-	-	-	-	-	-	-	7 340 041
Debt Impairment	-	-	-	2 737	-	-	39 207 528	10 889	-	931	39 222 085
Depreciation, Amortisation and Impairment	-	-	4 649 934	-	2 675 127	-	12 232 048	5 910 929	7 582 221	4 105 319	37 155 578
Finance Charges	-	-	-	33 886 125	-	-	-	-	-	9 114 642	43 000 767
Bulk Purchases	-	-	-	-	-	-	109 867 151	-	-	-	109 867 151
Other Expenditure	1 933 137	2 315 174	14 405 652	11 866 626	2 281 675	4 230 961	7 477 210	753 691	124 566	116 020	45 504 712
Actuarial Losses	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of Non-Monetary Assets	-	-	-	127 234	-	-	-	-	-	-	127 234
Inventory Consumed	-	-	258 846	-	45 412	10 403 947	-	25 450 529	248 403	22 331	36 429 467
Inventory Write Off	-	-	-	1 773	-	-	-	9 724 196	-	-	9 725 969
Total Expenditure	**10 935 525**	**12 569 284**	**28 237 806**	**65 369 121**	**20 897 709**	**26 040 347**	**175 402 327**	**50 205 934**	**15 990 342**	**17 972 270**	**423 620 666**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**(10 564 919)**	**(11 171 506)**	**(26 332 956)**	**87 457 181**	**(14 186 494)**	**(25 949 845)**	**3 600 736**	**(3 466 466)**	**11 422 219**	**(9 529 749)**	**1 278 201**
Less: Government Grants and Subsidies - Capital	-	-	-	-	-	-	-	-	(12 543 441)	-	(12 543 441)
Less: Contributed Assets	-	-	-	-	-	-	-	-	-	-	-
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**(10 564 919)**	**(11 171 506)**	**(26 332 956)**	**87 457 181**	**(14 186 494)**	**(25 949 845)**	**3 600 736**	**(3 466 466)**	**(1 121 222)**	**(9 529 749)**	**(11 265 240)**
CAPITAL EXPENDITURE FOR THE YEAR	**77 586**	**329 036**	**-**	**38 261**	**-**	**-**	**-**	**1 364 051**	**10 754 197**	**-**	**12 563 132**

NAMA KHOI LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDED 30 JUNE 2025

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2024	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2025
Annuity Loans							
Nedbank	12042023	11.30%	01/05/2028	20 480 359	-	(4 528 052)	15 952 306
Total Annuity Loans				**20 480 359**	**-**	**(4 528 052)**	**15 952 306**
Finance Lease Liabilities							
Nashua Ltd	000055 MAJ	8.25%	31/12/2024	253 722	-	(253 722)	-
Total Finance Lease Liabilities				**253 722**	**-**	**(253 722)**	**-**
TOTAL LONG-TERM LIABILITIES				**20 734 081**	**-**	**(4 781 775)**	**15 952 306**

NAMA KHOI LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDED 30 JUNE 2025

	OPENING BALANCE	CORRECTION OF ERROR	RESTATED BALANCE	GRANTS RECEIVED	GRANTS REPAID	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	CLOSING BALANCE
NATIONAL GOVERNMENT	**R**	**R**	**R**	**R**	**R**	**R**	**R**	**R**
Equitable Share	-	-	-	67 455 139	-	(67 455 139)	-	-
Finance Management Grant (FMG)	-	-	-	3 000 000	-	(2 985 628)	-	14 372
Municipal Infrastructure Grant (MIG)	11 856	-	11 856	7 710 000	(11 856)	-	(1 532 521)	6 177 479
Expanded Public Works Programme (EPWP)	-	-	-	1 890 000	-	(1 890 000)	-	-
Integrated National Electrification Programme (INEP)	-	-	-	-	-	-	-	-
Municipal Disaster Response Grant	-	-	-	24 444 000	-	-	(1 496 920)	22 947 080
Water Service Infrastructure Grant (WSIG)	15 484 283	-	15 484 283	5 000 000	(5 484 283)	-	(13 524 622)	1 475 378
Total	**15 496 139**	**-**	**15 496 139**	**109 499 139**	**(5 496 139)**	**(72 330 767)**	**(16 554 063)**	**30 614 309**
PROVINCIAL GOVERNMENT								
Libraries, Archives and Museums	512 797	-	512 797	1 635 000		(1 394 417)	-	753 380
Department of Water Affairs - WSACDBP	-	-	-	-	-		-	-
LG SETA	228 576	-	228 576	186 494	-	(158 763)	-	256 306
Department Sport, Arts and Culture	-	-	-	-	-	-	-	-
Swimming Pool	450 000	-	450 000	-	-	-	-	450 000
World Cup 2010	-	-	-	-	-	-	-	-
Municipal Drought Relief Grant	817 356	-	817 356	-	-	-	(817 860)	(504)
Fire Equipment	-	-	-	-	-	-	-	-
Housing	1 465 273	-	1 465 273	-	-	-	-	1 465 273
Total	**3 474 002**	**-**	**3 474 002**	**1 821 494**	**-**	**(1 553 181)**	**(817 860)**	**2 924 455**
OTHER GRANT PROVIDERS								
Wade Project	-	-	-	-	-	-	-	-
Donations	-	-	-		-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ALL SPHERES OF GOVERNMENT	**18 970 141**	**-**	**18 970 141**	**111 320 633**	**(5 496 139)**	**(73 883 948)**	**(17 371 923)**	**33 538 764**

NAMA KHOI LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
Financial Performance						
Property rates	57 427 711	(1 181)	57 426 530	55 906 675	(1 519 855)	50 991 845
Service charges	255 290 457	(51 112 824)	204 177 633	263 726 522	59 548 889	201 821 683
Investment revenue	2 084 695	2 133 945	4 218 640	11 826 402	7 607 762	4 321 711
Transfers and subsidies - operational	69 179 000	817 355	69 996 355	339 926 483	269 930 128	68 852 204
Other own revenue	27 656 391	8 601 516	36 257 907	383 929 835	347 671 928	86 367 981
Total Operating Revenue (excluding capital transfers)	**411 638 254**	**(39 561 189)**	**372 077 065**	**1 055 315 918**	**683 238 852**	**412 355 425**
Employee costs	102 966 854	(8 163 766)	94 803 088	105 094 630	10 291 542	95 247 662
Remuneration of councillors	6 758 975	543 069	7 302 044	7 307 218	5 174	7 340 041
Debt impairment	-	22 200 000	22 200 000	10 645 646	(11 554 354)	39 222 085
Debt Written Off	-	-	-	52 068 126	52 068 126	-
Depreciation and asset impairment	81 663 419	(9 271 852)	72 391 567	57 828 537	(14 563 030)	37 155 578
Finance charges	2 702 525	14 522 812	17 225 337	55 848 770	38 623 433	43 000 767
Bulk purchases	138 000 000	(18 000 000)	120 000 000	140 719 370	20 719 370	109 867 151
Inventory consumed	65 596 037	(14 500 037)	51 096 000	42 584 752	(8 511 248)	36 429 467
Contracted Services	42 469 709	(21 850 709)	20 619 000	30 173 676	9 554 676	-
Transfers and grants	-	-	-	-	-	-
Other expenditure	55 545 290	(27 648 434)	27 896 856	27 046 050	(850 806)	45 504 712
Losses	8 420 552	(5 000 000)	3 420 552	5 182 571	1 762 019	9 853 203
Total Expenditure	**504 123 361**	**(67 168 917)**	**436 954 444**	**534 499 348**	**97 544 904**	**423 620 666**
Surplus/(Deficit)	**(92 485 107)**	**27 607 728**	**(64 877 379)**	**520 816 569**	**585 693 948**	**(11 265 241)**
Transfers and subsidies - capital (monetary) - Government	36 599 000	(342 421)	36 256 579	17 371 924	(18 884 655)	12 543 441
Transfers and subsidies - capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	212 205 688	212 205 688	-
Surplus/(Deficit) for the year	**(55 886 107)**	**27 265 307**	**(28 620 800)**	**750 394 181**	**779 014 981**	**1 278 200**
Capital expenditure & funds sources						
Capital expenditure	**28 122 000**	42 998 918	**71 120 918**	**233 263 234**	162 142 316	**12 563 132**
Transfers recognised - capital	26 322 000	34 443 000	60 765 000	229 089 610	168 324 610	12 459 834
Borrowing	-	-	-	-	-	-
Internally generated funds	1 800 000	8 555 918	10 355 918	4 173 623	(6 182 295)	103 298
Total sources of capital funds	**28 122 000**	**42 998 918**	**71 120 918**	**233 263 234**	**162 142 316**	**12 563 132**
Cash flows						
Net cash from (used) operating	26 471 568	254 305 994	280 777 562	336 296 614	55 519 052	(117 019 702)
Net cash from (used) investing	(28 122 000)	(42 998 918)	(71 120 918)	(21 057 546)	50 063 372	(13 631 764)
Net cash from (used) financing	-	-	-	(35 542 021)	(35 542 021)	128 101 408
Net Cash Movement for the year	(1 650 432)	211 307 076	209 656 644	279 697 048	70 040 404	(2 550 058)
Cash/cash equivalents at beginning of year	4 242 343	39 977 944	44 220 287	44 220 277	(10)	46 770 343
Cash/cash equivalents at the year end	**2 591 911**	**251 285 020**	**253 876 931**	**323 917 325**	**70 040 394**	**44 220 285**

NAMA KHOI LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	1 805 944	110 933	1 916 877	2 300 798	383 921	1 762 281
Finance and administration	148 795 627	(51 668 802)	97 126 825	625 209 814	528 082 989	154 738 715
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	3 273 205	(5 926)	3 267 279	2 442 335	(824 944)	2 864 929
Sport and recreation	123 504	8 124	131 628	93 652	(37 976)	70 999
Public safety	-	-	-	79 304	79 304	105 259
Economic and environmental services						
Planning and development	-	-	-	-	-	-
Road transport	1 902 485	(303 402)	1 599 083	3 308 861	1 709 778	3 759 070
Trading services						
Energy sources	149 263 003	(29 273 274)	119 989 729	528 175 726	408 185 997	179 003 063
Water management	57 162 542	13 865 950	71 028 492	61 493 023	(9 535 469)	46 739 468
Waste water management	59 026 989	13 510 329	72 537 318	44 540 003	(27 997 315)	27 412 561
Waste management	26 639 689	13 852 750	40 492 439	17 250 014	(23 242 425)	8 442 520
Other	244 266	(292)	243 974	-	(243 974)	-
Total Revenue - Standard	**448 237 254**	**(39 903 610)**	**408 333 644**	**1 284 893 529**	**876 559 885**	**424 898 865**
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	22 535 895	(7 707 041)	14 828 854	22 275 750	7 446 896	22 216 441
Finance and administration	92 747 063	10 225 309	102 972 372	193 633 720	90 661 347	110 563 331
Internal audit	1 346 544	(631 412)	715 132	1 744 501	1 029 370	1 056 356
Community and public safety						
Community and social services	7 246 802	(2 787 681)	4 459 121	5 597 804	1 138 683	4 677 640
Sport and recreation	14 097 928	(254 971)	13 842 957	18 863 104	5 020 147	7 016 007
Public safety	3 323 183	(768 730)	2 554 453	5 629 027	3 074 574	3 597 057
Economic and environmental services						
Planning and development	1 629 126	(1 329 817)	299 309	2 704 064	2 404 755	3 345 455
Road transport	21 766 893	(7 034 539)	14 732 354	11 747 077	(2 985 277)	12 016 005
Trading services						
Energy sources	180 888 231	(30 070 258)	150 817 973	185 262 948	34 444 976	175 402 327
Water management	89 021 880	(18 697 431)	70 324 449	60 178 133	(10 146 316)	49 768 351
Waste water management	27 218 678	(6 289 609)	20 929 069	16 099 122	(4 829 947)	15 996 103
Waste management	42 301 138	(1 862 901)	40 438 237	10 764 097	(29 674 139)	17 965 594
Other	-	40 164	40 164	-	(40 164)	-
Total Expenditure - Standard	**504 123 361**	**(67 168 917)**	**436 954 444**	**534 499 348**	**97 544 904**	**423 620 666**
Surplus/(Deficit) for the year	**(55 886 107)**	**27 265 307**	**(28 620 800)**	**750 394 181**	**779 014 981**	**1 278 200**

NAMA KHOI LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Executive Mayor And Council (10: Ie)	317 835	52 192	370 027	410 649	40 622	370 606
Vote 2 - Municipal Manager (11: Ie)	1 490 993	67 293	1 558 286	1 890 149	331 863	1 397 778
Vote 3 - Corporate Services (13: Ie)	3 073 746	5 853	3 079 599	1 304 802	(1 774 797)	1 904 850
Vote 4 - Financial Services (15: Ie)	145 696 631	(52 500 973)	93 195 658	623 901 371	530 705 713	152 826 302
Vote 5 - Community Services: Comm Dev (16: Ie)	30 134 440	13 854 656	43 989 096	7 181 232	(36 807 864)	11 413 502
Vote 6 - Community Services: Publsafety (17: Ie)	2 066 610	(301 543)	1 765 067	3 320 482	1 555 415	3 740 233
Vote 7 - Infrastructure,Eng And Technical (18: Ie)	265 456 999	(1 081 086)	264 375 913	646 884 844	382 508 931	253 245 594
Total Revenue by Vote	**448 237 254**	**(39 903 608)**	**408 333 646**	**1 284 893 529**	**876 559 883**	**424 898 865**
EXPENDITURE						
Vote 1 - Executive Mayor And Council (10: Ie)	10 100 816	(692 772)	9 408 044	13 644 584	4 236 540	10 935 525
Vote 2 - Municipal Manager (11: Ie)	14 728 580	(8 177 785)	6 550 795	10 375 667	3 824 872	12 569 284
Vote 3 - Corporate Services (13: Ie)	33 853 494	3 006 012	36 859 506	28 888 332	(7 971 174)	28 939 148
Vote 4 - Financial Services (15: Ie)	37 437 975	13 944 584	51 382 559	103 055 120	51 672 561	65 369 121
Vote 5 - Community Services: Comm Dev (16: Ie)	63 746 744	(5 241 430)	58 505 314	35 236 555	(23 268 759)	29 665 966
Vote 6 - Community Services: Publsafety (17: Ie)	11 667 561	(1 796 928)	9 870 633	9 012 629	(858 004)	9 427 196
Vote 7 - Infrastructure,Eng And Technical (18: Ie)	332 588 191	(68 210 595)	264 377 596	334 286 461	69 908 865	266 714 423
Total Expenditure by Vote	**504 123 361**	**(67 168 914)**	**436 954 447**	**534 499 348**	**97 544 901**	**423 620 665**
Surplus/(Deficit) for the year	**(55 886 107)**	**27 265 306**	**(28 620 801)**	**750 394 181**	**779 014 982**	**1 278 201**

NAMA KHOI LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Property rates	57 427 711	(1 181)	57 426 530	55 906 675	(1 519 855)	50 991 845
Service charges - electricity revenue	149 047 037	(45 112 824)	103 934 213	180 336 866	76 402 653	122 710 694
Service charges - water revenue	57 175 742	(2 000 000)	55 175 742	48 190 128	(6 985 614)	46 973 931
Service charges - sanitation revenue	22 427 989	(2 000 000)	20 427 989	16 299 168	(4 128 821)	14 968 449
Service charges - refuse revenue	26 639 689	(2 000 000)	24 639 689	18 900 360	(5 739 329)	17 168 608
Rent on land	1 194 450	-	1 194 450	693 446	(501 004)	-
Rental of facilities and equipment	3 240 262	-	3 240 262	1 232 760	(2 007 502)	3 276 313
Interest earned - external investments	2 084 695	2 133 945	4 218 640	11 826 402	7 607 762	4 321 711
Interest earned - outstanding debtors	19 529 080	5 915 488	25 444 568	38 413 146	12 968 578	27 451 383
Fines, penalties and forfeits	574 854	-	574 854	330 296	(244 558)	586 821
Licences and permits	1 586 366	-	1 586 366	3 015 130	1 428 764	1 830 599
Agency services	399 827	(310 422)	89 405	-	(89 405)	100 021
Transfers and subsidies - Operating	69 179 000	817 355	69 996 355	339 926 483	269 930 128	68 852 204
Other revenue	1 131 552	2 996 450	4 128 002	340 245 057	336 117 055	48 678 844
Gains	-	-	-	-	-	4 444 000
Total Revenue (excl capital transfers)	**411 638 254**	**(39 561 189)**	**372 077 065**	**1 055 315 918**	**683 238 852**	**412 355 425**
EXPENDITURE BY TYPE						
Employee related costs	102 966 854	(8 163 766)	94 803 088	105 094 630	10 291 542	95 247 662
Remuneration of councillors	6 758 975	543 069	7 302 044	7 307 218	5 174	7 340 041
Debt impairment	-	22 200 000	22 200 000	10 645 646	(11 554 354)	39 222 085
Debt Written Off	-	-	-	52 068 126	52 068 126	-
Depreciation and asset impairment	81 663 419	(9 271 852)	72 391 567	57 828 537	(14 563 030)	37 155 578
Finance charges	2 702 525	14 522 812	17 225 337	55 848 770	38 623 433	43 000 767
Bulk purchases - electricity	138 000 000	(18 000 000)	120 000 000	140 719 370	20 719 370	109 867 151
Inventory consumed	65 596 037	(14 500 037)	51 096 000	42 584 752	(8 511 248)	36 429 467
Contracted Services	42 469 709	(21 850 709)	20 619 000	30 173 676	9 554 676	-
Transfers and grants	-	-	-	-	-	-
Other expenditure	55 545 290	(27 648 434)	27 896 856	27 046 050	(850 806)	45 504 712
Losses	8 420 552	(5 000 000)	3 420 552	5 182 571	1 762 019	9 853 203
Total Expenditure	**504 123 361**	**(67 168 917)**	**436 954 444**	**534 499 348**	**97 544 904**	**423 620 666**
Surplus/(Deficit)	**(92 485 107)**	**27 607 728**	**(64 877 379)**	**520 816 569**	**585 693 948**	**(11 265 241)**
Transfers and subsidies - Capital (monetary) - Government	36 599 000	(342 421)	36 256 579	17 371 924	(18 884 655)	12 543 441
Transfers and subsidies - Capital (monetary) - Other	-	-	-	-	-	-
Transfers and subsidies - Capital (in-kind)	-	-	-	212 205 688	212 205 688	-
Surplus/(Deficit) for the year	**(55 886 107)**	**27 265 307**	**(28 620 800)**	**750 394 181**	**779 014 981**	**1 278 200**

NAMA KHOI LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Executive Mayor And Council (10: Ie)	-	-	-	-	-	-
Vote 2 - Municipal Manager (11: Ie)	-	-	-	-	-	-
Vote 4 - Financial Services (15: Ie)	1 800 000	-	1 800 000	78 544 960	76 744 960	-
Vote 7 - Infrastructure,Eng And Technical (18: Ie)	26 322 000	39 266 613	65 588 613	154 718 274	89 129 661	-
Vote 11 - Community Services: Comm Dev (26: Cs)	-	-	-	-	-	-
Vote 12 - Infrastructure,Eng And Technical (28: Cs)	-	-	-	-	-	-
Total Multi-year expenditure	**28 122 000**	**39 266 613**	**67 388 613**	**233 263 234**	**165 874 621**	**-**
Single-year expenditure						
Vote 1 - Executive Mayor And Council (10: Ie)	-	-	-	-	-	115 847
Vote 2 - Municipal Manager (11: Ie)	-	-	-	-	-	329 036
Vote 4 - Financial Services (15: Ie)	-	-	-	-	-	-
Vote 7 - Infrastructure,Eng And Technical (18: Ie)	-	3 732 305	3 732 305	-	(3 732 305)	-
Vote 8 - Executive Mayor And Council (20: Cs)	-	-	-	-	-	-
Vote 9 - Municipal Manager (21: Cs)	-	-	-	-	-	-
Vote 11 - Community Services: Comm Dev (26: Cs)	-	-	-	-	-	-
Vote 12 - Infrastructure,Eng And Technical (28: Cs)	-	-	-	-	-	12 118 248
Total Single-year expenditure	**-**	**3 732 305**	**3 732 305**	**-**	**(3 732 305)**	**12 563 132**
Total Capital Expenditure by Vote	**28 122 000**	**42 998 918**	**71 120 918**	**233 263 234**	**162 142 316**	**12 563 132**
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	-	-	-	-	406 622
Finance and administration	1 800 000	-	1 800 000	78 544 960	76 744 960	38 261
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Economic and environmental services						
Planning and development	-	-	-	-	-	-
Road transport	-	-	-	63 117 208	63 117 208	-
Trading services						
Energy sources	-	-	-	49 002 752	49 002 752	-
Water management	-	1 627 305	1 627 305	10 760 334	9 133 029	1 364 051
Waste water management	26 322 000	41 371 613	67 693 613	31 837 980	(35 855 633)	10 754 197
Waste management	-	-	-	-	-	-
Total Capital Expenditure - Standard	**28 122 000**	**42 998 918**	**71 120 918**	**233 263 234**	**162 142 316**	**12 563 132**

NAMA KHOI LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CAPITAL EXPENDITURE (CONTINUED)						
FUNDING SOURCES						
National Government	26 322 000	34 443 000	60 765 000	229 089 610	168 324 610	12 459 834
Provincial Government	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-
Transfers recognised - capital	26 322 000	34 443 000	60 765 000	229 089 610	168 324 610	12 459 834
Borrowing	-	-	-	-	-	-
Internally generated funds	1 800 000	8 555 918	10 355 918	4 173 623	(6 182 295)	103 298
Total Capital Funding	**28 122 000**	**42 998 918**	**71 120 918**	**233 263 234**	**162 142 316**	**12 563 132**

NAMA KHOI LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	55 018 426	618 184	55 636 610	39 822 000	(15 814 610)	41 806 098
Service charges	205 263 509	(246 175)	205 017 334	264 382 416	59 365 082	176 097 850
Other revenue	4 095 843	61 600 548	65 696 391	606 899 119	541 202 728	46 534 866
Government - operating	79 315 372	289 120 198	368 435 570	88 452 570	(279 983 000)	72 343 697
Government - capital	26 322 000	10 000 000	36 322 000	17 371 923	(18 950 077)	12 543 440
Interest	4 425 355	7 500 000	11 925 355	11 826 402	(98 953)	4 321 711
Payments						
Suppliers and employees	(330 743 599)	(111 729 323)	(442 472 922)	(646 781 525)	(204 308 603)	(440 401 239)
Finance charges	(17 225 338)	(2 557 438)	(19 782 776)	(45 676 291)	(25 893 515)	(30 266 125)
NET CASH FROM OPERATING ACTIVITIES	**26 471 568**	**254 305 994**	**280 777 562**	**336 296 614**	**55 519 052**	**(117 019 702)**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-
Payments		-				
Capital assets	(28 122 000)	(42 998 918)	(71 120 918)	(21 057 546)	50 063 372	(13 631 764)
NET CASH USED IN INVESTING ACTIVITIES	**(28 122 000)**	**(42 998 918)**	**(71 120 918)**	**(21 057 546)**	**50 063 372**	**(13 631 764)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	-	-	-	-	-	132 319 332
Increase (decrease) in consumer deposits	-	-	-	84 413	84 413	287 373
Payments						
Repayment of borrowing	-	-	-	(35 626 434)	(35 626 434)	(4 505 298)
NET CASH FROM FINANCING ACTIVITIES	**-**	**-**	**-**	**(35 542 021)**	**(35 542 021)**	**128 101 408**
NET INCREASE/ (DECREASE) IN CASH HELD	**(1 650 432)**	**211 307 076**	**209 656 644**	**279 697 048**	**70 040 403**	**(2 550 058)**
Cash/cash equivalents at the year begin:	4 242 343	39 977 944	44 220 287	44 220 285	(2)	46 770 344
Cash/cash equivalents at the year end:	2 591 911	251 285 020	253 876 931	323 917 331	70 040 400	44 220 285