Siyancuma
LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

SIYANCUMA LOCAL MUNICIPALITY

Index

Contents	Page

SIYANCUMA LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

NATURE OF BUSINESS

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

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Siyancuma Municipality includes the following areas:

Douglas
Griekwastad
Campbell
Schmidsdrift

MAYOR

PJ Mc Klein

SPEAKER

JH George

MEMBERS OF THE EXECUTIVE COMMITTEE

Mayor	*PJ Mc Klein*
Executive Councillor	*DRN Ellison*
Executive Councillor	*LC Van Niekerk*

MUNICIPAL MANAGER

PM Vilakazi

CHIEF FINANCIAL OFFICER

CC Zealand

REGISTERED OFFICE

7 Charl Cilliers Street	*P.O. Box 27*
Douglas	*Douglas*
8730	*8730*

GRADING

Grade 2
Medium Capacity

AUDITORS

Auditor-General of South Africa (NC)
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

ABSA Bank, Douglas *Standard Bank, Douglas* First National Bank, Douglas

ATTORNEYS

None

RELEVANT LEGISLATION

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

SIYANCUMA LOCAL MUNICIPALITY

MEMBERS OF THE SIYANCUMA LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	*JH George*
2	*MJ Kolberg*
3	*VB Makabe*
4	*Vacant - (WJ van Bergen - deceased)*
5	*DRN Ellison*
6	*MG Tau*
7	*HT Kolberg*
Proportional	*LC Van Niekerk*
Proportional	*PJ Mc Klein*
Proportional	*CZ Nyangintaka*
Proportional	*EK Louw*
Proportional	*DV Smous*
Proportional	*SA Buitendag*

APPROVAL OF INTERIM FINANCIAL STATEMENTS

I am responsible for the preparation of these interim financial statements year ended 30 June 2025, which are set out on pages 1 to 114 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

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

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

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

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

PM Vilakazi
Municipal Manager

31 August 2025
Date

SIYANCUMA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
ASSETS			
Non-Current Assets		**529 727 331**	**490 546 218**
Property, Plant and Equipment	**2**	528 748 931	490 127 588
Intangible Assets	**3**	10 985	28 972
Biological Assets	**4**	252 323	253 045
Operating Lease Asset	**9**	715 092	136 613
Current Assets		**76 843 439**	**71 924 884**
Inventory	**5**	5 014	4 028
Trade Receivables from exchange transactions	**6**	18 919 359	13 836 527
Other Receivables from non-exchange transactions	**7**	15 283 975	14 439 702
Unpaid Conditional Government Grants and Receipts	**19**	780 672	-
Taxes	**10**	36 126 461	32 714 518
Cash and Cash Equivalents	**11**	5 727 958	10 930 109
Total Assets		**606 570 770**	**562 471 102**
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		**195 319 793**	**201 287 509**
Long-term Liabilities	**12**	3 735 673	13 782
Employee benefits	**13**	23 045 000	20 161 000
Non-Current Provisions	**14**	17 879 737	38 554 018
Non-Current Payables From Exchange Transactions	**17**	150 659 384	142 558 709
Current Liabilities		**227 311 939**	**158 688 466**
Current Employee benefits	**15**	6 985 704	7 284 217
Provisions	**16**	22 900 310	-
Payables From Exchange Transactions	**17**	195 001 190	151 215 123
Unspent Conditional Government Grants and Receipts	**18**	1 781 955	167 412
Current Portion of Long-term Liabilities	**12**	642 780	21 713
Total Liabilities		**422 631 732**	**359 975 975**
Net Assets		**183 939 037**	**202 495 127**
Accumulated Surplus		183 939 037	202 495 127
Total Net Assets and Liabilities		**606 570 770**	**562 471 102**

SIYANCUMA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 (Actual) R	2024 (Restated) R	Correction of error R	2024 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		**149 986 330**	**189 836 947**	**(69)**	**189 837 015**
Taxation Revenue		**21 028 219**	**20 038 382**	**-**	**20 038 382**
Property taxes	**20**	21 028 219	20 038 382	-	20 038 382
Transfer Revenue		**124 542 563**	**116 644 970**	**-**	**116 644 970**
Government Grants and Subsidies - Capital	**21**	49 961 447	46 921 390	-	46 921 390
Government Grants and Subsidies - Operating	**21**	73 107 687	67 954 975	-	67 954 975
Public Contributions and Donations	**22**	1 473 429	1 768 604	-	1 768 604
Other Revenue		**4 415 548**	**53 153 595**	**-69**	**53 153 664**
Fines		375 318	687 298	-	687 298
Interest Earned - outstanding debtors		3 124 066	2 202 469	(69)	2 202 538
Licences and Permits		78 503	46 133	-	46 133
Availability Charges	**25**	766 192	711 415	-	711 415
Debt Waived		-	49 506 279	-	49 506 279
Contributed PPE	**23**	71 470	-	-	-
Revenue from Exchange Transactions		**119 919 273**	**105 563 122**	(3 159)	**105 566 281**
Service Charges	**24**	104 695 350	95 053 507	(15 147)	95 068 654
Rental of Facilities and Equipment		2 885 516	1 145 308	14 531	1 130 777
Interest Earned - external investments		794 966	1 584 940	-	1 584 940
Interest Earned - outstanding debtors		10 841 785	6 942 024	(2 543)	6 944 567
Agency Services		228 646	406 989	-	406 989
Other Income	**26**	473 010	430 355	-	430 355
Total Revenue		**269 905 603**	**295 400 069**	**(3 228)**	**295 403 297**
EXPENDITURE					
Employee related costs	**27**	76 055 445	71 612 406	2 750	71 609 656
Remuneration of Councillors	**28**	6 473 947	5 375 661	-	5 375 661
Bad Debt Written off	**29**	2 136 707	8 433 872	-	8 433 872
Depreciation and Amortisation	**34**	13 247 852	12 697 932	100 190	12 597 742
Repairs and Maintenance		3 014 972	1 322 621	9 200	1 313 421
Finance Charges	**32**	29 044 640	31 943 349	-	31 943 349
Bulk Purchases	**33**	77 948 977	67 495 785	-	67 495 785
Inventory Consumed	**5**	1 488 324	1 395 362	-	1 395 362
General Expenses	**35**	31 119 868	25 985 287	-	25 985 287
Total Expenditure		**240 530 731**	**226 262 274**	112 141	**226 150 133**
Operating Surplus/(Deficit) for the Year		**29 374 872**	**69 137 795**	**-115 368**	**69 253 164**
(Debt Impairment) / Reversal of Debt Impairment on Receivables	**30**	(46 872 252)	(39 431 599)	-	(39 431 599)
Gains/(Loss) on Sale of Property, Plant and Equipment	**2**	(653 081)	(15 600)	-	(15 600)
Gains/(Loss) on disposal of Intangible Assets	**3**	-	-	-	-
Gains/(Loss) on disposal of Biological assets	**4**	(20 813)	46 016	-	46 016
Reversal of Impairment Loss/(Impairment Loss) on Property, Plant and Equipment	**31**	(87 369)	(1 839)	-	(1 839)
Actuarial (Loss)/Gains	**13**	(317 541)	791 392	-	791 392
Change in fair value of biological assets	**4**	20 092	(12 700)	-	-12 700
NET SURPLUS/(DEFICIT) FOR THE YEAR		**(18 556 092)**	**30 513 466**	**(115 368)**	**30 628 834**

SIYANCUMA LOCAL MUNICIPALITY

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

	Notes	Accumulated Surplus/ (Deficit)	Total
		R	R
Balance at 1 July 2023		**170 443 404**	**170 443 404**
Correction of error	36.09	1 538 255	1 538 255
Restated Balance at 1 July 2023		**171 981 659**	**171 981 659**
Net (Deficit) / Surplus for the year		30 628 834	30 628 834
Correction of error	36.10	-115 368	-115 368
Restated Balance at 1 July 2024		**202 495 127**	**202 495 127**
Net Surplus / (Deficit) for the year		-18 556 092	-18 556 092
Balance at 30 June 2025		**183 939 037**	**183 939 037**

SIYANCUMA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates, penalties & collection charges		13 288 085	13 643 208
Service charges		54 743 314	56 487 899
Other revenue		14 917 220	1 520 774
Government - operating		72 940 275	67 999 610
Government - capital		50 962 730	43 109 414
Interest		2 727 209	2 869 768
Payments			
Suppliers and employees		(165 715 264)	(149 807 277)
Finance charges		(34 967)	(136 072)
Net Cash from Operating Activities	**37**	**43 828 601**	**35 687 325**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**2**	(53 373 711)	(44 184 062)
Proceeds on Disposal of Fixed Assets		-	23 400
Net Cash from Investing Activities		**(53 373 711)**	**(44 160 662)**
CASH FLOW FROM FINANCING ACTIVITIES			
Loans raised		4 477 600	-
Loans (repaid)		(134 643)	(318 984)
Net Cash from Financing Activities		**4 342 958**	**(318 983)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(5 202 151)**	**(8 792 320)**
Cash and Cash Equivalents at the beginning of the year		10 930 109	19 722 429
Cash and Cash Equivalents at the end of the year	**38**	5 727 958	10 930 109
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(5 202 151)**	**(8 792 320)**

SIYANCUMA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2025 R (Actual)	2025 R (Final Buget)	2025 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash and cash equivalents	5 727 958	26 333	5 701 625	Cash and cash equivalents higher than budgeted as payment of outstanding invoices only took place in the first week of July thus funds utilised after year end.
Trade and other receivables from exchange transactions	18 919 359	27 558 384	(8 639 025)	Slight improvement on payment culture on consumers/debtors - the municipality is improving controls on debt collection as it needs to align with the debt collection committee.
Receivables from non-exchange transactions	16 064 647	10 386 311	5 678 336	Slight improvement on payment culture on consumers/debtors - the municipality is improving controls on debt collection as it needs to align with the debt collection committee.
VAT	36 126 461	37 811 418	(1 684 957)	Comprises mainly of VAT accrual from outstanding creditors
Other current assets	5 014	133 169	(128 155)	Budget relating to Inventory - water stock movement
Total current assets	76 843 439	75 915 615	927 824	
Non current assets				
Property, plant and equipment	528 748 931	526 134 163	2 614 768	Improving on budget process with moving to update the FAR on a regular basis.
Biological Assets	252 323	261 059	(8 736)	Slight decrease of springbuck
Intangible Assets	10 985	28 973	(17 988)	Clean up of the Intangible register with the verification process.
Other non-current assets	715 092	31 426	683 666	Increased operating lease asset due to large contract which was not originally budgeted for.
Total non current assets	529 727 331	526 455 621	3 271 710	
TOTAL ASSETS	606 570 770	602 371 236	4 199 534	
LIABILITIES				
Current liabilities				
Borrowing	642 780	-	642 780	Variance relating to the orginally not budgeting for the Smartmunic finance lease however this was included in the adjustment budget but all budgeted as non-current.
Trade and other payables from exchange transactions	196 783 145	142 351 207	54 431 938	
Provision	29 886 014	29 091 841	794 173	
VAT		2 284 533		
Total current liabilities	227 311 939	173 727 581	53 584 358	
Non current liabilities				
Financial liabilities		1 000 000	(1 000 000)	Variance relating to the orginally not budgeting for the Smartmunic finance lease however this was included in the adjustment budget but all budgeted as non-current.
Long term portion of trade payables	154 395 057	89 838 330	64 556 727	Relating to the Eskom Debt relief programme - it was anticipated that the write off will be received before year end however compliance was achieved after year end.
Provision	40 924 736	41 312 542	(387 806)	Normal landfill site provision based on prior years report.
Total non current liabilities	195 319 793	132 150 872	63 168 921	
TOTAL LIABILITIES	422 631 732	305 878 453	116 753 279	
NET ASSETS	183 939 037	296 492 783	(112 553 746)	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	183 939 037	296 492 783	(112 553 746)	
TOTAL COMMUNITY WEALTH/EQUITY	183 939 037	296 492 783	(112 553 746)	

SIYANCUMA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

ADJUSTMENTS TO APPROVED BUDGET

	2025 R (Approved Budget)	2025 R (Adjustments)	2025 R (Final Buget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash and cash equivalents	46 122	(19 789)	26 333	Change in expenditure and revenue with six month adjustment budget
Trade and other receivables from exchange transactions	27 558 384	-	27 558 384	
Receivables from non-exchange transactions	10 386 311	-	10 386 311	
VAT	37 811 418	-	37 811 418	
Other current assets	133 169	-	133 169	
Total current assets	75 935 404	(19 789)	75 915 615	
Non current assets				
Property, plant and equipment	520 734 163	5 400 000	526 134 163	DORA budget changes as well as own funding of capital expenditure.
Biological Assets	261 059	-	261 059	
Intangible Assets	28 973	-	28 973	
Other non-current assets	31 426	-	31 426	
Total non current assets	521 055 621	5 400 000	526 455 621	
TOTAL ASSETS	596 991 025	5 380 211	602 371 236	
LIABILITIES				
Current liabilities				
Trade and other payables from exchange transactions	142 351 207	-	142 351 207	
Provision	29 091 841	-	29 091 841	
VAT	2 284 533		2 284 533	
Total current liabilities	173 727 581	-	173 727 581	
Non current liabilities				
Financial liabilities	-	1 000 000	1 000 000	Adjusting due to Smartmunic finance lease which was included.
Long term portion of trade payables	89 838 330	-	89 838 330	
Provision	41 312 542	-	41 312 542	
Total non current liabilities	131 150 872	1 000 000	132 150 872	
TOTAL LIABILITIES	304 878 453	1 000 000	305 878 453	
NET ASSETS	292 112 572	4 380 211	296 492 783	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	292 112 572	4 380 211	296 492 783	
TOTAL COMMUNITY WEALTH/EQUITY	292 112 572	4 380 211	296 492 783	

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

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2025 R (Actual)	2025 R (Final Buget)	2025 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Exchange Revenue				
Service charges - Electricity	56 290 420	71 987 527	(15 697 107)	In was anticipated that the smartmeter project would have improved billing however due to delays in the project the desired results were not achieved
Service charges - Water	24 898 850	29 509 308	(4 610 458)	Due to faulty and broken meters and distribution losses. Hence the decrease in the overall sales.
Service charges - Waste Water Management	13 896 297	13 431 578	464 719	
Service charges - Waste Management	10 375 975	10 131 362	244 613	
Sale of Goods and Rendering of Services		330 189	(330 189)	mSCOA classification
Agency services	228 646	300 036	(71 390)	
Interest earned from Receivables	10 841 785	9 818 870	1 022 915	Due to non-payment culture of the community.
Interest earned from Current and Non Current Assets	794 966	1 667 910	(872 944)	Capital spending was more frequent than budgeted for thus funds could not be invested for longer periods resulting in lower interest earned on call deposits.
Rent on Land	2 885 516	457 888	2 427 628	Operating lease contract not originally budgeted for.
Rental from Fixed Assets	-	425 147	(425 147)	mSCOA classification
Licence and permits	78 503	243 368	(164 865)	Certain services were moved from the municipality to the post office as per the department.
Operational Revenue	473 010	2 631 568	(2 158 558)	mSCOA classification
Non-Exchange Revenue				
Property rates	21 028 219	21 240 685	(212 466)	
Fines, penalties and forfeits	375 318	581 545	(206 227)	Lower traffic fines issued than in prior years
Transfer and subsidies - Operational	74 581 116	71 823 000	2 758 116	Normal operating grants - Difference due budgeting for full spending and no roll-over applications.
Interest	3 124 066	3 050 024	74 042	
Gains on disposal of Assets	(20 813)	(116)	(20 697)	Did not budget for asset disposals
Other Gains	(317 541)	77 995 464	(78 313 005)	Budgeted for the receipt of the first year Eskom Debt relief which will only be received in the next year.
Total Operating Revenue	219 534 332	315 625 353	(96 091 021)	
EXPENDITURE BY TYPE				
Employee related costs	76 055 445	79 744 262	(3 688 817)	Staff vacancies filled at the end of the financial year.
Remuneration of councillors	6 473 947	6 552 527	(78 580)	
Bulk purchases - electricity	77 948 977	82 015 662	(4 066 685)	
Inventory consumed	4 503 296	7 920 673	(3 417 377)	Budgeted for higher expenditure - lower spending due to cost saving
Debt impairment	46 872 252	18 968 756	27 903 496	Due to the poor payment culture of debtors the debt collection is lower than budgeted for
Depreciation and amortisation	13 247 852	12 225 406	1 022 446	Certain assets remaining useful lives were changed which was not budgeted for.
Interest	29 044 640	6 161 155	22 883 485	Finance charges due to Eskom prohibited to budget for
Contracted services	9 831 488	12 358 833	(2 527 345)	
Irrecoverable debts written off	2 136 707	2 198 203	(61 496)	
Operational costs	21 288 380	14 892 950	6 395 430	The actual under operational cost
Losses on disposal of Assets	653 081	216	652 865	Did not budget for asset disposals
Other Losses	67 277	-	67 277	
Total Operating Expenditure	288 123 341	243 038 643	45 084 698	
Operating Surplus/(Deficit) for the year	(68 589 009)	72 586 710	(141 175 719)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	49 961 447	46 620 000	3 341 447	
Net Surplus/(Deficit) for the year	(18 556 092)	119 206 710	(137 834 272)	

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

ADJUSTMENTS TO APPROVED BUDGET

	2025 R (Approved Budget)	2025 R (Adjustments)	2025 R (Final Buget)	Reasons for material adjustments
REVENUE BY SOURCE				
Exchange Revenue				
Service charges - Electricity	67 487 527	4 500 000	71 987 527	Adjustments made on actual results from the first 6 months
Service charges - Water	29 509 308	-	29 509 308	
Service charges - Waste Water Management	9 975 584	3 455 994	13 431 578	Adjustments made on actual results from the first 6 months
Service charges - Waste Management	9 127 242	1 004 120	10 131 362	Adjustments made on actual results from the first 6 months
Sale of Goods and Rendering of Services	330 189	-	330 189	
Agency services	300 036	-	300 036	
Interest earned from Receivables	8 740 988	1 077 882	9 818 870	Adjustments made on actual results from the first 6 months
Interest earned from Current and Non Current Assets	1 667 910	-	1 667 910	
Rent on Land	457 888	-	457 888	
Rental from Fixed Assets	425 147	-	425 147	
Licence and permits	243 368	-	243 368	
Operational Revenue	2 631 568	-	2 631 568	
Non-Exchange Revenue			-	
Property rates	20 698 547	542 138	21 240 685	Adjustments made on actual results from the first 6 months
Fines, penalties and forfeits	581 545	-	581 545	
Transfer and subsidies - Operational	71 823 000	-	71 823 000	
Interest	2 346 941	703 083	3 050 024	Adjustments made on actual results from the first 6 months
Gains on disposal of Assets	(116)	-	(116)	
Other Gains	77 995 464	-	77 995 464	
Total Operating Revenue	304 342 136	11 283 217	315 625 353	
EXPENDITURE BY TYPE				
Employee related costs	78 351 730	1 392 532	79 744 262	Adjustments made on actual results from the first 6 months
Remuneration of councillors	5 426 619	1 125 908	6 552 527	Adjustments made on actual results from the first 6 months
Bulk purchases - electricity	78 110 305	3 905 357	82 015 662	Adjustments made on actual results from the first 6 months
Inventory consumed	8 120 673	(200 000)	7 920 673	Adjustments made on actual results from the first 6 months
Debt impairment	18 968 756	-	18 968 756	
Depreciation and amortisation	12 225 406	-	12 225 406	
Interest	6 161 155	-	6 161 155	
Contracted services	12 856 071	(497 238)	12 358 833	Adjustments made on actual results from the first 6 months
Irrecoverable debts written off	2 198 203	-	2 198 203	
Operational costs	13 716 503	1 176 447	14 892 950	Adjustments made on actual results from the first 6 months
Losses on disposal of Assets	216		216	
Total Operating Expenditure	236 135 637	6 903 006	243 038 643	
Surplus/(Deficit)	68 206 499	4 380 211	72 586 710	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	46 620 000	-	46 620 000	
Net Surplus/(Deficit) for the year	114 826 499	4 380 211	119 206 710	

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

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2025 R (Actual)	2025 R (Final Buget)	2025 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	13 288 085	18 838 986	(5 550 901)	Difference due to lower collectability vs budget % collectability
Service charges	54 743 314	111 650 896	(56 907 582)	Economic decline, consumers has a culture of non payment & delay in smartmeter project
Other revenue	14 917 220	4 969 741	9 947 479	Difference due to higher collectability vs budget % collectability
Transfers and Subsidies - Operational	72 940 275	71 823 000	1 117 275	Full spending of the operating grant income
Transfers and Subsidies - Capital	50 962 730	46 620 000	4 342 730	Extra spending and allocation of grants
Interest	2 727 209	1 667 910	1 059 299	Slight increase in debt collection thus settlement of older accounts with property transfers
Dividends	-	-	-	
Payments				
Suppliers and Employees	(165 715 264)	(201 952 739)	36 237 475	Grant / Capital payments were lower that anticipated
Finance charges	(34 967)	(6 161 155)	6 126 188	May not budget for finance charges on payables from exchange transactions
Transfers and Grants	-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	43 828 601	47 456 639	-3 628 038	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(53 373 711)	(52 020 000)	(1 353 711)	Budgeted for full capital grant spending however not all capital grants were spent
NET CASH FROM/(USED) INVESTING ACTIVITIES	(53 373 711)	(52 020 000)	-1 353 711	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing long term/refinancing	4 477 600	1 000 000	3 477 600	Budgeted for a lower meter installation on smartmeter project due to late commencement and delays on the project.
Payments				
Repayment of borrowing	(134 643)	-	(134 643)	Did not budget due to delays of smartmeter project
NET CASH FROM/(USED) FINANCING ACTIVITIES	4 342 957	1 000 000	3 342 957	
NET INCREASE/(DECREASE) IN CASH HELD	-5 202 152	(3 563 361)	-1 638 791	
Cash and Cash Equivalents at the beginning of the year	10 930 109	3 589 694	7 340 415	
Cash and Cash Equivalents at the end of the year	5 727 958	26 333	5 701 625	

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

ADJUSTMENTS TO APPROVED BUDGET

	2025 R (Approved Budget)	2025 R (Adjustments)	2025 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	17 593 765	1 245 221	18 838 986	Adjustment on actual transaction from the first 6 months
Service charges	101 612 900	10 037 996	111 650 896	Adjustment on actual transaction from the first 6 months
Other revenue	4 969 741	-	4 969 741	
Transfers and Subsidies - Operational	71 823 000	-	71 823 000	
Transfers and Subsidies - Capital	46 620 000	-	46 620 000	
Interest	1 667 910	-	1 667 910	
Payments				
Suppliers and Employees	(195 049 732)	(6 903 007)	(201 952 739)	Adjustment on actual transaction from the first 6 months
Finance charges	(6 161 155)	-	(6 161 155)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	43 076 429	4 380 210	47 456 639	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
Payments				
Capital assets	(46 620 000)	(5 400 000)	(52 020 000)	Additional funding received for capital projects
NET CASH FROM/(USED) INVESTING ACTIVITIES	(46 620 000)	(5 400 000)	(52 020 000)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Borrowing long term/refinancing	-	1 000 000	1 000 000	
Payments				
Repayment of borrowing	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	1 000 000	1 000 000	
NET INCREASE/(DECREASE) IN CASH HELD	(3 543 571)	(19 790)	(3 563 361)	
Cash and Cash Equivalents at the beginning of the year	3 589 694	-	3 589 694	
Cash and Cash Equivalents at the end of the year	46 123	(19 790)	26 333	

REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2025

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

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

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Executive & Council	1.1 - GOVERNANCE - COUNCIL	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
Vote 2 - Office of the Municipal Manager	2.1 - MUNICIPAL MANAGER	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
Vote 3 - Department of Finance	3.1 - FINANCE	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
	3.2 - ASSESMENT RATES	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
	3.3 - INTERNS	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
Vote 4 - Department of Administration & Community Services	4.1 - CORPORATE AND HUMAN RESOURCES	Aggregated to Municipal Governance and Administration	Municipal Governance and Administration	Supporting service departments
Vote 5 - Department of Infrastructure Development & Technical Services	5.1 - CLEANSING	Aggregated to Trading services	Trading Services	Water management, Electricity services and waste water management
	5.2 - ELECTRICITY	Aggregated to Trading services	Trading Services	
	5.3 - PARKS & RECREATION	Aggregated to Trading services	Trading Services	
	5.4 - PROPERTIES	Aggregated to Trading services	Trading Services	
	5.5 - PUBLIC WORKS: ROADS	Aggregated to Trading services	Trading Services	
	5.6 - STORMWATER DRAINAGE	Aggregated to Trading services	Trading Services	
	5.7 - WATER	Aggregated to Trading services	Trading Services	
	5.8 - SEWERAGE AND SANITATION	Aggregated to Trading services	Trading Services	
	5.9 - SANITATION	Aggregated to Trading services	Trading Services	
Vote 6 - Community & Social Services	6.1 - CEMETARY	Aggregated to Community and Public Safety	Community and Public Safety	Cleansing Services provided as well as Library services, community hall rentals, Recreation centers, Airfield Rental
	6.2 - CIVIC CENTRE	Aggregated to Community and Public Safety	Community and Public Safety	
	6.3 - DOUGLAS HOLIDAY RESORT	Aggregated to Community and Public Safety	Community and Public Safety	
	6.4 - FIRE BRIGADE	Aggregated to Community and Public Safety	Community and Public Safety	
	6.5 - HEALTH SERVICES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.6 - LIBRARY'S	Aggregated to Community and Public Safety	Community and Public Safety	
	6.7 - LICENSES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.8 - TRAFFIC	Aggregated to Community and Public Safety	Community and Public Safety	
	6.9 - VEHICLE LICENSES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.10 - MEENT	Aggregated to Community and Public Safety	Community and Public Safety	

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

Siyancuma Municipality has the following wards situated in different geographical areas:
Ward 1
Ward 2
Ward 3
Ward 4
Ward 5
Ward 6
Ward 7

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

SIYANCUMA MUNICIPALITY

REPORTABLE SEGMENTS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

SIYANCUMA LOCAL MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Municipal Governance and Administration	Community and Public Safety	Trading Services	Economic and environmental services	Unallocated	Total		
	R	R	R	R	R	R		
SEGMENT REVENUE								
External revenue from exchange transactions	4 425 689	284 996	115 208 587	-	-	119 919 273		
Service Charges - Electricity Revenue	-	-	55 953 830	-	-	55 953 830	336590	56 290 420
Service Charges - Water Revenue	-	-	24 716 819	-	-	24 716 819	182030.64	
Service Charges - Sanitation Revenue	-	-	13 648 726	-	-	13 648 726		
Service Charges - Refuse Revenue	-	-	10 375 975	-	-	10 375 975		
Rental of Facilities and Equipment	2 885 516	-	-	-	-	2 885 516		
Interest Earned - External Investments	794 966	-	-	-	-	794 966		
Interest Earned - Outstanding Debtors	374 808	-	10 466 976	-	-	10 841 785		
Agency Services	-	228 646	-	-	-	228 646		
Other Revenue	370 399	56 350	46 261	-	-	473 010		
External revenue from non-exchange transactions	97 387 466	1 875 483	782 027	-	-	100 044 975		
Fines, Penalties and Forfeits	-	359 483	15 835	-	-	375 318		
Property rates	21 028 219	-	-	-	-	21 028 219		
Availability charges			766 192			766 192		
Interest Earned - Outstanding Debtors	3 124 066	-	-	-	-	3 124 066		
Licences and Permits	78 503	-	-	-	-	78 503		
Transfers Recognised - Operational	71 591 687	1 516 000	-	-	-	73 107 687		
Public Contributions and Donations	1 473 429	-	-	-	-	1 473 429		
Change in Fair Value	20 092	-	-	-	-	20 092		
Contributed PPE	71 470	-	-	-	-	71 470		
Revenue from transactions with other segments	-	-	-	-	-	-		
Internal Revenue	-	-	-	-	-	-		
Total Segment Revenue (excluding capital transfers and contributions)	101 813 155	2 160 479	115 990 614	-	-	219 964 248		
SEGMENT EXPENDITURE								
Employee Related Costs	34 226 057	6 100 517	35 728 871	-	-	76 055 445		
Remuneration of Councillors	6 473 947	-	-	-	-	6 473 947		
Bad Debt Written off	2 136 707	-	-	-	-	2 136 707		
Debt Impairment	6 744 785	-	40 127 467	-	-	46 872 252		
Depreciation and Asset Impairment	1 543 498	20 988	11 770 735	-	-	13 335 221		
Finance Charges	25 806 130	-	3 238 510	-	-	29 044 640		
Bulk Purchases	-	-	77 948 977	-	-	77 948 977		
Inventory Consumed	-	-	1 488 324	-	-	1 488 324		
Other Materials	282 705	67 931	2 664 336	-	-	3 014 972		
Other Expenditure	23 792 455	135 140	7 192 272	-	-	31 119 868		
Loss on Disposal of PPE	653 081	-	-	-	-	653 081		
Loss on Disposal of Biological Assets	20 813					20 813		
Actuarial Loss	317 541	-	-	-	-	317 541		
Total Segment Expenditure	101 997 719	6 324 576	180 159 492	-	-	288 481 787		
Surplus/(Deficit)	-184 564	-4 164 097	-64 168 878	-	-	-68 517 539		
Transfers Recognised - Capital	-	-	49 961 447	-	-	49 961 447		
Surplus/(Deficit) after Capital Transfers & Contributions	-184 564	-4 164 097	-14 207 431	-	-	-18 556 092		
Taxation	-	-	-	-	-	-		
Surplus/(Deficit) after Taxation	-184 564	-4 164 097	-14 207 431	-	-	-18 556 092		
Surplus/(Deficit) Attributable to Municipality	-184 564	-4 164 097	-14 207 431	-	-	-18 556 092		
Surplus/(Deficit) for the year	-184 564	-4 164 097	-14 207 431	-	-	-18 556 092		

REPORTABLE SEGMENTS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Municipal Governance and Administration	Community and Public Safety	Trading Services	Economic and environmental services	Unallocated	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	606 570 770	606 570 770
Segment liabilities	-	-	-	-	422 631 732	422 631 732

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

Total Segment Revenue (including capital transfers and contributions)	269 925 694
Total Revenue as per Statement of Financial Performance	269 925 694
Difference	0
Reconciling items	
Debt Waived	-

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

Total Segment Expenditure	288 481 787
Total Expenditure as per Statement of Financial Performance	288 481 787
Difference	-

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

Surplus/(Deficit) for the year as per Segments	-18 556 092
Surplus/(Deficit) for the year as per Statement of Financial Performance	-18 556 092
Difference - as explained above	0.07

See the explanations for differences above under Revenue and Expenses.

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

Total Segment Assets	606 570 770
Total Assets as per Statement of Financial Position	606 570 770
Difference	-

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

Total Segment Liabilities	422 631 732
Total Liabilities as per Statement of Financial Position	422 631 732
Difference	-

REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2024

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

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

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Executive & Council	1.1 - GOVERNANCE - COUNCIL	Aggregated to Municipal Governance and Ad	Municipal Governance and Administration	Supporting service departments
Vote 2 - Office of the Municipal Manager	2.1 - MUNICIPAL MANAGER	Aggregated to Municipal Governance and Ad	Municipal Governance and Administration	Supporting service departments
Vote 3 - Department of Finance	3.1 - FINANCE	Aggregated to Municipal Governance and Ad	Municipal Governance and Administration	Supporting service departments
	3.2 - ASSESMENT RATES	Aggregated to Municipal Governance and Ad	Municipal Governance and Administration	Supporting service departments
	3.3 - INTERNS	Aggregated to Municipal Governance and Ad	Municipal Governance and Administration	Supporting service departments
Vote 4 - Department of Administration & Community Services	4.1 - CORPORATE AND HUMAN RESOURCES	Aggregated to Municipal Governance and Ad	Municipal Governance and Administration	Supporting service departments
Vote 5 - Department of Infrastructure Development & Technical Services	5.1 - CLEANSING	Aggregated to Trading services	Trading Services	Water management, Electricity services and waste water management
	5.2 - ELECTRICITY	Aggregated to Trading services	Trading Services	
	5.3 - PARKS & RECREATION	Aggregated to Trading services	Trading Services	
	5.4 - PROPERTIES	Aggregated to Trading services	Trading Services	
	5.5 - PUBLIC WORKS: ROADS	Aggregated to Trading services	Trading Services	
	5.6 - STORMWATER DRAINAGE	Aggregated to Trading services	Trading Services	
	5.7 - WATER	Aggregated to Trading services	Trading Services	
	5.8 - SEWERAGE AND SANITATION	Aggregated to Trading services	Trading Services	
	5.9 - SANITATION	Aggregated to Trading services	Trading Services	
Vote 6 - Community & Social Services	6.1 - CEMETARY	Aggregated to Community and Public Safety	Community and Public Safety	Cleansing Services provided as well as Library services, community hall rentals, Recreation centers, Airfield Rental
	6.2 - CIVIC CENTRE	Aggregated to Community and Public Safety	Community and Public Safety	
	6.3 - DOUGLAS HOLIDAY RESORT	Aggregated to Community and Public Safety	Community and Public Safety	
	6.4 - FIRE BRIGADE	Aggregated to Community and Public Safety	Community and Public Safety	
	6.5 - HEALTH SERVICES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.6 - LIBRARY'S	Aggregated to Community and Public Safety	Community and Public Safety	
	6.7 - LICENSES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.8 - TRAFFIC	Aggregated to Community and Public Safety	Community and Public Safety	
	6.9 - VEHICLE LICENSES	Aggregated to Community and Public Safety	Community and Public Safety	
	6.10 - MEENT	Aggregated to Community and Public Safety	Community and Public Safety	

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

Siyancuma Municipality has the following wards situated in different geographical areas:

Ward 1
Ward 2
Ward 3
Ward 4
Ward 5
Ward 6
Ward 7

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

SIYANCUMA MUNICIPALITY

REPORTABLE SEGMENTS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

0

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Municipal Governance and Administration	Community and Public Safety	Trading Services	Economic and environmental services	Unallocated	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	3 447 547	436 345	101 679 230	-	-	105 563 122
Service Charges - Electricity Revenue	-	-	49 393 613	-	-	49 393 613
Service Charges - Water Revenue	-	-	23 671 994	-	-	23 671 994
Service Charges - Sanitation Revenue	-	-	12 479 610	-	-	12 479 610
Service Charges - Refuse Revenue	-	-	9 508 289	-	-	9 508 289
Rental of Facilities and Equipment	1 145 308	-	-	-	-	1 145 308
Interest Earned - External Investments	1 584 940	-	-	-	-	1 584 940
Interest Earned - Outstanding Debtors	328 291	-	6 613 732	-	-	6 942 024
Licences and Permits	-	406 989	-	-	-	406 989
Other Revenue	389 007	29 357	11 991	-	-	430 355
External revenue from non-exchange transactions	51 243 749	1 997 446	41 005 490	-	-	94 246 685
Fines, Penalties and Forfeits	-	537 446	149 852	-	-	687 298
Property rates	20 038 382	-	-	-		20 038 382
Availability charges	-	-	711 415	-	-	711 415
Interest Earned - Outstanding Debtors	2 202 469	-	-	-	-	2 202 469
Licences and Permits	46 133	-	-	-	-	46 133
Transfers Recognised - Operational	26 350 753	1 460 000	40 144 222	-	-	67 954 975
Public Contributions and Donations	1 768 604	-	-	-	-	1 768 604
Actuarial gains	791 392	-	-	-	-	791 392
Gains on disposal of Biological assets	46 016	-	-	-	-	46 016
Revenue from transactions with other segments	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	54 691 296	2 433 791	142 684 720	-	-	199 809 807
SEGMENT EXPENDITURE						
Employee Related Costs	32 876 864	5 921 167	32 814 376	-	-	71 612 406
Remuneration of Councillors	5 375 661	-	-	-	-	5 375 661
Bad Debt Written off	58 926	-	8 374 945	-	-	8 433 872
Debt Impairment	8 191 955	-	31 239 644	-	-	39 431 599
Depreciation and Asset Impairment	104 730	5 240	12 589 800	-	-	12 699 770
Finance Charges	28 997 950	-	2 945 399	-	-	31 943 349
Bulk Purchases	-	-	67 495 785	-	-	67 495 785
Inventory Consumed	-	-	1 395 362	-	-	1 395 362
Other Materials	100 455	32 561	1 189 604	-	-	1 322 621
Other Expenditure	19 261 519	67 470	6 656 298	-	-	25 985 287
Loss on Disposal of PPE	15 600	-	-	-	-	15 600
Change in Fair Value	12 700	-	-	-	-	12 700
Total Segment Expenditure	94 996 360	6 026 439	164 701 212	-	-	265 724 011
Surplus/(Deficit)	-40 305 064	-3 592 647	-22 016 493	-	-	-65 914 204
Transfers Recognised - Capital	-	-	46 921 390	-	-	46 921 390
Surplus/(Deficit) after Capital Transfers & Contributions	-40 305 064	-3 592 647	24 904 898	-	-	-18 992 813
OTHER INFORMATION						
Segment Assets	-	-	-	-	562 471 102	562 471 102
Segment liabilities	-	-	-	-	359 975 975	359 975 975

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

Total Segment Revenue (including capital transfers and contributions)	246 731 198
Total Revenue as per Statement of Financial Performance	296 240 705
Difference	-49 509 507
Reconciling items	
Debt Waived	49 506 279

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

Total Segment Expenditure	265 724 011
Total Expenditure as per Statement of Financial Performance	265 611 871
Difference	112 141

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

Surplus/(Deficit) for the year as per Segments	30 628 834
Surplus/(Deficit) for the year as per Statement of Financial Performance	30 513 466
Difference - as explained above	115 368.47

See the explanations for differences above under Revenue and Expenses.

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

Total Segment Assets	562 471 102
Total Assets as per Statement of Financial Position	562 471 102
Difference	-

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

Total Segment Liabilities	359 975 975
Total Liabilities as per Statement of Financial Position	359 975 975
Difference	-

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

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

The 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 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, except where an exemption or transitional provision has been granted. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand.

1.3. GOING CONCERN ASSUMPTION

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

1.4. COMPARATIVE INFORMATION

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

1.5 CONSISTENT AND NEW ACCOUNTING POLICIES

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

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.7. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury.

The information is presented for budgets that are made publicly available.

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

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations for differences between the approved and final budget are included in the Statement of Budget Comparison.

Explanations for material differences between the final budget amounts and actual amounts are included the Notes to the Financial Statements.

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

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

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 103	**Heritage assets** There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting. The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.	Unknown
GRAP 104	**Financial Instruments** The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	1 April 2025
GRAP 1: Going concern	**Presentation of Financial statements: Going concern** The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. The update is to implement minor changes, to implement changes resulting from the Guideline on the application of Materiality. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.	Unknown
Improvement to GRAP standards (2023)	**Improvement to GRAP standards (2023)** The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance. No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment	Unknown
GRAP 105, GRAP 106 and GRAP 107 (amendments)	**Transfer of Functions and Mergers** The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted	Unknown

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

1.9. LEASES

1.9.1 Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments (including any indirect costs). The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the accounting policies on assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to disclosure of finance liability and de-recognition of financial instruments are applied to lease payables. Contingent rents shall be charged as expenses in the periods in which they are incurred.

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

1.9.2 Municipality as Lessor

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

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

1.10. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

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

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public. The revenue received is driven from the agreed terms of the contract rather than from legislation.

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

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

1.11. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of grant receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.12. UNSPENT PUBLIC CONTRIBUTIONS

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

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

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

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

1.13. PROVISIONS

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 government bond rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

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

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

When expenditure incurred on the provision will be reimbursed, the reimbursement is recognised as a separate asset, when it is virtually certain the reimbursement will be received when the obligation is settled. The reimbursement will not exceed the provision.

The expenditure is recognised in the Statement of Financial Performance, net of the 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.

The restructuring provision only include direct expenditure arising from the restructuring.

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

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

1.14. EMPLOYEE BENEFITS

1.14.1 *Post Retirement Medical Obligations*

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the net defined benefit liability is actuarially determined in accordance with GRAP 25 – “Employee Benefits” (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The net interest of the defined benefit obligation is recognised as finance cost in the Statement of Financial Performance, as it meets the definition of Interest Cost in GRAP 25. The liability was 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 fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

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

1.14.2 Long Service Awards

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

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

1.14.3 Provision for Staff Leave

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

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.

1.14.4 Staff Bonuses Accrued

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

1.14.5 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrue to Section 57 employees. Performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.14.6 Pension and retirement fund obligations

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

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

The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are recognised in the Statement of Financial Performance in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The Municipality operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.14.7 Other Short-term Employee Benefits

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

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.15. PROPERTY, PLANT AND EQUIPMENT

1.15.1 Initial Recognition

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

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

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

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

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

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

Major spare parts and servicing equipment qualify as property, plant and equipment when the Municipality expects to use them during more than one period.

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy. If cost can however not be established, then infrastructure assets will be initially measured and recognised at depreciated replacement cost.

Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market.

1.15.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and 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 (including capitalised restoration cost).

1.15.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with 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***
Infrastructure		**Other**	
Road network	2-80	Air Conditioners	1-10
Stormwater network	7-75	Chairs	1-10
Electricity network	1-58	Electronic equipment	2-6
Water network	1-93	Computer Hardware	1-6
Sanitation network	4-93	Furniture and fittings	2-20
		Office Equipment	2-6
Buildings		Trailers	1-6
Buildings	8-98	Tables and Desks	1-15
		Tractors	1-2
Community		Trucks	1-6
Recreational Facilities	84	Works Equipment	2-8
Halls	39-85		
Libraries	17-84		
Leased Assets		**Capitalised Restoration Costs**	
Office equipment	2	Land-fill sites	1 – 6
Water network	2 - 7		
Electricity network	2 - 7		

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

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

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

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

1.15.4 De-recognition

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.

1.15.5 Decommisioning and restoration asset

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, shall be accounted for as follows:

The related asset (under cost model) is measured as follows:

- Changes in the liability, shall be added or deducted from the asset cost;
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with its impairment policy. Refer to paragraph 1.26 of the policy.

1.16. INTANGIBLE ASSETS

1.16.1 Initial Recognition

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

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

- is separable, i.e. is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Municipality intends to do so; or

- arises from binding arrangements from contracts, regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

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

The cost of the intangible asset includes the purchase price and any cost incurred to prepare the asset for its intended use.

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

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

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary 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, it’s deemed cost is the carrying amount of the asset(s) given up. Where an intangible asset is acquired through a non-exchange transaction it is measured fair value.

1.16.2 Subsequent Measurement – Cost Model

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

1.16.3 Amortisation and Impairment

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

Intangible Assets	**Years**
Computer Software	1-5

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

Changes to the useful life and residual values of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in accounting estimate.

1.16.4 De-recognition

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.

1.17. INVESTMENT PROPERTY

1.17.1 Initial Recognition

Investment property is recognised as an asset when, and only when:

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

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

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

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or held for sale, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases;
- A property owned by the municipality and leased out at a below market rental; and

- Property that is being constructed or developed for future use as investment property.

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

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

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

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

For a transfer from owner occupied property becomes an investment property measured at fair value, the difference between the carrying value and fair value at the reporting date, shall be recognised in surplus and deficit.

For a transfer from inventory to investment property (operating lease), the difference between the carrying value and the fair value at the reporting date, shall be recognised in surplus and deficit.

1.17.2 Subsequent Measurement – Fair Value Model

Subsequent to initial recognition, items of investment property are measured at fair value. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in Statement of Financial Performance for the period in which it arises.

1.17.3 De-recognition

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

1.18 HERITAGE ASSETS

1.18.1 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, and only 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.

A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition, including any transaction cost.

1.18.2 Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.18.3 Depreciation and Impairment

Heritage assets are not depreciated

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.

1.18.4 De-recognition

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.

1.19 BIOLOGICAL ASSETS

1.19.1 Initial Recognition

A biological asset or agricultural produce is recognised when, and only when:

- the Municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality;
- and the fair value or cost of the asset can be measured reliably.

Biological assets are initially measured at their fair value less cost to sell.

1.19.2 Subsequent Measurement

Biological assets are measured at their fair value less cost to sell.

The fair value of game is determined based on market prices of livestock of similar age, breed, and genetic merit in the local industry at hunting prices. Game is considered to be consumable/bearer biological assets.

A gain or loss arising on initial recognition of biological assets at fair value less cost to sell is recognised in the Statement of Financial Performance for the period in which it arises.

1.20. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.20.1 Cash-generating assets

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

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

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

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

(b) Internal sources of information
- Evidence is available of obsolescence or physical damage of an asset.
- Significant changes with an adverse effect on the Municipality have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

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

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

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

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

1.20.2 Non-cash-generating assets

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

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

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

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

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

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

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

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

- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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

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

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

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

1.21. INVENTORIES

1.21.1 Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

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

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.21.2 Subsequent Measurement

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

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

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

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

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

1.22. FINANCIAL INSTRUMENTS

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

1.22.1 Initial Recognition

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

1.22.2 Subsequent Measurement

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

1.22.2.1 *Receivables*

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

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

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

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

1.22.2.2 *Payables and Annuity Loans*

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

1.22.2.3 *Cash and Cash Equivalents*

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

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

1.22.2.4 *Non-Current Investments*

Investments which include fixed deposits invested in registered commercial banks, are stated at amortised cost.

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

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

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

1.22.3 De-recognition of Financial Instruments

1.22.3.1 *Financial Assets*

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

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

substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

1.22.3.2 <u>*Financial Liabilities*</u>

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

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

1.22.4 Offsetting of Financial Instruments

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

1.23 STATUTORY RECEIVABLES

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

1.23.1. Initial Recognition and Measurement

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

The municipality initially measures the statutory receivables at their transaction amount.

1.23.2. Subsequent Measurement

The Municipality initially measures the statutory receivables at their transaction amount. The Municipality measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement is adjusted with:

(a) interest or other charges that may have accrued on the receivable;
(b) impairment losses; and
(c) amounts derecognised.

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating 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.

The municipality considers the following as indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied)
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns

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.

1.23.3. Derecognition

The Municipality derecognises a statutory receivable when:

(a) the rights to the cash flows from the receivable are settled, expire or are waived;
(b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
(c) the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another

party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Municipality:

i. derecognise the receivable; and
ii. recognise separately any rights and obligations created or retained in the transfer.

Any difference between consideration received and amounts derecognised/recognised is recognised in surplus and deficit.

1.24. REVENUE

1.24.1 Revenue from Non-Exchange Transactions

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

Government grants and subsidies received or receivable are recognised when the resources that have been transferred, meet the criteria for recognition as an asset. A corresponding liability is 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 without any conditions attached are recognised as revenue when the asset is recognised.

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

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

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

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

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

All unclaimed deposits are initially recognised as a liability until 36 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. This policy is in line with prescribed debt principle as enforced by law.

Interest revenue is recognised using the effective interest rate method.

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

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

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

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

Services in-kind that are significant to the Municipality's operations are recognised as assets and the related revenue when:

- it is probable that the future economic benefits or service potential will flow to the Municipality; and
- the fair value of the assets can be measured reliably.

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

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

1.24.2 Revenue from Exchange Transactions

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

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

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

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

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

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. 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. . The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

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

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 recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) 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. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

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

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

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

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

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

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

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

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

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

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

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

1.25. ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

Identification

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

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

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

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

1.26. RELATED PARTIES

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

A related party is a person or an entity:

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

The following are regarded as related parties of the Municipality:

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

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

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

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

Management (formerly known as “Key Management”) includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

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

Management personnel include:

(a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.

(b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer an all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

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.

1.26. 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.

1.27. 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 excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.28. FRUITLESS AND WASTEFUL EXPENDITURE

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

1.29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

Management judgement is required when recognising and measuring contingent liabilities.

1.30. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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:

1.30.1 Post-retirement medical obligations and Long service awards

The cost of post-retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 3 of the financial statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.30.2 Impairment of Receivables

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

1.30.3 Property, Plant and Equipment

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

Management referred to the following when making assumptions regarding useful lives and residual values of property, plant and equipment.

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

1.30.4 Intangible Assets

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

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

1.30.5 Investment Property

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

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

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

1.30.6 Water Inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, where the level indicates the depth of the water in the reservoir, which is then converted into volumes based on the total capacity of the relevant reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

1.30.7 Provisions and Contingent Liabilities

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

1.30.8 Revenue Recognition

Accounting Policy 1.23.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.23.2 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 set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

The IGRAP 1 amendments did not have any impact on Traffic Fines revenue issued in terms of the current Criminal Proceedings Act system, but will only have an effect on fines issued in terms of the Amended Act (AARTO) that is expected to become effective on 1 July 2022. As the legislation is new, the possible impact cannot at this stage be determined. The legislation itself will significantly increase Traffic Fines revenue based on higher fine amounts being pronounced in Schedule 3 of the Amendment Act.

The iGRAP 20 interpretation is not regarded as having an effect, as the principals of revising revenue (for e.g., incorrect tariff or appeal) is already applied by the municipality.

1.30.9 Provision for Landfill Sites

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. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are recognised in the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

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

1.30.10 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.

1.30.11 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.

1.30.12 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 that 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.

1.30.13 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.

1.31. VALUE ADDED TAX

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

1.32. CAPITAL COMMITMENTS

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

Commitments are disclosed in the notes inclusive of VAT.

1.33. SEGMENT REPORTING

A segment is an activity of an entity:

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

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

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

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

On the first-time adoption of GRAP 18, comparative segment information is not required in terms of the transitional provisions.

1.34. EVENTS AFTER REPORTING DATE

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

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

2 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost						Accumulated Depreciation						Carrying Value
	Opening Balance R	Additions R	Work-in-progress	Disposals R	Transfers	Closing Balance R	Opening Balance R	Depreciation Charge R	Impairment Charge R	Disposals R	Transfers	Closing Balance R	R
30 June 2025													
Land and Buildings	26 282 073	-	-	-	-	26 282 073	639 665	47 266	-	-	-	686 931	25 595 142
Land	21 689 998	-	-	-	-	21 689 998	-	-	-	-	-	-	21 689 998
Buildings	4 592 075	-	-	-	-	4 592 075	639 665	47 266	-	-	-	686 931	3 905 143
Infrastructure	593 509 558	48 163 745	-	-2 041 605	-	639 631 699	170 599 791	10 912 521	68 623	-535 000	-	181 045 935	458 585 764
Road Network	112 418 490	-		-	1 752 778	114 171 268	45 385 976	1 686 310	-	-	-	47 072 286	67 098 982
Sanitation Network	117 538 914	1 232 741	-	-401 441	-	118 370 214	32 171 492	1 855 959	50 757	-221 147	-	33 857 060	84 513 154
Electricity Network	115 991 550	405 050	-	-751 798	-	115 644 802	29 367 200	2 901 764	-	-296 468	-	31 972 496	83 672 306
Water Network	152 705 109	158 504	-	-34 842	24 412 159	177 240 930	43 050 467	2 869 728	10 104	-17 385	-	45 912 915	131 328 015
Stormwater Network	6 978 874	-	-	-	127 228	7 106 102	1 073 149	124 588	-	-	-	1 197 737	5 908 365
Capitalised Restoration Costs	24 364 288	-	-	-853 523	-	23 510 765	19 551 507	1 474 172	7 762	-	-	21 033 441	2 477 324
Work-in-Progress	63 512 333	46 367 450	-	-	-26 292 165	83 587 618	-	-	-	-	-	-	83 587 618
Community Assets	33 419 297	-	-	-	-	33 419 297	650 868	31 757	-	-	-	682 625	32 736 672
Library	468 554	-	-	-	-	468 554	78 286	5 112	-	-	-	83 397	385 157
Cemetary	241 340	-	-	-	-	241 340	-	-	-	-	-	-	241 340
Commonage	21 101 000	-	-	-	-	21 101 000	-	-	-	-	-	-	21 101 000
Community Halls	1 281 403	-	-	-	-	1 281 403	208 264	12 673	-	-	-	220 937	1 060 465
Game Farm	8 171 000	-	-	-	-	8 171 000	-	-	-	-	-	-	8 171 000
Holiday Resort	845 000	-	-	-	-	845 000	167 879	8 061	-	-	-	175 940	669 060
Sport Facilities	1 311 000	-	-	-	-	1 311 000	196 439	5 911	-	-	-	202 350	1 108 650
Lease Assets	2 602 183	4 477 600	-	-	-	7 079 783	1 828 343	330 599	-	-	-	2 158 943	4 920 840
Office Equipment	875 000	-	-	-	-	875 000	862 124	6 438	-	-	-	868 562	6 438
Electricity Network	1 522 194	4 477 600	-	-	-	5 999 794	856 023	300 579	-	-	-	1 156 602	4 843 191
Water Network	204 989	-	-	-	-	204 989	110 197	23 582	-	-	-	133 779	71 211
Other Assets	24 174 601	803 835	-	-	-	24 978 436	16 141 457	1 907 721	18 746	-	-	18 067 924	6 910 513
Air Conditioner	427 486	225 400	-	-	-	652 886	402 181	14 710	-	-	-	416 891	235 996
Chairs	419 741	49 175	-	-	-	468 916	285 982	31 449	-	-	-	317 431	151 486
Electronic Equipment	809 030	8 300	-	-	-	817 330	743 413	20 908	-	-	-	764 321	53 009
Furniture & Fittings	1 021 840	17 572	-	-	-	1 039 412	706 059	104 870	-	-	-	810 930	228 482
Office Equipment	6 156 243	-	-	-	-	6 156 243	5 937 814	88 192	-	-	-	6 026 006	130 237
Trailers	89 746	-	-	-	-	89 746	64 444	2 869	-	-	-	67 313	22 432
Tables and desks	191 093	88 934	-	-	-	280 027	150 235	9 892	-	-	-	160 126	119 900
Tractors	1 057 323	-	-	-	-	1 057 323	581 444	153 053	1 228	-	-	735 725	321 598
Trucks & LDV's	11 265 795	-	-	-	-	11 265 795	5 183 033	1 277 397	17 518	-	-	6 477 949	4 787 846
Works Equipment	930 844	25 045	-	-	-	955 889	631 380	71 450	-	-	-	702 830	253 059
Computer hardware	1 805 461	389 409	-	-	-	2 194 869	1 455 473	132 930	-	-	-	1 588 403	606 467
	679 987 712	53 445 181	-	-2 041 605	-	731 391 288	189 860 124	13 229 865	87 369	-535 000	-	202 642 358	528 748 931

2 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value		Cost						Accumulated Depreciation						Carrying Value
		Opening Balance R	Additions R	Work-in-progress	Disposals R	Transfers	Closing Balance R	Opening Balance R	Depreciation Charge R	Impairment Charge R	Disposals R	Transfers	Closing Balance R	R
30 June 2024													7 280 987	
Land and Buildings		26 321 073	-	-	-39 000		26 282 073	592 397	47 268	-	-		639 665	25 642 408
Land		21 728 998	-	-	-39 000	-	21 689 998	-	-	-	-		-	21 689 998
Balance previously reported		21 476 596	-	-	-39 000	-	21 437 596	-	-	-	-		-	21 437 596
Correction of error - Note	36.06	252 402	-		-		252 402	-	-	-	-		-	252 402
Buildings		4 592 075	-	-	-	-	4 592 075	592 397	47 268	-	-	-	639 665	3 952 410
Infrastructure		548 072 600	45 436 958	-	-	-	593 509 558	159 903 660	10 694 293	1 839	-	-	170 599 791	422 909 768
Road Network		112 418 490	-		-	-	112 418 490	43 977 914	1 408 062	-	-	-	45 385 976	67 032 514
Sanitation Network		117 538 914	-	-	-	-	117 538 914	30 364 103	1 807 389	-	-	-	32 171 492	85 367 422
Electricity Network		115 309 850	681 700	-	-	-	115 991 550	26 313 185	3 054 015	-	-	-	29 367 200	86 624 350
Water Network		152 624 192	80 917	-	-	-	152 705 109	40 202 944	2 847 524	-	-	-	43 050 467	109 654 642
Stormwater Network		6 978 874	-	-	-	-	6 978 874	984 582	88 567	-	-	-	1 073 149	5 905 725
Capitalised Restoration Costs		21 539 133	2 825 155	-	-	-	24 364 288	18 060 932	1 488 736	1 839	-	-	19 551 507	4 812 781
Work-in-Progress		21 663 147	41 849 186	-	-	-	63 512 333	-	-	-	-		-	63 512 333
Community Assets		33 419 297	-	-	-		33 419 297	617 815	33 053	-	-		650 868	32 768 429
Libraries		468 554	-	-	-	-	468 554	73 174	5 112	-	-	-	78 286	390 268
Cemetery		241 340	-	-	-	-	241 340	-	-	-	-		-	241 340
Commonage		21 101 000	-	-	-	-	21 101 000	-	-	-	-		-	21 101 000
Community Halls		1 281 403	-	-	-	-	1 281 403	195 591	12 673	-	-	-	208 264	1 073 139
Game Farm		8 171 000	-	-	-		8 171 000	-	-	-	-		-	8 171 000
Holiday Resort		845 000	-	-	-	-	845 000	159 818	8 061	-	-	-	167 879	677 121
Sport Facilities		1 311 000	-	-	-		1 311 000	189 232	7 207	-	-	-	196 439	1 114 561
Lease Assets		2 602 183	-	-	-		2 602 183	1 642 701	185 643	-	-		1 828 343	773 840
Office Equipment		875 000	-	-	-	-	875 000	849 247	12 876	-	-	-	862 124	12 876
Electricity Network		1 522 194	-	-	-	-	1 522 194	703 756	152 268	-	-	-	856 023	666 171
Water Network		204 989	-	-	-	-	204 989	89 698	20 499	-	-	-	110 197	94 793
Other Assets		22 602 342	1 572 259	-	-		24 174 601	14 422 969	1 718 489	-	-		16 141 457	8 033 144
Air Conditioner		427 486	-	-	-	-	427 486	391 813	10 368	-	-	-	402 181	25 305
Chairs		419 741	-	-	-	-	419 741	247 576	38 406	-	-	-	285 982	133 759
Electronic Equipment		796 091	12 939	-	-	-	809 030	707 261	36 152	-	-	-	743 413	65 617
Furniture & Fittings		1 021 840	-	-	-	-	1 021 840	598 972	107 087	-	-	-	706 059	315 781
Office Equipment		6 156 243	-	-	-	-	6 156 243	5 785 457	152 357	-	-	-	5 937 814	218 428
Trailers		89 746	-	-	-	-	89 746	63 982	462	-	-	-	64 444	25 302
Balance previously reported		89 746	-	-	-	-	89 746	81 014	-4 490	-	-	-	76 524	13 222
Correction of error - Note	36.06	-	-	-	-		-	-17 032	4 951	-	-		-12 080	12 080
Tables and desks		191 093	-	-	-	-	191 093	144 814	5 420	-	-	-	150 235	40 858
Tractors		1 057 323	-	-	-	-	1 057 323	428 391	153 053	-	-	-	581 444	475 879
Trucks & LDV's		9 749 273	1 516 522	-	-	-	11 265 795	4 164 153	1 018 880	-	-	-	5 183 033	6 082 762
Balance previously reported		9 749 273	1 516 522	-	-	-	11 265 795	4 574 797	923 641	-	-	-	5 498 438	5 767 357
Correction of error - Note	36.06	-	-	-	-		-	-410 644	95 239	-	-		-315 405	315 405
Works Equipment		909 044	21 800	-	-	-	930 844	553 359	78 022	-	-	-	631 380	299 464
Computer hardware		1 784 462	20 999	-	-	-	1 805 461	1 337 191	118 281	-	-	-	1 455 473	349 988
		633 017 495	47 009 218	-	-39 000		679 987 712	177 179 541	12 678 745	1 839	-		189 860 124	490 127 588

2 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Work-in-progress

Work-in-progress is compiled from the following on-going capital projects:

	2025 R	2024 R
Siyancuma High Mast Lights	12 344 612	9 978 018
Campbell oxidation pond (Design)	4 663 943	3 218 110
Bongani 458 Stands - Electrification	15 554 682	12 527 881
Siya 02/2021 - Roads project	-	1 880 006
Rehabilitation of Douglas Water Treatment Works	-	19 229 269
Campbell Bulk water Augmentation	20 061 832	3 038 047
Construction of Campbell WWTW and bulk outfall Sewer	30 108 816	13 641 002
Refurbishment of Griekwastad WWTW	853 734	-
	83 587 619	**63 512 333**

The movements for the year can be reconciled as follows:

	2025 R	2024 R
Balance at beginning of year	63 512 333	21 663 147
Expenditure during the year	46 367 450	41 849 186
Assets unbundled during the year	(26 292 165)	-
Balance at end of year	**83 587 619**	**63 512 333**

Project: Bongani 458 Stands - Electrification was due for completion on 30 June 2022 however the project is far from completion thus delayed. - Reasons for delay: As the site was an informal setup and after the township is established and survey was done there was a delay of relocation of beneficiaries and realignment of town planning.

Project: Siyancuma High Mast Lights - The project is to install High mast lights in the Siyancuma area which was to be completed in June 2021 - Reasons for delay: Project was delayed to due the municipality not raising the own funding portion and the COVID period which caused further delays.

All the other projects listed are not considered to be long outstanding or stopped.

Expenditure incurred to repair and maintain Property, Plant and Equipment:

	2025	2024
Employee related costs	-	-
Other materials	1 160 975	683 059
Contracted Services	120 426	33 756
Other Expenditure	1 733 571	605 805
	3 014 972	**1 322 621**

Impairment of property plant and equipment

Impairment charges on Property, plant and equipment recognised in statement of financial performance

	2025	2024
Infrastructure	68 623	1 839
	87 369	**1 839**

Land is not controlled, but Example Municipality is the legal owner/custodian

	2025	2024
No of Low Cost Houses	3 256	3 365
Total	**3 256**	**3 365**

<u>Key judgements and assumptions applied</u>

- No right to direct access to land, and to restrict/deny the access of others
- Title deed holder
- Binding arrangement
- etc

Effect of changes in accounting estimates

The change in accounting estimate originated from the evaluation of the remaining useful lives of the assets at year end as well as the change in conditional assessment and further change to residual values.

2025 R	2024 R	2023 R
66 341	(280 290)	(435 995)

		2025	2024
3	**INTANGIBLE ASSETS**	**R**	**R**
	Computer System & Software		
	Net Carrying amount at 1 July	**28 972**	**48 159**
	Cost	1 204 230	1 204 230
	Accumulated Amortisation	(1 175 258)	(1 156 071)
	Acquisitions	-	-
	Disposals	(996 700)	-
	Impairments	-	-
	Amortisation	(17 987)	(19 187)
	Net Carrying amount at 30 June	**10 985**	**28 972**
	Cost	207 531	1 204 230
	Accumulated Amortisation	(196 545)	(1 175 258)

		Carrying Value	
	Remaining Amortisation	2025	2024
Description	Period	R	R
SEBATA - Accounting System	1	-	253
Microsoft Office	1 - 5	10 985	15 523
Cemetery Module	1	-	104
Implementation of Sebata	1 - 2	-	6 586
MPLS	1	-	467
Business Plan Pro Premier	1	-	22
Developed Website	1	-	1 064
Mail exchange Server	1	-	4 953

No intangible asset were assed having an indefinite useful life.

No residual values allocated to intangible assets, as there is no active market for these software items after use, due to new versions being issued regularly.

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

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

Effect of changes in accounting estimates

The change in accounting estimate originated from the evaluation of the remaining useful lives of the assets at year end as well as the change in conditional assessment.

2025	2024	2023
R	R	R
(1 200)	(15 849)	(28 625)

4 BIOLOGICAL ASSETS

	Quantity (Units)	Fair Value R	2025 R	2024 R
Springbuck	212	1 190.20	252 323	253 045
			252 323	253 045

Fair value of biological assets is based on hunting prices an open active market less costs to sell. Hunting prices were obtained from Grensplaas Jag en Wild to determine the fair value of game as at year end 30 June 2025

Reconciliation of fair value:

	2025	2024
Opening Fair Value	253 045	219 728
Additions through a non-exchange transactions	-	46 016
Disposals	(20 813)	-
Fair Value adjustments	20 092	(12 700)
Closing Fair Value	252 323	253 045

No title or other restrictions are placed on biological assets.

No biological assets were pledged as security for liabilities.

There are no commitments for the development or acquisition of biological assets.

All biological assets are located on a farm near Griekwastad. The primary activities revolving around biological assets are as follows:
- Ensure that game numbers are managed adequately. When the need arises to reduce the game number, prospective hunters are invited to submit tenders for the hunting of game, resulting in an inflow of resources to the municipality.

Fair value of biological assets is based on selling prices less costs to sell in an open market.

5 INVENTORY

	2025 R	2024 R
Water – at Current Replacement Cost	5 014	4 028
Total Inventory	**5 014**	**4 028**
Inventory recognised as an expense during the year	1 488 324	1 395 362

No inventory assets were pledged as security for liabilities.

			2025	2024
6	**TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS**		**R**	**R**
	Service Receivables			
	Water		59 272 274	35 701 656
	Electricity		13 861 089	11 726 765
	Balance previously reported		-	11 738 181
	Correction of Trade and other receivables from Exchange transactions - Electricity against Statement of Financial Performance - Service Charges - Electricity (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.03	-	-10 420
	Correction of Trade and other receivables from Exchange transactions - Electricity against Statement of Financial Performance - Interest Earned from outstanding Debtors (Correction of Interest charges during 2023/24 due to the correct classification from business to residential)	36.03	-	-996
	Refuse		29 545 855	18 419 481
	Balance previously reported		-	18 421 748
	Correction of Trade and other receivables from Exchange transactions - Refuse against Statement of Financial Performance - Service Charges - Refuse (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.03	-	-2 243
	Correction of Trade and other receivables from Exchange transactions - Refuse against Statement of Financial Performance - Interest Earned from outstanding Debtors (Correction of Interest charges during 2023/24 due to the correct classification from business to residential)	36.03	-	-23
	Sewerage		34 155 055	21 305 734
	Balance previously reported		-	21 309 741
	Correction of Trade and other receivables from Exchange transactions - Sewerage against Statement of Financial Performance - Service Charges - Sewerage (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.03	-	-2 483
	Correction of Trade and other receivables from Exchange transactions - Sewerage against Statement of Financial Performance - Interest Earned from outstanding Debtors (Correction of Interest charges during 2023/24 due to the correct classification from business to residential)	36.03	-	-1 523
	Total Service Receivables		**136 834 272**	**87 153 636**
	Less: Allowance for Doubtful Debts		-122 003 691	-75 857 104
	Net Service Receivables		**14 830 581**	**11 296 532**
	Other Receivables			
	Other Debtors		3 950 441	3 487 841
	Balance previously reported		-	3 463 700
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Statement of Financial performance - Employee related costs - Provision for Post retirement medical (Correction of council vs pensioners medical contribution during 2023/24)	36.03	-	5 974
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Accumulated Surplus (Correction of Campbell Access Road debtors revenue to receive during 2022/23)	36.03	-	1 206
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors against VAT payables from exchange transactions - VAT output in suspense (Correction of Campbell Access Road debtors revenue to receive during 2022/23)	36.03	-	181
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Statement of Financial Performance - Rental of facilities and Equipment (Correction of Campbell Access Road debtors revenue to receive during 2023/24)	36.03	-	14 591
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors against VAT payables from exchange transactions - VAT output in suspense (Correction of Campbell Access Road debtors revenue to receive during 2023/24)	36.03	-	2 189

6 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUE)

		2025 R	2024 R
Other Arrears		4 742 244	4 059 434
Property Rentals		4 035 708	3 894 247
Sundry Accounts		706 535	165 187
Balance previously reported		-	173 912
Correction of Trade and Other Receivables from Exchange Transactions - Other Arrears against Statement of Financial Performance - Employee related cost - Contribution to Post retirement medical (Correction of allocation of Pensioners medical contributions for 2023/24)	36.03	-	-8 724
Total Other Receivables		**8 692 684**	**7 547 275**
Less: Allowance for Doubtful Debts		-4 603 906	-5 007 280
Net Other Receivables		**4 088 778**	**2 539 995**
Total Net Receivables from Exchange Transactions		**18 919 359**	**13 836 527**

Ageing of Receivables from Exchange Transactions

	2025	2024
(Electricity): Ageing		
Current (0 - 30 days)	3 410 039	2 311 335
31 - 60 Days	314 275	274 008
61 - 90 Days	448 953	471 704
+ 90 Days	9 687 822	8 669 717
Total	**13 861 089**	**11 726 765**
(Water): Ageing		
Current (0 - 30 days)	3 751 019	2 994 047
31 - 60 Days	2 072 654	1 485 970
61 - 90 Days	2 035 804	1 543 287
+ 90 Days	51 412 797	29 678 351
Total	**59 272 274**	**35 701 656**
(Refuse): Ageing		
Current (0 - 30 days)	1 540 709	1 026 426
31 - 60 Days	978 132	851 388
61 - 90 Days	966 637	832 697
+ 90 Days	26 060 376	15 708 969
Total	**29 545 855**	**18 419 481**
(Sewerage): Ageing		
Current (0 - 30 days)	1 893 053	1 317 203
31 - 60 Days	1 124 327	986 539
61 - 90 Days	1 108 726	952 586
+ 90 Days	30 028 949	18 049 405
Total	**34 155 055**	**21 305 734**
(Other Receivables): Ageing		
Current (0 - 30 days)	109 298	107 776
31 - 60 Days	67 184	97 124
61 - 90 Days	69 755	112 340
+ 90 Days	4 496 006	3 742 195
Total	**4 742 244**	**4 059 434**

7 TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

		2025 R	2024 R
Service Receivables			
Taxes - Rates		53 153 186	45 413 053
Balance previously reported		-	45 419 491
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Accumulated Surplus (Correction of interest reversal prior to 1 July 2023)	36.04	-	-6 369
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Statement of Financial Performance - Interest Earned from Outstanding Debtors (Correction of interest reversal during 2023/24)	36.04	-	-69
Fines		13 389 944	13 190 260
Total Service Receivables		**66 543 130**	**58 603 312**
Less: Allowance for Doubtful Debts		-51 259 155	-44 163 610
Net Service Receivables		**15 283 975**	**14 439 702**
Total Net Receivables from Non-Exchange Transactions		**15 283 975**	**14 439 702**

Ageing of Receivables from Non-Exchange Transactions

(Rates): Ageing

	2025	2024
Current (0 - 30 days)	645 689	579 900
31 - 60 Days	687 355	555 039
61 - 90 Days	627 095	534 766
+ 90 Days	51 193 047	43 743 348
Total	**53 153 186**	**45 413 053**

8 TRADE AND OTHER RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Summary of Receivables by Customer Classification	**Residential, Industrial & Commercial** **R's**	**Other Debtors** **R's**	**National and Provincial Government** **R's**	**Total** **R's**
2025				
Total Receivables	174 897 333	18 132 187	19 040 566	212 070 086
Less: Provision for doubtful debts	-160 560 893	-17 305 859	-	-177 866 752
Total Recoverable debtors by customer classification	**14 336 440**	**826 328**	**19 040 566**	**34 203 334**

Summary of Receivables by Customer Classification	**Residential, Industrial & Commercial** **R's**	**Other Debtors** **R's**	**National and Provincial Government** **R's**	**Total** **R's**
2024				
Total Receivables	117 536 807	17 258 419	18 508 997	153 304 223
Less: Provision for doubtful debts	-107 663 472	-17 364 522	-	-125 027 994
Total Recoverable debtors by customer classification	**9 873 335**	**-106 103**	**18 508 997**	**28 276 229**

Trade and other receivables impairment

2025	**Exchange Transactions** **R's**	**Non-Exchange Transactions** **R's**	**Total** **R's**
Total	**(126 607 597)**	**(51 259 155)**	**(177 866 752)**

2024	**Exchange Transactions** **R's**	**Non-Exchange Transactions** **R's**	**Total** **R's**
Total	**(80 864 384)**	**(44 163 610)**	**(125 027 994)**

8 TRADE AND OTHER RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS (CONTINUE)

Debts are required to be settled after 30 days, interest is charged after this date at prime +1%.
The fair value of trade and other receivables approximates their carrying amounts.

Reconciliation of the Total doubtful debt provision	2025 R	2024 R
Balance at beginning of the year	125 027 994	80 730 594
Contributions to provision	46 527 541	48 586 733
VAT Impairment	5 966 506	4 865 801
Doubtful debts written off against provision	-	(9 690 594)
Fines	344 711	535 460
Balance at end of year	**177 866 753**	**125 027 994**

9 OPERATING LEASE ARRANGEMENTS

9.1 The Municipality as Lessor

		2025 R	2024 R
Balance on 1 July		136 613	42 953
Balance previously reported		-	39 485
Correction of Operating lease Assets against Accumulated Surplus/(Deficit) (Correction of Renewal and extension contracts for Vodacom Breipaal & Vodacom Griekwastad & Campbell Access Roads to be recognised during 2022/23)	36.07	-	3 469
Restated Balance on 1 July		136 613	42 953
Movement during the year		578 479	93 660
Balance previously reported		-	93 720
Correction of Operating lease Assets against Statement of Financial Performance - Rental of facilities and equipment (Correction of Renewal and extension contracts for Vodacom Breipaal & Vodacom Griekwastad & Campbell Access Roads to be recognised during 2023/24)	36.07	-	-60
Balance on 30 June		715 092	136 613

Siyancuma Municipality is leasing commonage land to MTN for periods of 119 months with escalations of 6% per year.

Siyancuma Municipality is leasing commonage land in Griekwastad to Vodacom for period 9 years and 11 months with escalations of CPI increase to a max of 6% per year.

Siyancuma Municipality is leasing commonage land to various lessees with escalations of 12% per year till 30 April 2023.

Siyancuma Municipality is leasing commonage land in Breipaal to Vodacom for period of 9 years and 11 months with escalations of 6.3% per year.

Siyancuma Municipality is leasing commonage land in Campbell Access Road to Vodacom for period of 2 years and 1 month with escalations of CPI with a maximum of 10% per year.

Siyancuma Municipality is leasing commonage land in Campbell to TWK Communications for a period of 23 months.

Siyancuma Municipality is leasing commonage land in Griekwastad to Amaruri Security & Construction (Pty) Ltd for a period of 9 years and 11 months with escalations of 6% per annum.

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:	2025 R	2024 R
Up to 1 Year	2 227 616	2 071 868
2 to 5 Years	10 058 443	9 073 645
More than 5 Years	11 930 396	13 785 359
Total Operating Lease Arrangements	**24 216 455**	**24 930 872**

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

The leases are in respect of land being leased out for a period until February 2035.

			2025	2024
10	**VAT (RECEIVABLE) / PAYABLE FROM EXCHANGE-TRANSACTIONS**		**R**	**R**
	VAT Payable		-	120 013
	VAT Output in Suspense		14 588 514	8 808 733
	Total VAT Payable		**14 588 514**	**8 928 747**
	Balance previously reported		-	8 926 377
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors against VAT payables from exchange transactions - VAT output in suspense (Correction of Campbell Access Road debtors revenue to receive during 2022/23)	36.01	-	181
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors against VAT payables from exchange transactions - VAT output in suspense (Correction of Campbell Access Road debtors revenue to receive during 2023/24)	36.01	-	2 189
	VAT Receivable		(156 025)	(757 384)
	VAT Input in Suspense		(34 044 916)	(30 338 352)
			(34 200 940)	**(31 095 737)**
	Balance previously reported		-	(31 143 571)
	Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange transactions - VAT receivable (Capturing invoice relating to payment 15_4922 for expenditure relating to 2023/24)	36.01	-	(1 380)
	Correction of Payables from exchange transactions - Trade Payables against VAT Payables from exchange transactions - Input VAT in suspense (Reversal of invoices captured disputed Eskom accounts prior to 1 July 2023)	36.01	-	48 482
	Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange Transactions - VAT receivable (Reversal of invoice captured - written off by council originating prior to 2022 financial year)	36.01	-	731
	VAT Impairment contribution		**(16 514 035)**	**(10 547 528)**
			(36 126 461)	**(32 714 518)**

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

			2025 R	2024 R
11	**CASH AND CASH EQUIVALENTS**			
	Assets			
	Call Investments Deposits		3 114 056	4 663 715
	Primary Bank Account		2 613 352	6 265 844
	Balance previously reported		-	6 265 829
	Correction of Cash and Cash Equivalents - Primary Bank account against Accumulated Surplus / (Deficit) (Correction of cashbook vs general ledger imbalance since 2022 - EMS take on)	36.02	-	15
	Cash Floats		550	550
	Total Cash and Cash Equivalents - Assets		5 727 958	10 930 109

The municipality has the following bank accounts:

Current Accounts

	2025 R	2024 R
Douglas - Std Bank Account number: 041667336000 (Third Primary Bank Account):	1 631 424	3 596 191
Douglas - FNB Account Number: 52090016612 (Second Primary Bank Account)	5 619	17 654
Douglas - ABSA Account number: 4087368160 (Primary Bank Account):	976 308	2 651 999
	2 613 352	6 265 844

	2025 R	2024 R
Douglas - Std Bank Account number: 041667336000 (Third Primary Bank Account):		
Cash book balance at beginning of year	3 596 191	5 488 753
Cash book balance at end of year	1 631 424	3 596 191
Bank statement balance at beginning of year	3 596 191	5 488 753
Bank statement balance at end of year	1 631 424	3 596 191
Douglas - FNB Account Number: 52090016612 (Second Primary Bank Account)		
Cash book balance at beginning of year	17 654	8 374
Cash book balance at end of year	5 619	17 654
Bank statement balance at beginning of year	17 654	8 374
Bank statement balance at end of year	5 619	17 654
Douglas - ABSA Account number: 4087368160 (Primary Bank Account):		
Cash book balance at beginning of year	2 651 999	1 587 337
Cash book balance at end of year	976 308	2 651 999
Bank statement balance at beginning of year	2 651 999	1 587 337
Bank statement balance at end of year	974 428	2 651 999

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Bank	Account Number	2025 R	2024 R
Standard Bank	048857432	2 941 484	4 499 243
Standard Bank	048857521	91 385	87 096
Standard Bank	048860077	81 187	77 376
		3 114 056	4 663 715

12 LONG TERM LIABILITIES

	2025 R	2024 R
Capitalised Lease Liability - At amortised cost	4 378 452	35 495
	4 378 452	**35 495**
Less: Current Portion transferred to Current Liabilities	**642 780**	**21 713**
Annuity Loans - At amortised cost	-	-
Capitalised Lease Liability - At amortised cost	642 780	21 713
Total Long-term Liabilities - At amortised cost using the effective interest rate method	**3 735 673**	**13 782**

The obligations under finance leases are scheduled below:

	2025 R	2024 R
	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	1 378 700	24 480
Payable within two to five years	5 185 791	14 280
Payable after five years	-	-
	6 564 490	38 760
Less: Future finance obligations	(2 186 038)	(3 265)
Present value of lease obligations	**4 378 452**	**35 495**

Refer to note 2 for the finance lease assets capitalised.

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

For each class of finance lease liability, the net carrying amount at the reporting date:

Description of leased item	Effective Interest	Lease Term	Maturity Date	2025 R	2024 R
Smartmunic - Smartmeters	18.0%	5	31/05/2030	4 364 670	-
Vodacom - Laptops	10.75%	3	31/01/2026	13 782	35 495
				4 378 452	35 495

The depreciation and the finance charge relating to the leased asset was included as part of the total depreciation and finance charges respectively. Please refer to note 2 and note 32

			2025 R	2024 R
13	**EMPLOYEE BENEFITS**			
	Post Retirement Benefits	13.1	20 237 000	17 647 000
	Long Service Awards	13.2	2 808 000	2 514 000
	Total Non-current Employee Benefit Liabilities		**23 045 000**	**20 161 000**
	Post Retirement Benefits			
	Balance 1 July		18 387 000	17 111 000
	Contribution for the year		(663 952)	(666 084)
	Expenditure for the year		2 958 000	2 789 000
	Actuarial Loss/(Gain)		311 952	(846 916)
	Total post retirement benefits 30 June		**20 993 000**	**18 387 000**
	Less: Transfer of Current Portion	15	(756 000)	(740 000)
	Balance 30 June		20 237 000	17 647 000
	Long Service Awards			
	Balance 1 July		3 120 000	3 340 000
	Contribution for the year		(558 589)	(838 524)
	Expenditure for the year		525 000	563 000
	Actuarial Loss		5 589	55 524
	Total long service 30 June		**3 092 000**	**3 120 000**
	Less: Transfer of Current Portion	15	(284 000)	(606 000)
	Balance 30 June		**2 808 000**	**2 514 000**
	TOTAL NON-CURRENT EMPLOYEE BENEFITS			
	Balance 1 July		21 507 000	20 451 000
	Contribution for the year		(1 222 541)	(1 504 608)
	Expenditure for the year		3 483 000	3 352 000
	Actuarial Loss/(Gain)		317 541	(791 392)
	Total employee benefits 30 June		**24 085 000**	**21 507 000**
	Less: Transfer of Current Portion	15	(1 040 000)	(1 346 000)
	Balance 30 June		**23 045 000**	**20 161 000**

13.1 Post Retirement Benefits

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

	2025 Number of members	2024 Number of members
In-service (employee) members	83	74
In-service (employee) non-members	91	87
Continuation members (e.g. Retirees, widows, orphans)	11	11
Total Members	**185**	**172**

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

	R	R
In-service (employee) members	13 044 000	11 100 000
In-service (non-employee) members	1 479 000	1 171 000
Continuation members	6 470 000	6 116 000
Total Liability	**20 993 000**	**18 387 000**

	2023 R	2022 R	2021 R
In-service members	11 277 000	10 877 000	10 273 000
Continuation members	5 834 000	6 232 000	6 221 000
Total Liability	**17 111 000**	**17 109 000**	**16 494 000**

		2025 R	2024 R
13	**EMPLOYEE BENEFITS (CONTINUE)**		

Experience adjustments were calculated as follows:	Rm	Rm
Liabilities: (Gain) / loss	(0.399)	(0.534)
Assets: Gain / (loss)	-	-

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

	2023 Rm	2022 Rm	2021 Rm
Liabilities: (Gain) / loss	(0.130)	(0.921)	(1.960)
Assets: Gain / (loss)	-	-	-

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

Bonitas	Keyhealth	Samwumed
LA Health	Sizwe-Hosmed	

The Municipality's Accrued Unfunded Liability at 30 June 2025 is estimated at R20.993 million. The Current-service Cost for the year ending 30 June 2025 is estimated at R748 000. It is estimated to be R885 000 for the ensuing year.

Key actuarial assumptions used:	2025 %	2024 %
i) Rate of interest		
Discount rate	11.20%	12.26%
Medical Aid contribution Inflation Rate	7.00%	7.74%
CPI Inflation rate	5.20%	4.20%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

It has been assumed that in-service members will retire at the age of 62, which then implicitly allows for expected rates of early and ill-health retirement.

iv) Expected rate of salary increases

The next contribution rate increase is assumed to occur at 1 January 2026.

		2025 R	2024 R
Present value of fund obligations		20 993 000	18 387 000
Net liability/(asset)		**20 993 000**	**18 387 000**

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

		2025 R	2024 R
Present value of fund obligation at the beginning of the year		18 387 000	17 111 000
Total expenses		2 294 048	2 122 916
Current service cost		748 000	690 000
Interest Cost		2 210 000	2 099 000
Benefits Paid		(663 952)	(666 084)
Actuarial (gains)/losses		311 952	(846 916)
Present value of fund obligation at the end of the year		20 993 000	18 387 000
Less: Transfer of Current Portion	15	(756 000)	(740 000)
Balance 30 June		**20 237 000**	**17 647 000**

		2025	2024
13	**EMPLOYEE BENEFITS (CONTINUE)**	**R**	**R**

Sensitivity Analysis on the defined benefit obligation

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions		14.523	6.470	20.993	
Medical aid contribution inflation rate	1%	17.238	6.982	24.220	15%
	-1%	12.331	6.015	18.346	-13%
Discount Rate	1%	12.423	6.035	18.458	-12%
	-1%	17.151	6.966	24.117	15%
Post-retirement mortality	+1 year	14.161	6.228	20.389	-3%
	-1 year	14.879	6.714	21.593	3%
Average retirement age	-1 year	15.848	6.470	22.318	6%
Membership continuation	-10%	12.662	6.470	19.132	-9%

Sensitivity Analysis on the Current Service Cost and Interest Costs

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		748 000	2 210 000	2 958 000	
Medical aid contribution inflation rate	1%	906 000	2 549 000	3 455 000	17%
	-1%	622 000	1 932 000	2 554 000	-14%
Discount Rate	1%	633 000	2 102 000	2 735 000	-8%
	-1%	892 000	2 331 000	3 223 000	9%
Post-retirement mortality	+1 year	729 000	2 147 000	2 876 000	-3%
	-1 year	765 000	2 273 000	3 038 000	3%
Average retirement age	-1 year	770 000	2 354 000	3 124 000	6%
Membership continuation	-10%	653 000	2 018 000	2 671 000	-10%

13.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 174 employees were eligible for Long Service Bonuses.

The Current-service Cost for the year ending 30 June 2025 is R221 000. The Current-service Cost for the ensuing year has been estimated to be R252 000.

Key actuarial assumptions used:	2025 %	2024 %
i) Rate of interest		
Discount rate	9.70%	10.75%
General Salary Inflation (long-term)	4.70%	5.94%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.70%	4.54%

Experience adjustments were calculated as follows:	2025 R	2024 R
Liabilities: (Gain) / loss	76 000	(85 000)
Assets: Gain / (loss)	-	-

			2025	2024
13	**EMPLOYEE BENEFITS (CONTINUE)**		R	R

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

	2023 R	2022 R	2021 R
Liabilities: (Gain) / loss	(53 000)	6 000	82 000
Assets: Gain / (loss)	-	-	-

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

	2025	2024
Present value of fund obligations	3 092 000	3 120 000
Net liability/(asset)	**3 092 000**	**3 120 000**

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

	2023 R	2022 R	2021 R
Total Liability	3 632 440	3 317 000	3 216 000

		2025 R	2024 R
Reconciliation of present value of fund obligation:			
Present value of fund obligation at the beginning of the year		3 120 000	3 340 000
Total expenses		(33 589)	(275 524)
Current service cost		221 000	233 000
Interest Cost		304 000	330 000
Benefits Paid		(558 589)	(838 524)
Actuarial (gains)/losses		5 589	55 524
Present value of fund obligation at the end of the year		3 092 000	3 120 000
Less: Transfer of Current Portion	15	(284 000)	(606 000)
Balance as at 30 June		**2 808 000**	**2 514 000**

		2025	2024
13	**EMPLOYEE BENEFITS (CONTINUE)**	R	R

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	**Change**	**Liability (R)**	**% change**
Central assumptions		3 092 000	
General earnings inflation	+1%	3 255 000	5%
	-1%	2 942 000	-5%
Discount Rate	+1%	2 937 000	-5%
	-1%	3 263 000	6%
Average retirement age	+2 yrs.	3 363 000	9%
	-2 yrs	2 629 000	-15%
Rates of termination of service	x2	2 646 000	-14%
	x0.5	3 376 000	9%

13 EMPLOYEE BENEFITS (CONTINUE)

13.3 Retirement funds

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

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

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

CAPE JOINT PENSION FUND

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 an sound financial position with a funding level of 100,2% (30 June 2023 - 120.3%).

	2025 R	2024 R
Contributions paid recognised in the Statement of Financial Performance	4 034 543	3 564 568

IMATU PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The contribution rate paid by the members is sufficient to fund the benefits accruing from the fund in the future

	2025 R	2024 R
Contributions paid recognised in the Statement of Financial Performance	328 406	370 585

SALA PENSION FUND

The contribution rate payable is 8.6% by members and 22.78% by Council. The most recent valuation was done on 30 June 2025. The market value of the fund as at 30 June 2025 was R12 396 405 256 (30 June 2024: R12 255 018 838). The contribution rate paid by the members is sufficient to fund the benefits accruing from the fund in the future

	2025 R	2024 R
Contributions paid recognised in the Statement of Financial Performance	2 802 573	3 547 465

SAMWU PROVIDENT FUND

The contribution rate payable is 7.5% by members and 18% by Council. The contribution rate paid by the members is sufficient to fund the benefits accruing from the fund in the future

	2025 R	2024 R
Contributions paid recognised in the Statement of Financial Performance	717 259	777 796

			2025	2024
14	**NON-CURRENT PROVISIONS**		**R**	**R**
	Provision for Rehabilitation of Landfill-sites		17 879 737	38 554 018
	Total Non-current Provisions		**17 879 737**	**38 554 018**

Landfill Sites

		2025	2024
Balance 1 July		38 554 018	32 813 793
(Decrease) / Increase in Estimate		(853 523)	2 825 155
Unwinding of discounted interest		3 079 552	2 915 069
Total provision 30 June		**40 780 046**	**38 554 018**
Less: Transfer of Current Portion to Current Provisions	16	(22 900 310)	-
Balance 30 June		**17 879 737**	**38 554 018**

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

	Douglas	**Campbell**	**Griekwastad**
Area (m^2)	20 544	5 792	15 108
Preliminary and general (Rand)	2 645 817	598 140	1 779 186
Site Clearance (Rand)	31 227	8 804	22 964
Storm water control measures (Rand)	1 723 270	801 207	1 599 043
Capping (Rand)	12 413 097	2 549 408	7 134 295
Gas Management (Rand)	-	-	-
Leachate Management (Rand)	563 232	306 719	573 847
Fencing (Rand)	1 551 125	14 721	1 618 691
Other costs	5 839 324	2 388 074	4 473 460

The municipality has an obligation to rehabilitate landfill sites at the end of the expected usefull life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	**Estimated decommission date**	**Cost of rehabilitation**	
		2025	**2024**
		R	**R**
Douglas	2031	17 879 737	17 505 051
Griekwastad	2026	16 503 693	15 167 164
Campbell	2026	6 396 617	5 881 802
		40 780 046	38 554 018

Material Assumtions used

	2023	**2024**	**2025**
Discount Rate used			
Douglas	10.25%	9.44%	8.75%
Griekwastad	9.17%	8.44%	7.35%
Campbell	9.17%	8.44%	7.35%

In terms of the licencing of the landfill-sites, the municipality will incur licensing and rehabilitation costs of R40780046 (2024: R38554018) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using a calculated risk free rate as determined by themunicipality, the government bond rate is used.

15 CURRENT EMPLOYEE BENEFITS

	Note	2025 R	2024 R
Current Portion of Post Retirement Benefits	13	756 000	740 000
Current Portion of Long-Service Awards	13	284 000	606 000
Bonuses		1 522 078	1 362 231
Staff Leave		4 423 626	4 575 986
Total Current Employee Benefits		**6 985 704**	**7 284 217**

The movement in current employee benefits are reconciled as follows:

Bonuses

	2025 R	2024 R
Balance at beginning of year	1 362 231	1 401 828
Contribution to current portion	3 493 532	3 382 413
Expenditure incurred	-3 333 685	-3 422 009
Balance at end of year	**1 522 078**	**1 362 231**

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, that will only be paid out in the following year, on the employee's birth month. There is no possibility of reimbursement.

Staff Leave

	2025 R	2024 R
Balance at beginning of year	4 575 986	4 210 796
Contribution to current portion	153 508	678 592
Expenditure incurred	-305 868	-313 401
Balance at end of year	**4 423 626**	**4 575 986**

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.

16 PROVISIONS

	Note	2025 R	2024 R
Current Portion of Rehabilitation of Landfill-sites	14	22 900 310	-
Total Provisions		**22 900 310**	**-**

			2025	2024
17	**PAYABLES FROM EXCHANGE TRANSACTIONS**		R	R
	Trade Payables		267 665 258	221 565 019
	Balance previously reported			222 002 142
	Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - Repairs and Maintenance - Other Materials (Capturing invoice relating to payment 15_4922 for expenditure relating to 2023/24)	36.08	-	9 200
	Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange transactions - VAT receivable (Capturing invoice relating to payment 15_4922 for expenditure relating to 2023/24)	36.08	-	1 380
	Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Reversal of invoice captured - written off by council originating prior to 2022 financial year)	36.08	-	-4 872
	Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange Transactions - VAT receivable (Reversal of invoice captured - written off by council originating prior to 2022 financial year)	36.08	-	-731
	Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Reversal of invoice captured - Credito note provided for services prior to 2022 financial year)	36.08	-	-70 403
	Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Reversal of invoices captured disputed Eskom accounts prior to 1 July 2023)	36.08	-	-323 216
	Correction of Payables from exchange transactions - Trade Payables against VAT Payables from exchange transactions - Input VAT in suspense (Reversal of invoices captured disputed Eskom accounts prior to 1 July 2023)	36.08	-	-48 482
	Receivables with credit balances		5 739 172	6 428 428
	Municipal Debt Relief		67 833 417	61 586 199
	Sundry Payables		4 422 728	4 194 187
	Balance previously reported			4 202 812
	Correction of Accumulated Surplus against Trade and Other Payables - Sundry Payables (Correction of Salary control - Items to Council for Correction prior to 1 July 2023)	36.08	-	-2 893
	Correction of Accumulated Surplus against Trade and Other Payables - Sundry Payables (Correction of Salary control - Items to prior to 1 July 2023 payment 15_904)	36.08	-	-5 731
	Total Trade Payables		**345 660 574**	**293 773 832**
	Total Non-current Trade Payables from Exchange Transactions		**150 659 384**	**142 558 709**
	Trade Payables		150 659 384	142 558 709
	Total Current Trade Payables		**195 001 190**	**151 215 123**

No payables are secured.

Payables are being recognised net of any discounts.

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

Non-Current Trade Payables are recognised as per payment arrangements entered into

18	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		2025 R	2024 R
	Unspent Grants		1 781 955	167 412
	National and Provincial Government Grants		1 781 955	167 412
	Balance previously reported			620 153
	Correction of Unspent Conditional Government Grants and Receipts against Accumulated Surplus - LG Seta (Correction of LG Seta grant spending incorrectly reported prior to 2018/19)	36.05	-	(452 742)
	Other Sources		-	-
	Total Conditional Grants and Receipts		**1 781 955**	**167 412**

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

Library Project

Provincial Department - Library maintenance and Expenses

Expanded Public Works Programme

National Treasury - Road Maintenance

Financial Management Grant

National Treasury - Financial Management

LG Seta

Provincial Department - Personnel Training

Municipal Infrastructure Grant

National Treasury - Municipal Infrastructure Improvement

WSIG

National Treasury - Infrastructure development

19	UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2025 R	2024 R
	Unpaid Grants	780 672	-
	National and Provincial Government Grants	780 672	-
	Other Sources	-	-
	Total Conditional Grants and Receipts	**780 672**	**-**

See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

WSIG

National Treasury - Infrastructure development

20	PROPERTY RATES	2025 R	2024 R
	Actual		
	Rateable Land and Buildings	24 953 975	23 784 678
	Residential, Commercial Property, State	24 953 975	23 784 678
	Less: Rebates	(3 925 756)	(3 746 296)
	Total Assessment Rates	**21 028 219**	**20 038 382**
	Valuations - 1 July 2024		
	Rateable Land and Buildings	11 448 024 405	11 448 024 405
	Residential	798 318 000	798 318 000
	Business	410 295 000	410 295 000
	Governments	86 654 000	86 654 000
	Infrastructure	4 550 000	4 550 000
	Public Benefit Organisations	53 855 500	53 855 500
	Vacant land	54 853 200	54 853 200
	Agriculture	9 863 493 005	9 863 493 005
	Exempt Municipal and other	176 005 700	176 005 700
	Less: Income Forgone		
	Total Assessment Rates	**11 448 024 405**	**11 448 024 405**

Valuations on land and buildings must be performed every five years. The last valuation came into effect on 1 July 2019.

Rates are levied monthly and annually and are payable after due dates. Interest is levied at the prime rate plus 1% on outstanding amounts after due dates

21 GOVERNMENT GRANTS AND SUBSIDIES

		2025 R	2024 R
Unconditional Grants		**66 107 000**	**62 417 000**
Equitable Share	21.1	66 107 000	62 417 000
Conditional Grants		**56 962 133**	**52 459 365**
Library Project		1 516 000	1 460 000
Local Government Financial Management Grant		3 000 000	3 100 000
Municipal Infrastructure Grant		24 776 045	17 003 753
LG Seta		296 760	77 975
EPWP		1 860 000	900 000
Integrated National Eletrification Grant		-	5 241 000
Water Services Infrastructure Grant		25 513 329	24 676 637
Total Government Grants and Subsidies		**123 069 133**	**114 876 365**
Government Grants and Subsidies - Capital		**49 961 447**	**46 921 390**
Municipal Infrastructure Grant		24 448 118	17 003 753
Integrated National Eletrification Grant		-	5 241 000
Water Services Infrastructure Grant		25 513 329	24 676 637
Government Grants and Subsidies - Operating		**73 107 687**	**67 954 975**
Equitable Share		66 107 000	62 417 000
Municipal Infrastructure Grant		327 927	-
Library Project		1 516 000	1 460 000
Local Government Financial Management Grant		3 000 000	3 100 000
LG Seta		296 760	77 975
EPWP		1 860 000	900 000
		123 069 133	**114 876 365**

Grant spending per vote:

	2025	2024
Executive & Council	3 185 000	3 153 000
Corporate Services	296 760	77 975
Budget & Treasury	24 255 475	23 119 778
Community & Social Services	1 516 000	1 460 000
Road Transport	1 860 000	900 000
Electricity	10 056 393	14 407 890
Water	39 772 766	38 107 094
Waste Water Management	34 066 975	26 059 421
Waste Management	8 059 765	7 591 207
	123 069 133	**114 876 365**

21.1 Equitable share

	2025	2024
Opening balance	-	-
Grants received	66 107 000	53 585 000
Transfer from Sundry Payables due to prior year roll over not approved	-	8 832 000
Conditions met - Operating	(66 107 000)	(62 417 000)
Conditions still to be met	-	-

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)

21.2 Local Government Financial Management Grant (FMG)

	2025 R	2024 R
Opening balance	-	-
Grants received	3 000 000	3 100 000
Conditions met - Operating	(3 000 000)	(3 100 000)
Conditions still to be met	-	-

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

21.3 Municipal Infrastructure Grant (MIG)

	2025 R	2024 R
Opening balance	(0)	1 742 753
Grants received	26 558 000	15 261 000
Conditions met - Operating	(327 927)	-
Conditions met - Capital	(24 448 118)	(17 003 753)
Grant expenditure to be recovered	1 781 955	(0)

The grant was used to upgrade infrastructure in previously disadvantaged areas.

21.4 Expanded Public Works Program (EPWP)

	2025 R	2024 R
Opening balance	-	-
Grants received	1 860 000	900 000
Conditions met - Operating	(1 860 000)	(900 000)
Conditions met - Capital	-	-
Grant expenditure to be recovered	-	-

The grant was used for infrastructure development in the Siyancuma area.

21.5 Library Grants

	2025 R	2024 R
Opening balance	-	-
Grants received	1 516 000	1 460 000
Conditions met - Operating	(1 516 000)	(1 460 000)
Conditions met - Capital	-	-
Grant expenditure to be recovered	-	-

Library grants was utilised for the development of libraries in the Siyancuma area.

21.6 Water Services Infrastructure Grant (WSIG)

	2025 R	2024 R
Opening balance	-	2 069 223
Grants received	24 732 657	22 607 414
Conditions met - Capital	(25 513 329)	(24 676 637)
Grant expenditure to be recovered	(780 672)	-

The Water Services Infrastructure Grant was used for the upgrading of the bulk water services within the Siyancuma areas.

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)

21.7 Integrated National Electrification Grant (INEG)

		2025 R	2024 R
Opening balance		-	-
Grants received		-	5 241 000
Conditions met - Capital		-	(5 241 000)
Conditions still to be met		-	-

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

21.8 Other Grants

		2025 R	2024 R
Opening balance		167 412	122 777
Balance previously reported			575 518
Correction of Unspent Conditional Government Grants and Receipts against Accumulated Surplus - LG Seta (Correction of LG Seta grant spending incorrectly reported prior to 2018/19)	36.05	-	(452 742)
Grants received		129 348	122 610
Conditions met - Operating		(296 760)	(77 975)
Conditions met - Capital		-	-
Conditions still to be met		0	167 412

Various grants were received from other spheres of government

21.9 Total Grants

	2025 R	2024 R
Opening balance	167 412	3 934 753
Grants received	123 903 005	102 277 024
Transfers	-	8 832 000
Conditions met - Operating	(73 107 687)	(67 954 975)
Conditions met - Capital	(49 961 447)	(46 921 390)
Conditions still to be met/(Grant expenditure to be recovered)	**1 001 283**	**167 412**

<u>Disclosed as follows:</u>

	2025 R	2024 R
Unspent Conditional Government Grants and Receipts	1 781 955	167 412
Unpaid Conditional Government Grants and Receipts	(780 672)	-
	1 001 283	**167 412**

22 PUBLIC CONTRIBUTIONS AND DONATIONS

	2025 R	2024 R
Donations	1 473 429	1 768 604
Total Public Contributions and Donations	**1 473 429**	**1 768 604**

Donations received is due to financial assistance received from National Treasury with regards to the Auditor General's prior period audit fees and outstanding interest for R1 473 429.

23 CONTRIBUTED PPE

	2025 R	2024 R
Smartmunic - Television	7 000	-
Nashua - 5 Desktops	64 470	-
Total changes in fair value	**71 470**	**-**

Contributed PPE represents all assets donated to the muncipality - refer to note 2 for the inclusion of assets.

24 SERVICE CHARGES

		2025 R	2024 R
Electricity		55 953 830	49 393 614
Service Charges		58 146 766	51 283 183
Balance previously reported			51 293 603
Correction of Trade and other receivables from Exchange transactions - Electricity against Statement of Financial Performance - Service Charges - Electricity (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.10		-10 420
Less: Revenue Forgone		(2 192 936)	(1 889 569)
Water		24 716 819	23 671 993
Service Charges		25 807 699	24 756 631
Less: Revenue Forgone		(1 090 880)	(1 084 638)
Refuse removal		10 375 975	9 508 289
Service Charges		13 069 588	12 687 067
Balance previously reported			12 689 310
Correction of Trade and other receivables from Exchange transactions - Refuse against Statement of Financial Performance - Service Charges - Refuse (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.10		-2 243
Less: Revenue Forgone		(2 693 614)	(3 178 778)
Sewerage and Sanitation Charges		13 648 726	12 479 610
Service Charges		17 100 581	15 865 046
Balance previously reported		-	15 867 529
Correction of Trade and other receivables from Exchange transactions - Sewerage against Statement of Financial Performance - Service Charges - Sewerage (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.10	-	-2 483
Less: Revenue Forgone		(3 451 854)	(3 385 435)
Other Service Charges		-	-
Total Service Charges		**104 695 350**	**95 053 506**

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

25 AVAILABILITY CHARGES

	2025 R	2024 R
Electricity	336 590	310 923
Water	182 031	170 409
Sanitation	247 571	230 083
Total Availability Charges	**766 192**	**711 415**

26 OTHER REVENUE

	2025 R	2024 R
Sundry income	321 582	338 175
Insurance income	-	-
Cemetery fees	56 350	29 357
Other income represents administration income	95 078	62 823
Total Other Income	**473 010**	**430 355**

Sundry income represents sundry income such as building plans, sale of sundry items (wood, sand and stones) an fees for items not included under service charges (camping, fire brigade and impounding fees)

			2025	2024
27	**EMPLOYEE RELATED COSTS**		**R**	**R**
	Employee Related Costs - Salaries and Wages		48 464 277	44 859 531
	Employee Related Costs - Contributions for UIF, Pensions and Medical Aids		12 795 760	12 164 118
	Travelling Allowances		2 479 796	2 687 889
	Acting Allowance		202 633	303 287
	Cellphone Allowance		348 243	321 981
	Standby Allowance		593 734	618 773
	Housing Benefits and Allowances		458 698	575 856
	Overtime		6 072 818	5 071 844
	Bargaining Council		23 446	22 373
	Bonuses		3 493 532	3 382 413
	Provision for staff leave		153 508	678 592
	Contribution to provision - Long Service Awards	13	221 000	233 000
	Contribution to provision - Post Retirement Medical	13	748 000	692 750
	Balance previously reported		-	690 000
	Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Statement of Financial performance - Employee related costs - Provision for Post retirement medical (Correction of council vs pensioners medical contribution during 2023/24)	36.10	-	-5 974
	Correction of Trade and Other Receivables from Exchange Transactions - Other Arrears against Statement of Financial Performance - Employee related cost - Contribution to Post retirement medical (Correction of allocation of Pensioners medical contributions for 2023/24)	36.10	-	8 724
	Total Employee Related Costs		**76 055 445**	**71 612 406**

KEY MANAGEMENT PERSONNEL

There are no post-employment or termination benefits payable to them at the end of the contract period relating to Section 57 employees.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2025 R	2024 R
Remuneration of the Municipal Manager (PM Vilakazi - 1 August 2024 to current)		
Annual Remuneration	779 307	-
Travelling Allowance	71 500	-
Contributions to UIF, Medical and Pension Funds	221 183	-
Cellphone Allowance	47 300	-
Transport Logsheets	12 502	-
Total	**1 131 792**	**-**
Remuneration of the Municipal Manager (MF Manuel) (1 July 2023 to 31 October 2023)		
Annual Remuneration	-	508 113
Travelling Allowance	-	80 935
Contributions to UIF, Medical and Pension Funds	-	708
Cellphone Allowance	-	17 200
Transport Logsheets	-	40 572
Total	**-**	**647 528**
Remuneration of the Chief Financial Officer (CC Zealand)		
Annual Remuneration	704 301	738 232
Travelling Allowance	205 977	199 945
Contributions to UIF, Medical and Pension Funds	270 086	252 729
Cellphone Allowance	44 400	44 400
Transport Logsheets	52 842	21 704
Total	**1 277 606**	**1 257 010**
Remuneration of the Director of Corporate and Community Services (J Marwane)		
Annual Remuneration	779 527	811 256
Travelling Allowance	178 441	173 216
Contributions to UIF, Medical and Pension Funds	222 247	206 434
Cellphone Allowance	44 400	44 400
Transport Logsheets	8 983	11 393
Total	**1 233 599**	**1 246 699**

27 EMPLOYEE RELATED COSTS (CONTINUE)

KEY MANAGEMENT PERSONNEL

	2025 R	2024 R
Remuneration of the Director of Infrastructure Services (XS Geco) (Acting MM - 1 July 2024 to 31 July 2024)		
Annual Remuneration	766 210	798 328
Acting Allowance	25 290	165 657
Travelling Allowance	195 355	189 634
Contributions to UIF, Medical and Pension Funds	218 906	202 944
Cellphone Allowance	44 400	44 400
Transport Logsheets	28 110	28 370
Total	**1 278 271**	**1 429 333**
Remuneration of Deputy CFO Supply Chain Management (PJE Bloem) (1 July 2024 to 28 February 2025)		
Annual Remuneration	567 600	795 648
Annual Bonus	70 950	66 304
Leave payout	163 469	-
Housing Allowance	8 819	12 797
Travelling Allowance	114 498	177 922
Contributions to UIF, Medical and Pension Funds	181 379	245 706
Cellphone Allowance	6 400	9 600
Total	**1 113 115**	**1 307 977**
Remuneration of Principal Accountant (S Tarr) (1 April 2025 to 30 June 2025)		
Annual Remuneration	216 042	-
Annual Bonus	12 002	-
Housing Allowance	3 343	-
Travelling Allowance	35 212	-
Contributions to UIF, Medical and Pension Funds	52 404	-
Cellphone Allowance	2 400	-
Total	**321 403**	**-**
Remuneration of Manager Corporate Services (CEC Morolong) (1 July 2023 to 30 April 2024)		
Annual Remuneration	-	617 510
Annual Bonus	-	92 627
Long service awards	-	88 921
Leave Money	-	126 328
Housing Allowance	-	10 664
Travelling Allowance	-	155 704
Contributions to UIF, Medical and Pension Funds		204 791
Cellphone Allowance	-	8 000
Total	**-**	**1 304 544**
Remuneration of Manager Community Services (CJD Groenewaldt)		
Annual Remuneration	778 220	741 000
Annual Bonus	65 497	61 750
Housing Allowance	13 277	12 797
Travelling Allowance	176 806	185 183
Contributions to UIF, Medical and Pension Funds	261 850	240 023
Cellphone Allowance	9 600	9 600
Total	**1 305 250**	**1 250 353**
Remuneration of Head of Sewerage and Refuse (W Ellison)		
Annual Remuneration	675 012	642 732
Annual Bonus	56 811	53 561
Standby Allowance	120 000	110 000
Housing Allowance	14 400	14 400
Travelling Allowance	118 298	121 361
Contributions to UIF, Medical and Pension Funds	171 231	152 027
Cellphone Allowance	6 000	6 000
Transport Logsheets	74 374	75 952
Long service cash award	77 128	-
Total	**1 313 255**	**1 176 033**

		2025 R	2024 R
27	**EMPLOYEE RELATED COSTS (CONTINUE)**		
	Remuneration of Head of Electro-Technical Services (G Beukes)		
	Annual Remuneration	1 476 444	1 405 836
	Annual Bonus	124 261	117 153
	Housing Allowance	18 000	18 000
	Travelling Allowance	178 989	184 608
	Contributions to UIF, Medical and Pension Funds	472 216	431 654
	Cellphone Allowance	9 600	9 600
	Total	**2 279 510**	**2 166 850**
	Total Key Management Remuneration		
	Annual Remuneration	6 742 662	7 058 655
	Annual Bonus	329 521	391 395
	Acting Allowance	25 290	165 657
	Contributions to UIF, Medical and Pension Funds	2 071 502	1 937 018
	Housing Allowances	57 839	68 658
	Standby Allowance	120 000	110 000
	Travelling Allowance	1 275 076	1 468 506
	Transport Logsheets	176 812	177 990
	Cellphone Allowance	214 500	193 200
	Long Service Award	77 128	88 921
	Leave Money	163 469	126 328
	Total	**11 253 799**	**11 786 328**

The key management personnel has been extended to include the disclosure of senior management staff as they are considered to have significant influence.

				2025 R	2024 R
28	**REMUNERATION OF COUNCILLORS**				
	Executive Mayor:	Allowances	(PJ McKlein)	649 952	604 550
		Cell phone Allowance		42 900	40 800
		Backpay		129 925	-
		Travelling		357 170	316 078
	Councillors:	Allowances		2 962 163	2 719 999
		Cell phone Allowance		512 510	480 430
		Backpay		623 175	-
		Travelling		1 196 152	1 213 804
	Total Councillors' Remuneration			**6 473 947**	**5 375 661**

Year ended 30 JUNE 2025		Allowances	Cell phone Allowance	Backpay	Travelling
Councillors		**2 962 163**	**512 510**	**623 175**	**1 196 152**
JH George		519 962	42 900	91 811	205 061
LC van Niekerk		271 942	42 900	67 705	98 224
DV Smous		205 687	42 900	44 603	68 562
MJ Kolberg		205 687	42 900	44 603	81 673
DRN Ellison		271 942	42 900	56 513	101 763
HT Kolberg		205 687	42 900	44 603	179 832
EK Louw		205 687	42 900	44 603	70 527
CZ Nyangintaka		263 965	42 900	55 795	99 338
VB Makabe		205 687	42 900	44 603	68 562
SA Buitendag		205 687	42 900	44 603	76 588
WJ van Bergen	(1 July 2024 to 11 June 2025)	194 546	40 610	47 375	65 991
MG Tau		205 687	42 900	36 357	80 031

		2025	2024
28	**REMUNERATION OF COUNCILLORS (CONTINUE)**	**R**	**R**

		Allowances	Cell phone Allowance	Backpay	Travelling
Year ended 30 JUNE 2024					
Councillors		**2 719 999**	**480 430**	**-**	**1 213 804**
JH George	(1 July 2023 to 30 June 2024)	386 199	40 800	-	178 931
LC van Niekerk	(1 July 2023 to 30 June 2024)	329 844	40 800	-	135 442
DV Smous	(1 July 2023 to 30 June 2024)	191 318	40 800	-	63 773
MJ Katz	(1 July 2023 to 30 June 2024)	191 318	40 800	-	76 143
DRN Ellison	(1 July 2023 to 30 June 2024)	246 917	40 800	-	93 312
IA Baardman	(1 July 2023 to 31 July 2023)	14 053	2 267	-	7 097
HT Kolberg	(1 July 2023 to 30 June 2024)	191 318	40 800	-	252 763
EK Louw	(1 July 2023 to 30 June 2024)	191 318	40 800	-	63 773
CZ Nyangintaka	(1 July 2023 to 30 June 2024)	245 525	40 800	-	87 085
VB Makabe	(1 July 2023 to 30 June 2024)	191 318	40 800	-	63 773
SA Buitendag	(1 July 2023 to 30 June 2024)	191 318	40 800	-	75 194
WJ van Bergen	(1 July 2023 to 30 June 2024)	211 861	40 800	-	70 620
MG Tau	(1 October 2023 to 30 June 2024)	137 691	29 364	-	45 897

In-kind Benefits

The Mayor is full-time. He is provided with an office and secretarial support at the cost of the Council. The speaker is provided with a vehicle.

			2025	2024
			R	**R**
29	**BAD DEBTS WRITTEN OFF**			
	Trade Receivables from non-exchange transactions	7	-	54 767
	Trade Receivables from exchange transactions	6	19 500	9 635 971
	Other Debtors	6	2 117 207	-
	Less: VAT	10	-	(1 256 866)
	Total Bad Debts written off		**2 136 707**	**8 433 872**

			2025	2024
			R	**R**
30	**DEBT IMPAIRMENT / (REVERSAL)**			
	Trade Receivables from exchange transactions	6	45 743 213	37 304 475
	Trade Receivables from non-exchange transactions	7	7 095 545	6 992 925
	Less: VAT Debt Impairment Provision	10	(5 966 506)	(4 865 801)
	Total Contribution to Impairment Provision		**46 872 252**	**39 431 599**

		2025	2024
		R	R
31	**IMPAIRMENTS / (REVERSAL)**		
	Property, Plant and Equipment	87 369	20 920
	Total Impairment Loss/ (Reversal of Impairment Loss)	87 369	20 920

Various vehicles which are not in a working condition have been impaired to a R0 value as the remaining useful life is 0.

Water network item has been impaired to R0 as the remaining useful life is zero - this asset is to be disposed at the next council meeting.

Two pumps and motors at the Douglas sewerage treatment works has been impaired as the pumps are in a poor condition and useful life is drastically reduced to 2 months.

The landfill site restoration - capitalised resoration cost impairment is due to the change in value and remaining useful life.

Value in use

Value in use of the infrastructure assets determined as R1 753.43 as these items will only be used for a maximum of 2 months in the future periods.

Value in use of the water network assets was determined as R0 as the asset is no longer availble for use

		2025	2024
32	**FINANCE CHARGES**	R	R
	Long-term Liabilities	161 725	35 157
	Payables & Creditors	8 941 470	1 565 550
	Debt relief interest	14 347 893	24 998 573
	Actuarial Interest	2 514 000	2 429 000
	Landfill Sites	3 079 552	2 915 069
	Total finance charges	**29 044 640**	**31 943 349**

		2025	2024
33	**BULK PURCHASES**	R	R
	Electricity	77 948 977	67 495 785
	Total Bulk Purchases	**77 948 977**	**67 495 785**

		2025	2024
34	**DEPRECIATION AND AMORTISATION**	R	R
	Property, Plant and Equipment	13 229 865	12 678 745
	Intangible Assets	17 987	19 187
	Total depreciation charges	**13 247 852**	**12 697 932**

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

35	GENERAL EXPENSES	2025 R	2024 R
	Advertisements	122 672	22 317
	Audit fees	3 734 939	3 129 610
	Bank charges	356 913	222 049
	Chemicals	1 708 166	670 818
	Cleaning costs	37 213	19 029
	Contracted Services	16 400	11 454
	Delegation fees	719 552	445 893
	Entertainment: public	97 215	70 763
	Environmental health	267 934	146 849
	Insurance cost	1 742 405	1 846 152
	IT Services	82 175	-
	Legal expenses	57 292	76 604
	Membership fees: municipal	816 983	755 852
	Meter Management Fees	2 890 552	3 208 426
	Other expenditure	86 340	193 128
	Printing & stationary	1 023 756	1 047 903
	Professional and consultant	9 815 088	8 212 220
	Telephone expenses	1 180 048	1 123 951
	Training	413 401	77 531
	Valuation fees	870 544	298 707
	Security	476 997	465 252
	Skills development Levy	684 189	629 754
	Subsistence and travel	295 857	73 424
	Vehicles: fuel	1 970 367	2 154 373
	Vehicles: licences	133 836	132 013
	Ward Committee	1 021 865	293 985
	Workmens Compensation	497 168	657 229
	General Expenses	**31 119 868**	**25 985 287**

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

			2024 R
36	**CORRECTION OF ERROR IN TERMS OF GRAP 3**		

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

36.01 VAT (Receivable) / Payable from exchange transactions

Disclosure as required by GRAP 1.

Balance previously reported		**(32 764 722)**
Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange transactions - VAT receivable (Capturing invoice relating to payment 15_4922 for expenditure relating to 2023/24)	36.08	-1 380
Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange Transactions - VAT receivable (Reversal of invoice captured - written off by council originating prior to 2022 financial year)	36.08	731
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against VAT payables from exchange transactions - VAT output in suspense (Correction of Campbell Access Road debtors revenue to receive during 2022/23)	36.03	181
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against VAT payables from exchange transactions - VAT output in suspense (Correction of Campbell Access Road debtors revenue to receive during 2023/24)	36.03	2 189
Correction of Payables from exchange transactions - Trade Payables against VAT Payables from exchange transactions - Input VAT in suspense (Reversal of invoices captured disputed Eskom accounts prior to 1 July 2023)	36.08	48 482
Total		**(32 714 519)**

36.02 Cash & Cash Equivalents

Disclosure as required by GRAP 1.

Balance previously reported		**10 930 094**
Correction of Cash and Cash Equivalents - Primary Bank account against Accumulated Surplus / (Deficit) (Correction of cashbook vs general ledger imbalance since 2022 - EMS take on)	36.09	15
Total		**10 930 109**

36.03 Trade Receivables from exchange transactions

Disclosure as required by GRAP 1.

Balance previously reported		**13 838 800**
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Statement of Financial performance - Employee related costs - Provision for Post retirement medical (Correction of council vs pensioners medical contribution during 2023/24)	36.10	5 974
Correction of Trade and other receivables from Exchange transactions - Electricity against Statement of Financial Performance - Service Charges - Electricity (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.10	-10 420
Correction of Trade and other receivables from Exchange transactions - Refuse against Statement of Financial Performance - Service Charges - Refuse (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.10	-2 243
Correction of Trade and other receivables from Exchange transactions - Sewerage against Statement of Financial Performance - Service Charges - Sewerage (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.10	-2 483
Correction of Trade and other receivables from Exchange transactions - Electricity against Statement of Financial Performance - Interest Earned from outstanding Debtors (Correction of Interest charges during 2023/24 due to the correct classification from business to residential)	36.10	-996

36 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

		2024 R
Correction of Trade and other receivables from Exchange transactions - Refuse against Statement of Financial Performance - Interest Earned from outstanding Debtors (Correction of Interest charges during 2023/24 due to the correct classification from business to residential)	36.10	-23
Correction of Trade and other receivables from Exchange transactions - Sewerage against Statement of Financial Performance - Interest Earned from outstanding Debtors (Correction of Interest charges during 2023/24 due to the correct classification from business to residential)	36.10	-1 523
Correction of Trade and Other Receivables from Exchange Transactions - Other Arrears against Statement of Financial Performance - Employee related cost - Contribution to Post retirement medical (Correction of allocation of Pensioners medical contributions for 2023/24)	36.10	-8 724
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Accumulated Surplus (Correction of Campbell Access Road debtors revenue to receive during 2022/23)	36.09	1 206
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against VAT payables from exchange transactions - VAT output in suspense (Correction of Campbell Access Road debtors revenue to receive during 2022/23)	36.01	181
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Statement of Financial Performance - Rental of facilities and Equipment (Correction of Campbell Access Road debtors revenue to receive during 2023/24)	36.10	14 591
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against VAT payables from exchange transactions - VAT output in suspense (Correction of Campbell Access Road debtors revenue to receive during 2023/24)	36.01	2 189
Total		**13 836 527**

36.04 Trade Receivables from Non-exchange transactions

Disclosure as required by GRAP 1.

Balance previously reported		**14 446 141**
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Accumulated Surplus (Correction of interest reversal prior to 1 July 2023)	36.09	-6 369
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Statement of Financial Performance - Interest Earned from Outstanding Debtors (Correction of interest reversal during 2023/24)	36.10	-69
Total		**14 439 703**

36 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

			2024 R
36.05	**Unspent Government Grants and Receipts**		
	Disclosure as required by GRAP 1.		
	Balance previously reported		**620 153**
	Correction of Unspent Conditional Government Grants and Receipts against Accumulated Surplus - LG Seta (Correction of LG Seta grant spending incorrectly reported prior to 2018/19)	36.09	-452 742
	Total		**167 412**
36.06	**Property, Plant & Equipment**		
	Disclosure as required by GRAP 1.		
	Balance previously reported		**489 547 701**
	Correction of Property Plant and equipment - Land against Accumulated Surplus (Reversal of Land not controlled by the municipality - 2025 land verification)	36.09	-38 000
	Correction of Property Plant and equipment - Land against Accumulated Surplus (Recognition of Land controlled and owned by the municipality - 2025 land verification)	36.09	290 402
	Correction of Property Plant and equipment - Other Assets - Trailers & Trucks against Accumulated Surplus (Restatement of useful life and depreciation calculation prior to 1 July 2023)	36.09	427 676
	Correction of Property Plant and equipment - Other Assets - Trailers & Trucks against Statement of Financial Performance - Depreciation (Restatement of useful life and depreciation calculation for 2023/24)	36.10	-100 190
	Total		**490 127 588**
36.07	**Operating Lease Asset**		
	Disclosure as required by GRAP 1.		
	Balance previously reported		**133 205**
	Correction of Operating lease Assets against Accumulated Surplus/(Deficit) (Correction of Renewal and extension contracts for Vodacom Breipaal & Vodacom Griekwastad & Campbell Access Roads to be recognised during 2022/23)	36.09	3 469
	Correction of Operating lease Assets against Statement of Financial Performance - Rental of facilities and equipment (Correction of Renewal and extension contracts for Vodacom Breipaal & Vodacom Griekwastad & Campbell Access Roads to be recognised during 2023/24)	36.10	-60
	Total		**136 613**
36.08	**Payables from exchange transactions**		
	Disclosure as required by GRAP 1.		
	Balance previously reported		**294 219 582**
	Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - Repairs and Maintenance - Other Materials (Capturing invoice relating to payment 15_4922 for expenditure relating to 2023/24)	36.10	9 200
	Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange transactions - VAT receivable (Capturing invoice relating to payment 15_4922 for expenditure relating to 2023/24)	36.01	1 380
	Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Reversal of invoice captured - written off by council originating prior to 2022 financial year)	36.09	-4 872
	Correction of Payables from exchange transactions - Trade Payables against VAT Payable from exchange Transactions - VAT receivable (Reversal of invoice captured - written off by council originating prior to 2022 financial year)	36.01	-731
	Correction of Accumulated Surplus against Trade and Other Payables - Sundry Payables (Correction of Salary control - Items to Council for Correction prior to 1 July 2023)	36.09	-2 893
	Correction of Accumulated Surplus against Trade and Other Payables - Sundry Payables (Correction of Salary control - Items to prior to 1 July 2023 payment 15_904)	36.09	-5 731
	Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Reversal of invoice captured - Credito note provided for services prior to 2022 financial year)	36.09	-70 403
	Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Reversal of invoices captured disputed Eskom accounts prior to 1 July 2023)	36.09	-323 216
	Correction of Payables from exchange transactions - Trade Payables against VAT Payables from exchange transactions - Input VAT in suspense (Reversal of invoices captured disputed Eskom accounts prior to 1 July 2023)	36.01	-48 482
	Total		**293 773 834**

36 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

36.09 Accumulated Surplus/(Deficit)

Disclosure as required by GRAP 1.

		2024 R
Balance previously reported		**170 443 404**
Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Reversal of invoice captured - written off by council originating prior to 2022 financial year)	36.08	4 872
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Accumulated Surplus (Correction of interest reversal prior to 1 July 2023)	36.04	-6 369
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Accumulated Surplus (Correction of interest reversal prior to 1 July 2023)	36.07	3 469
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Accumulated Surplus (Correction of Campbell Access Road debtors revenue to receive during 2022/23)	36.03	1 206
Correction of Cash and Cash Equivalents - Primary Bank account against Accumulated Surplus / (Deficit) (Correction of cashbook vs general ledger imbalance since 2022 - EMS take on)	36.02	15
Correction of Accumulated Surplus against Trade and Other Payables - Sundry Payables (Correction of Salary control - Items to Council for Correction prior to 1 July 2023)	36.08	2 893
Correction of Accumulated Surplus against Trade and Other Payables - Sundry Payables (Correction of Salary control - Items to prior to 1 July 2023 payment 15_904)	36.08	5 731
Correction of Property Plant and equipment - Land against Accumulated Surplus (Reversal of Land not controlled by the municipality - 2025 land verification)	36.06	-38 000
Correction of Property Plant and equipment - Land against Accumulated Surplus (Recognition of Land controlled and owned by the municipality - 2025 land verification)	36.06	290 402
Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Reversal of invoice captured - Credito note provided for services prior to 2022 financial year)	36.08	70 403
Correction of Property Plant and equipment - Other Assets - Trailers & Trucks against Accumulated Surplus (Restatement of useful life and depreciation calculation prior to 1 July 2023)	36.06	427 676
Correction of Payables from exchange transactions - Trade Payables against Accumulated Surplus (Reversal of invoices captured disputed Eskom accounts prior to 1 July 2023)	36.08	323 216
Correction of Unspent Conditional Government Grants and Receipts against Accumulated Surplus - LG Seta (Correction of LG Seta grant spending incorrectly reported prior to 2018/19)	36.05	452 742
Total		**171 981 659**

36 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)

36.10 Changes to Statement of Financial Performance

		2024 R
Balance previously reported		**30 628 834**
Correction of Payables from exchange transactions - Trade Payables against - Statement of Financial Performance - Repairs and Maintenance - Other Materials (Capturing invoice relating to payment 15_4922 for expenditure relating to 2023/24)	36.08	-9 200
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Statement of Financial performance - Employee related costs - Provision for Post retirement medical (Correction of council vs pensioners medical contribution during 2023/24)	36.03	5 974
Correction of Trade and Other Receivables from Non-Exchange Transactions - Rates against Statement of Financial Performance - Interest Earned from Outstanding Debtors (Correction of interest reversal during 2023/24)	36.04	-69
Correction of Trade and other receivables from Exchange transactions - Electricity against Statement of Financial Performance - Service Charges - Electricity (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.03	-10 420
Correction of Trade and other receivables from Exchange transactions - Refuse against Statement of Financial Performance - Service Charges - Refuse (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.03	-2 243
Correction of Trade and other receivables from Exchange transactions - Sewerage against Statement of Financial Performance - Service Charges - Sewerage (Correction of Billing charges during 2023/24 due to the correct classification from business to residential)	36.03	-2 483
Correction of Trade and other receivables from Exchange transactions - Electricity against Statement of Financial Performance - Interest Earned from outstanding Debtors (Correction of Interest charges during 2023/24 due to the correct classification from business to residential)	36.03	-996
Correction of Trade and other receivables from Exchange transactions - Refuse against Statement of Financial Performance - Interest Earned from outstanding Debtors (Correction of Interest charges during 2023/24 due to the correct classification from business to residential)	36.03	-23
Correction of Trade and other receivables from Exchange transactions - Sewerage against Statement of Financial Performance - Interest Earned from outstanding Debtors (Correction of Interest charges during 2023/24 due to the correct classification from business to residential)	36.03	-1 523
Correction of Trade and Other Receivables from Exchange Transactions - Other Arrears against Statement of Financial Performance - Employee related cost - Contribution to Post retirement medical (Correction of allocation of Pensioners medical contributions for 2023/24)	36.03	-8 724
Correction of Operating lease Assets against Statement of Financial Performance - Rental of facilities and equipment (Correction of Renewal and extension contracts for Vodacom Breipaal & Vodacom Griekwastad & Campbell Access Roads to be recognised during 2023/24)	36.07	-60
Correction of Trade and Other Receivables from exchange transactions - Other Debtors against Statement of Financial Performance - Rental of facilities and Equipment (Correction of Campbell Access Road debtors revenue to receive during 2023/24)	36.03	14 591
Correction of Property Plant and equipment - Other Assets - Trailers & Trucks against Statement of Financial Performance - Depreciation (Restatement of useful life and depreciation calculation for 2023/24)	36.06	-100 190
Total		**30 513 466**

		2025 R	2024 R
37	**RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS**		
	Surplus/(Deficit) for the year	(18 556 092)	30 513 466
	Adjustments for:		
	Depreciation	13 229 865	12 678 745
	Amortisation of Intangible Assets	17 987	19 187
	Contributed PPE	(71 470)	-
	Impairments	87 369	1 839
	(Gain)/ loss on disposal of Property Plant and Equipment	653 081	15 600
	Additions of Biological Assets	-	(46 016)
	Gain/ (loss) on disposal of Biological Assets	20 813	-
	Contribution from/to employee benefits - benefits paid	(1 222 541)	(1 504 608)
	Contribution from/to employee benefits - non-current - expenditure incurred	3 483 000	3 352 000
	Contribution from/to employee benefits - non-current - actuarial gains	317 541	(791 392)
	Contribution to employee benefits – current	3 647 040	4 061 004
	Contribution to employee benefits – current - expenditure incurred	(3 639 553)	(3 735 410)
	Contribution to provisions – current	3 079 552	2 915 069
	Contribution to provisions – Debt Impairment	46 872 252	39 431 599
	Bad Debt written off	2 136 707	8 433 872
	Debt Waived	-	(49 506 279)
	Finance charges - Debt Relief	-	24 998 573
	Public Contributions and Donations	(1 473 429)	(1 768 604)
	Fair Value Adjustments	(20 092)	12 700
	Operating lease income accrued	(578 479)	(93 660)
	Operating Surplus/(Deficit) before changes in working capital	47 983 551	68 987 682
	Changes in working capital	(4 154 950)	(33 300 358)
	Increase/(Decrease) in Payables From Exchange Transactions	54 049 428	25 099 123
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	1 614 544	(3 767 341)
	(Increase)/Decrease in Taxes	2 554 564	(911 071)
	(Increase)/Decrease in Inventory	(986)	102
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(780 672)	-
	(Increase)/Decrease in Trade Receivables from exchange transactions	(53 652 009)	(45 106 902)
	(Increase)/Decrease in Other Receivables from non-exchange transactions	(7 939 818)	(8 614 268)
	Cash generated/(absorbed) by operations	**43 828 601**	**35 687 325**

			2025 R	2024 R
38	**CASH AND CASH EQUIVALENTS**			
	Cash and cash equivalents included in the cash flow statement comprise the following:			
	Call Investments Deposits	11	3 114 056	4 663 715
	Cash Floats	11	550	550
	Bank	11	2 613 352	6 265 844
	Total cash and cash equivalents		**5 727 958**	**10 930 109**

39 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

	Note	2025 R	2024 R
Cash and Cash Equivalents	38	5 727 958	10 930 109
		5 727 958	10 930 109
Less:		9 858 238	9 024 366
Unspent Committed Conditional Grants - Prior year - Still to be withheld	18	8 856 954	8 856 954
Unspent Committed Conditional Grants - Current year		1 001 283	167 412
Resources available for working capital requirements		**(4 130 280)**	**1 905 743**

40 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

	Note	2025 R	2024 R
Long-term Liabilities	12	4 378 452	35 495
Used to finance property, plant and equipment - at cost		-4 378 452	-35 495
		-	-
Cash set aside for the repayment of long-term liabilities		-	-
Cash invested for repayment of long-term liabilities		**-**	**-**

41 BUDGET INFORMATION

2025 R 2024 R

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

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

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations for differences between the approved and final budget are included in the additional Statement of comparison of budget and actual amounts.

Explanations for material differences between the final budget amounts and actual amounts are included the Statement of comparison of budget and actual amounts.

42 CASH FLOW PRESENTATION

2025 R 2024 R

The Cash flow statement has been prepared on the direct method as in accordance with GRAP 2. The comparative amounts have been adjusted with any changes made to the comparative amounts as disclosed in Note 36.

43 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

43.1 Unauthorised expenditure

	2025 R	2024 R
Reconciliation of unauthorised expenditure:		
Opening balance	88 323 499	29 085 137
Unauthorised expenditure current year - capital	9 425 181	-
Unauthorised expenditure current year - operating	57 056 584	59 238 362
Approved by Council or condoned	(29 085 137)	-
Unauthorised expenditure awaiting authorisation	**125 720 127**	**88 323 499**

Incident	Disciplinary steps/criminal proceedings
Over expenditure on votes	*None*

Unauthorised expenditure current year - operating

	2025 R (Actual)	2025 R (Budget)	2025 R (Variance)	2025 R (Unauthorised)
Executive & Council	9 177 033	12 541 814	(3 364 781)	-
Budget & Treasury	66 843 848	38 792 336	28 051 512	28 051 512
Corporate Services	25 659 353	24 313 030	1 346 323	1 346 323
Community & Social Services	2 592 897	3 013 365	(420 468)	-
Public Safety	3 319 872	3 318 378	1 494	1 494
Sport & Recreation	411 751	403 839	7 912	7 912
Waste Management	16 357 429	9 808 988	6 548 441	6 548 441
Waste Water Management	26 003 780	19 018 210	6 985 570	6 985 570
Road Transport	16 137 066	16 189 091	(52 025)	-
Water	32 285 554	16 881 776	15 403 778	15 403 778
Electricity	89 375 661	98 757 816	(9 382 155)	-
	288 164 246	**243 038 643**	**45 125 603**	**58 345 032**

Unauthorised expenditure current year - operating (per vote)

	2025 R (Actual)	2025 R (Budget)	2025 R (Variance)	2025 R (Unauthorised)
Municipal Manager	1 845 811	2 719 760	(873 949)	-
Council	9 177 033	9 822 054	(645 021)	-
Corporate and Human Resources	23 809 654	24 313 030	(503 376)	-
Finance	65 951 000	37 889 805	28 061 195	28 061 195
Properties	896 680	902 531	(5 851)	-
Libraries	2 041 310	2 433 855	(392 545)	-
Cemetary	551 586	579 510	(27 924)	-
Parks and Recreation	411 751	403 839	7 912	7 912
Disaster Management	1 244 926	1 293 063	(48 137)	-
Waste Management	16 357 429	9 808 988	6 548 441	6 548 441
Public Works	16 137 066	16 189 091	(52 025)	-
Electricity	89 375 661	98 757 816	(9 382 155)	-
Water	32 285 554	16 881 776	15 403 778	15 403 778
Waste Water Management	26 003 780	19 018 210	6 985 570	6 985 570
Traffic	2 075 002	2 025 315	49 687	49 687
	288 164 246	**243 038 643**	**45 125 603**	**57 056 584**

Unauthorised expenditure current year - capital	2025 R (Actual)	2025 R (Budget)	2025 R (Variance)	2025 R (Unauthorised)
Budget & Treasury	803 835	500 000	303 835	303 835
Corporate Services	-	-	-	-
Community & Social Services	-	8 000 000	(8 000 000)	-
Waste Water Management	20 000 122	18 620 000	1 380 122	1 380 122
Water	22 365 178	20 000 000	2 365 178	2 365 178
Electricity	10 276 045	4 900 000	5 376 045	5 376 045
	53 445 181	**52 020 000**	**1 425 181**	**9 425 181**

43 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUE)

Unauthorised expenditure current year - capital (per vote)

	R (Actual)	R (Budget)	2025 R (Variance)	2024 R (Unauthorised)
Corporate and Human Resources	-	-	-	-
Finance	803 835	500 000	303 835	303 835
Parks and Recreation	-	8 000 000	(8 000 000)	-
Electricity	10 276 045	4 900 000	5 376 045	5 376 045
Water	22 365 178	20 000 000	2 365 178	2 365 178
Waste Water Management	20 000 122	18 620 000	1 380 122	1 380 122
	53 445 181	**52 020 000**	**1 425 181**	**9 425 181**

The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:	2025 R	2024 R
Non-cash	47 000 565	27 580 534
Cash	10 056 020	31 657 829
	57 056 584	**59 238 362**

Analysed as follows: Non-cash	2025 R	2024 R
Depreciation and Amortisation	1 102 485	-
Finance Charges (Debt Relief)	14 347 893	-
Loss on disposal of Property, Plant and Equipment	-	15 489
Impairment Losses	-	1 839
Debt Impairment	31 550 187	27 563 206
	47 000 565	**27 580 534**

Analysed as follows: Cash	2025 R	2024 R
Other	10 056 020	31 657 829
	10 056 020	**31 657 829**

43.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

	2025	2024
Opening balance	12 789 372	11 223 575
Fruitless and wasteful expenditure current year	8 941 470	1 565 797
Condoned or written off by Council	(11 140 621)	-
Fruitless and wasteful expenditure awaiting condonement	**10 590 221**	**12 789 372**

Incident	Disciplinary steps/criminal proceedings	2025	2024
2021 - Travel allowance paid in excess to the amount of R82 294 to MF Fillis	*None*	-	82 294
2023 - Interest for the late payment on Eskom's account R10 647 789.05	*None*	-	10 647 789
2023 - Interest for the late payment on Auditor General's account R300 733.42	*None*	-	300 733
2023 - Interest for the late payment on various different vendors' accounts R67 658.55	*None*	-	67 659
2023 - Interest and Penalty's paid to SARS on VAT 201 returns amounting to R125 100.63	*None*	-	125 101
2024 - Interest for the late payment on Eskom's account R10 467 250	*None*	-	10 467 250
2024 - Interest for the late payment on Eskom's account reversal (R9 159 861)	*None*	-	(9 159 861)
2024 - Interest for the late payment on Auditor General's account R246 176.44	*None*	-	246 176
2024 - Interest for the late payment on various different vendors' accounts R12 231.69	*None*	-	12 232
2025 - Interest for the late payment on Eskom's account R8 710 912.74	*None*	8 710 913	-
2025 - Interest for the late payment on Auditor General's account R218 366.48	*None*	218 366	-
2025 - Interest for the late payment on various different vendors' accounts R12 190.47	*None*	12 190	-

43 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (CONTINUE)

43.3 Irregular expenditure

Reconciliation of irregular expenditure:

	2025 R	2024 R
Opening balance	36 220 227	16 992 789
Irregular expenditure current year	20 644 678	19 227 438
Written off by Council	(16 992 789)	-
Irregular expenditure awaiting condonement	**39 872 116**	**36 220 227**

Incident	Disciplinary steps/criminal proceedings	2025 R	2024 R
2018 - Non-compliance with Collective Agreement - Payments made above the upper limits	*None*	-	18 224
2019 - Non-compliance with Collective Agreement - Payments made above the upper limits	*None*	-	209 607
2020 - Non-compliance with Collective Agreement - Payments made above the upper limits	*None*	-	192 150
2021 - Non-compliance with Collective Agreement - Payments made above the upper limits	*None*	-	325 152
2023 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - 3 Quotations not obtained	*None*	-	2 780 090
2023 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Various	*None*	-	3 550 032
2023 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Regulation 32	*None*	-	8 599 475
2023 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Preference point system not applied	*None*	-	1 318 059
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - 3 Quotations not obtained	*None*	-	2 004 599
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Various	*None*	-	6 402 689
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Regulation 32	*None*	-	6 443 827
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Preference point system not applied	*None*	-	4 333 930
2024 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Acting MM allowance which exceeds timeframe	*None*	-	42 394
2025 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - 3 Quotations not obtained	*None*	3 880 380	-
2025 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Various	*None*	10 314 580	-
2025 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Regulation 32	*None*	3 460 398	-
2025 - List of Irregular expenditure - Non-compliance with Supply Chain Management Policy - Preference point system not applied	*None*	2 989 319	-

The list of Irregular expenditure will be investigated and proceedings will be reported on.

The amounts above are disclosed at the VAT exclusive amount.

43.4 Material Losses

Electricity distribution losses		
Units purchased (Kwh)	28 150 264	26 089 293
- Units lost during distribution (Kwh)	8 655 000	4 890 297
- Percentage lost during distribution	**30.75%**	**18.74%**
Water distribution losses		
- Mega litres purified	1 816 020	1 816 020
- Mega litres lost during distribution	591 692	496 514
- Percentage lost during distribution	**32.58%**	**27.34%**

44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

44.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS

	2025 R	2024 R
Opening balance	(0)	43 986
Council subscriptions	805 300	755 852
Amount paid - current year	(732 546)	(755 852)
Amount paid - previous years	0	(43 986)
Balance unpaid	**72 755**	**(0)**

44.2 Audit fees - [MFMA 125 (1)(b)]

	2025 R	2024 R
Opening balance	1 249 338	2 133 381
Current year audit fee	4 166 716	3 515 229
Amount paid - current year	(1 249 338)	(2 133 381)
Amount paid - previous year	(2 083 909)	(2 265 891)
Balance unpaid (included in creditors)	**2 082 807**	**1 249 338**

44.3 VAT - [MFMA 125 (1)(b)]

	2025 R	2024 R
VAT	**36 126 461**	**32 714 518**

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

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUE)

44.4 PAYE, SDL and UIF - [MFMA 125 (1)(b)]

	2025 R	2024 R
Opening balance	897 566	805 093
Current year payroll deductions and Council Contributions	12 136 498	11 016 898
Amount paid - current year	-11 986 535	-10 924 425
Balance unpaid (included in creditors)	**1 047 529**	**897 566**

44.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]

	2025 R	2024 R
Opening balance	1 318 743	2 001 856
Current year payroll deductions and Council Contributions	18 331 809	16 384 116
Amount paid - current year	-16 668 332	-15 065 374
Amount paid - previous year	-1 318 743	-2 001 856
Balance unpaid (included in creditors)	**1 663 477**	**1 318 743**

44.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2025:

	Acc no	2025 R Outstanding more than 90 days	2024 R Outstanding more than 90 days
CZ Nyangintaka	5698	638	396
WJ van Bergen	831	51 453	32 037
WJ van Bergen	4079	92 369	58 678
WJ van Bergen	4081	54 395	34 338
WJ van Bergen	4082	51 997	32 847
WJ van Bergen	4083	54 547	34 490
Total Councillor Arrear Consumer Accounts		**250 852**	**158 297**

		2025	2024
44	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUE)**	**R**	**R**

44.7 Non-Compliance with MFMA

* *Section 65(2)(e) of the MFMA: Creditors were not paid within the 30 day limit.*

44.8 Deviations - Supply Chain Management

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

	2025	2024
Deviations per financial category		
- Between R 0 and R 2 000	-	-
- Between R 2 000 and R 10 000	408 823	343 484
- Between R 10 000 and R 30 000	552 402	572 947
- Between R 30 000 and R 500 000	3 891 760	1 290 926
	4 852 985	**2 207 356**

Deviations between R30 000 and R500 000

	2025	2024
Marvin Marketing - Insufficient quotes - Deviation from SCM	1 457 349	623 530
NEXO Consulting - Insufficient quotes - Deviation from SCM	-	38 249
University of Free State - Insufficient Quotations (testing of water) - Deviation from SCM	128 410	101 992
Tiaolwe - Insufficient Quotes - Deviations from SCM	344 308	-
C-Pac Pumps - Insufficient quotes - Deviation from SCM	-	58 216
Newgen pumps - Insufficient quotes - Deviation from SCM	379 722	54 177
Oranje Vaal - Sole Provider - Deviation from SCM	309 204	-
Transforman - Insufficient Quotes - Deviation from SCM	201 250	-
Jicama - Insufficient Quotes - Deviation from SCM	56 119	-
Mosima IT - Insufficient Quotes - Deviation from SCM	94 501	-
CTM - Insufficient Quotes - Deviation from SCM	35 014	-
Seuka Carpentry - Insufficient Quotes - Deviation from SCM	39 836	-
Media 24 - Insufficient Quotes - Deviation from SCM	88 320	-
Lenmed - Insufficient Quotes - Deviation from SCM	50 013	-
Douglas Engineering - Insufficient Quotes - Deviation from SCM	249 470	-
MANCOSA - Insufficient Quotes - Deviation from SCM	79 295	-
Regent Business - Insufficient Quotes - Deviation from SCM	33 600	-
Commerce Edge - Insufficient Quotes - Deviation from SCM	45 885	-
Excellence House Keeping - Insufficient Quotes - Deviation from SCM	95 800	-
Post Office - Sole Supplier - Deviation from SCM	133 836	
Douglas Protective Services - Insufficient Quotes - Deviation from SCM	69 828	
Zarmeka - Refuse bags - Insufficient Quotes - Deviation from SCM	-	50 926
Jicama 167 AAS - Chlorine - Insufficient Quotes - Deviation from SCM	-	30 391
Zarmeka - Cleaning Material - Insufficient Quotes - Deviation from SCM	-	44 880
Sol Plaatje University - Training of Councillors - Insufficient Quotes - Deviation from SCM	-	41 350
LAG Trading - Printing material - Insufficient Quotes - Deviation from SCM	-	77 464
Douglas Bennet Attorney - Legal fees- Insufficient Quotes - Deviation from SCM	-	51 750
LAG Trading - Transformer - Insufficient Quotes - Deviation from SCM	-	118 000

		2025	2024
		R	**R**
45	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure:		
	Approved and contracted for:	23 641 741	65 264 116
	Infrastructure	23 641 741	65 264 116
	Total	**23 641 741**	**65 264 116**
	This expenditure will be financed from:		
	Government Grants	23 641 741	65 264 116
		23 641 741	**65 264 116**

The amounts disclosed above are VAT inclusive.

	2025	2024
	R	R

46 FINANCIAL RISK MANAGEMENT

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

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

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

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

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

	2025	2024
	R	R
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
0.5% (2024 - 0.5%) Increase in interest rates	6 745	54 470
0.5% (2024 - 0.5%) Decrease in interest rates	(6 745)	(54 470)

(d) Credit Risk

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

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

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

All rates and services are payable within 30 days from invoice date. Refer to note 6 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 6 for balances included in receivables that were re-negotiated for the period under review.

	2025	2024
46 FINANCIAL RISK MANAGEMENT (CONTINUE)	**R**	**R**

Balances past due not impaired:

	2025	2025	2024	2024
	%	R	%	R
Non-Exchange Receivables				
Rates	100.00%	13 950 296	100.00%	13 026 786
Exchange Receivables				
Electricity	104%	4 452 842	153%	3 957 045
Water	15%	622 085	14%	371 143
Refuse	-19%	(809 225)	-23%	(598 241)
Sewerage	-1%	(29 944)	-3%	(82 428)
Other	1%	29 040	-41%	(1 055 621)
	100.00%	4 264 798	100.00%	2 591 898

No trade and other receivables are pledged as security for financial liabilities.

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

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2025	2025	2024	2024
	%	R	%	R
Electricity	3.37%	5 998 207	4.37%	5 458 384
Water	30.87%	54 899 169	25.86%	32 336 466
Refuse	16.20%	28 814 370	14.39%	17 991 295
Sewerage	18.16%	32 291 946	16.05%	20 070 959
Other Consumer Arrears	2.59%	4 603 906	4.00%	5 007 280
Rates	21.68%	38 557 201	25.44%	31 806 367
Fines	7.14%	12 701 953	9.88%	12 357 242
	100.00%	177 866 752	100.00%	125 027 994

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

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

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

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

	2025 R	2024 R
Trade receivables and other receivables	28 464 162	21 847 801
Cash and Cash Equivalents	5 727 958	10 930 109
Unpaid conditional grants and subsidies	780 672	-
	34 972 792	32 777 910

	2025	2024
	R	R

46 **FINANCIAL RISK MANAGEMENT (CONTINUE)**

(e) Liquidity Risk

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

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

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

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2025				
Long Term liabilities	1 378 700	5 185 791	-	-
Capital repayments	642 780	3 735 673	-	-
Interest	735 920	1 450 118	-	-
Payables From Exchange Transactions	189 262 018	150 659 384	-	-
Capital repayments	189 262 018	150 659 384	-	-
Interest	-	-	-	-
Provisions	24 584 616	-	29 573 204	-
Capital repayments	22 900 310	-	17 879 737	-
Interest	1 684 306	-	11 693 467	-
Unspent conditional government grants and receipts	1 781 955	-	-	-
	217 007 289	155 845 175	29 573 204	-
2024				
Long Term liabilities	24 480	14 280	-	-
Capital repayments	21 713	13 782	-	-
Interest	2 767	498	-	-
Payables From Exchange Transactions	144 786 695	142 558 709	-	-
Capital repayments	144 786 695	142 558 709	-	-
Interest	-	-	-	-
Provisions	-	24 752 283	32 920 635	-
Capital repayments	-	21 048 966	17 505 051	-
Interest	-	3 703 317	15 415 584	-
Unspent conditional government grants and receipts	167 412	-	-	-
	144 978 587	167 325 273	32 920 635	-

47 FINANCIAL INSTRUMENTS

In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:

The fair value of financial instruments approximates the amortised costs as reflected bellow.

47.1 Financial Assets	Classification IAS 39	2025 R	2024 R
Long-term Receivables			
Trade and other receivables with arrangements	Financial instruments at amortised cost	-	-
Consumer Debtors			
Trade receivables from exchange transactions	Financial instruments at amortised cost	136 834 272	87 153 636
Other receivables from exchange transactions	Financial instruments at amortised cost	8 692 684	7 547 275
Other receivables from non-exchange transactions	Financial instruments at amortised cost	66 543 130	58 603 312
Other Debtors			
Government Subsidies and Grants	Financial instruments at amortised cost	780 672	-
Current Portion of Long-term Receivables			
Trade and other receivables with arrangements	Financial instruments at amortised cost	-	-
Short-term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	3 114 056	4 663 715
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	2 613 352	6 265 844
Cash Floats and Advances	Financial instruments at amortised cost	550	550
		218 578 716	**164 234 332**
SUMMARY OF FINANCIAL ASSETS			
Financial instruments at amortised cost		**218 578 716**	**164 234 332**

47.2 Financial Liability	Classification IAS 39	2025 R	2024 R
Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	-	-
Capitalised Lease Liability	Financial instruments at amortised cost	3 735 673	13 782
Trade Payables			
Trade creditors	Financial instruments at amortised cost	267 665 258	221 565 019
Sundry creditors	Financial instruments at amortised cost	4 422 728	4 194 187
Receivables with credit balances	Financial instruments at amortised cost	5 739 172	6 428 428
Deposits	Financial instruments at amortised cost	-	-
Unspent Conditional Grants and Receipts			
Other Spheres of Government	Financial instruments at amortised cost	1 781 955	167 412
Current Portion of Long-term Liabilities			
Annuity Loans	Financial instruments at amortised cost	-	-
Capitalised Lease Liability	Financial instruments at amortised cost	642 780	21 713
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	-	-
		283 987 565	**232 390 541**
SUMMARY OF FINANCIAL LIABILITY			
Financial instruments at amortised cost		**283 987 565**	**232 390 541**

47.3 Net gains/(losses) on financial liabilities at amortised cost		2025 R	2024 R
Debt relief interest	Interest calculated at the effective interest rate method	14 347 893	24 998 573
Total net gains/(losses) on financial instruments		**14 347 893**	**24 998 573**

		2025	2024
48	**EVENTS AFTER THE REPORTING DATE**	R	R

During the year there has been possible theft by one of the cashiers this is still under investigation and may an impact to further irregularites that may have taken place with regards to cash management.

The draft upper limits of seniors managers has been issued however this is still being debated by all the related parties. This may have an impact on the current disclosed upper limits when finalised. However the finalisation is still to be determined.

Notice was received from National Treasury on the 7th of August that National Treasury has instructed Eskom to write off one third of the Eskom debt due by the Municipality as per the debt relief programme. This will amount to R75 934 091.85 which will be written off as one third of the debt as per the debt relief programme.

		2025	2024
49	**STATUTORY RECEIVABLES**	R	R

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

	2025	2024
Taxes		
VAT Receivable	156 025	637 371
Receivables from Non-Exchange Transactions	66 543 130	58 603 312
Rates	53 153 186	45 413 053
Fines	13 389 944	13 190 260
Total Statutory Receivables (before provision)	**66 699 155**	**59 240 684**
Less: Provision for Debt Impairment	(51 259 155)	(44 163 610)
Total Statutory Receivables (after provision)	**15 440 000**	**15 077 074**

Statutory Receivables arises from the following legislation:

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

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

(Rates): Ageing	2025 R	2024 R
Current (0 - 30 days)	645 689	579 900
31 - 60 Days	687 355	555 039
61 - 90 Days	627 095	534 766
+ 90 Days	51 193 047	43 743 348
Total	**53 153 186**	**45 413 053**

Reconciliation of Provision for Debt Impairment	2025 R	2024 R
Balance at beginning of year	(31 806 367)	(25 348 902)
Contribution to provision	(6 750 834)	(6 457 465)
Balance at end of year	**(38 557 201)**	**(31 806 367)**

Interest is levied at a rate determined by the council on outstanding rates amounts.

		2025	2024
50	**IN-KIND DONATIONS AND ASSISTANCE**	R	R

Donations received is due to financial assistance received from National Treasury with regards to the Auditor General's prior period audit fees and outstanding interest for R1 473 429.

Donation of 5 desktops was received from Nashua amounting to R64 470 during the year under review.

Donation of 1 Hisense TV was received from Smartmunic amounting to R7 000 during the year under review.

		2025	2024
51	**PRIVATE PUBLIC PARTNERSHIPS**	**R**	**R**

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

		2025	2024
52	**CONTINGENT LIABILITY**	**R**	**R**
	Siyancuma has a possible liability regarding litigation claims with regard to the child which was run over by the refuse truck - amount is unknown	-	-
	Siyancuma Municipality has a possible liability with regards to the landfill site licence for Griekwastad which is outstanding, the amount of the liability is unknown and no estimate can be made as no offical application has been made.	-	-
	Siyancuma municipality has a possible liability regarding litigation claims from Brilliant Business Affairs due to outstanding amounts.	-	-
	Siyancuma municipality has a possible liability regarding litigation claims from BJ Tshaka.	-	-
	Siyancuma municipality has a possible liability regarding a child which was shocked and burnt at a sub-station in Douglas.	-	-

53 RELATED PARTIES

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

53.1 Related Party Transactions

Year ended 30 June 2025			Rates - Levied 1 July 2024 - 30 June 2025	Service Charges - Levied 1 July 2024 - 30 June 2025	Other - Levied 1 July 2024 - 30 June 2025	Outstanding Balances 30 June 2025
Councillors	**Term**	**Account**	**75 903**	**83 464**	**26 856**	**335 703**
L van Niekerk		212	3 697	11 960	76	743
L van Niekerk		121	8 499	4 536	-	378
EK Louw		893	-	8 477	-	610
MJ Katz		4615	-	4 212	26	351
DRN Ellison		3285	86	3 504	22	292
WJ van Bergen		831	15 413	-	4 623	55 613
WJ van Bergen		858	-	6 961	-	584
WJ van Bergen		3778	-	3 528	-	273
WJ van Bergen		4079	26 744	-	8 022	99 586
WJ van Bergen		4081	7 058	8 917	4 750	59 293
WJ van Bergen		4082	6 338	8 917	4 534	56 701
WJ van Bergen		4083	7 058	8 917	4 750	59 446
VB Makabe		5728	346	5 854	-	420
HT Kolberg		9167	471	5 772	41	564
CZ Nyangintaka		5698	192	-	-	690
D Smous		10820	-	1 908	12	159
SA Buitendag		15278	495	-	-	-2 720
Municipal Manager and Section 57 Employees			**-**	**4 138**	**26**	**339**
CC Zealand		4056	-	2 054	13	159
XS Geco		4058	-	2 085	13	180

				2025 R	2024 R
53 RELATED PARTIES (CONTINUE)					
		Rates - Levied 1 July 2022 - 30 June 2023	**Service Charges - Levied 1 July 2022 - 30 June 2023**	**Other - Levied 1 July 2022 - 30 June 2023**	**Outstanding Balances 30 June 2023**
Year ended 30 June 2024					
Councillors		**64 258**	**91 778**	**17 246**	**219 064**
L van Niekerk	212	3 525	11 410	125	720
EK Louw	893	-	10 608	-	474
MJ Katz	4615	-	4 032	42	340
DRN Ellison	3285	82	3 348	36	282
IA Baardman Koaho	12615	-	336	6	342
WJ van Bergen	858	-	6 508	-	557
WJ van Bergen	831	14 693	-	2 811	35 576
WJ van Bergen	4083	6 729	8 508	2 868	38 721
WJ van Bergen	4082	6 042	8 508	2 737	36 912
WJ van Bergen	4081	6 729	8 508	2 868	38 568
WJ van Bergen	4079	25 497	-	4 877	64 819
WJ van Bergen	3778	-	14 258	730	246
VB Makabe	5728	330	5 485	-	461
HT Kolberg	9167	449	8 214	91	452
CZ Nyangintaka	5698	183	-	35	440
D Smous	10820	-	2 056	21	154
SA Buitendag	15278	471	-	-	-3 215
Municipal Manager and Section 57 Employees		**-**	**4 922**	**44**	**681**
MF Manuel	16356	-	849	-	354
CC Zealand	4056	-	2 100	22	164
XS Geco	4058	-	1 972	22	164

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

53.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note to the Annual Financial Statements.

53.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.

53.4 Other related party transactions

The following purchases were made during the year where Councillors or Management have an interest:

	2025	2024
Councillor WJ van Bergen No transactions were entered into during the year under reivew.	-	-
Councillor JH George No transactions were entered into during the year under reivew.	-	-
Councillor LC van Niekerk No transactions were entered into during the year under reivew.	-	-
Councillor DV Smous No transactions were entered into during the year under reivew.	-	-
Councillor PJ McKlein No transactions were entered into during the year under reivew.	-	-
Councillor MJ Katz No transactions were entered into during the year under reivew.	-	-
Councillor DRN Ellison No transactions were entered into during the year under reivew.	-	-
Councillor HT Kolberg No transactions were entered into during the year under reivew.	-	-
Councillor EK Louw No transactions were entered into during the year under reivew.	-	-
Councillor CZ Nyangintaka No transactions were entered into during the year under reivew.	-	-
Councillor VB Makabe No transactions were entered into during the year under reivew.	-	-
Councillor SA Buitendag No transactions were entered into during the year under reivew.	-	-
Councillor MG Tau No transactions were entered into during the year under reivew.	-	-

During the prior year the Municipality utilised Mr K van Nel & Mr J Marwane to perform the services of Removing of carpets, Painting the offices and Tiling the offices. These services were paid out as overtime worked.

	2025	2024
Mr K van Nel	-	26 099
Mr J Marwane	-	12 355

		2025	2024
53	**RELATED PARTIES (CONTINUE)**	**R**	**R**

During the year bursaries were provided to certain councillors and staff for further edcuation.

	2025 R	2024 R
PJ Mc Klein	-	41 350
MG Tau	18 750	24 225
RA Kalo	79 295	-
C Mabote	23 000	-
LM Morobeng	21 370	-
MN Tieties	23 620	-
A Tieties	35 970	-
PS August	33 600	-
P van Staden	45 885	

54 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The current ratio increased to 0.34:1 from 0.451 in the prior year.

The municipality has furthermore budgeting for positive cash flows during 2024/2025 and 2024/2026 amounting to R114 826 000 and R90 707 000 respectively.

The average debtors' payment days decreased to 615 days from 551 days.

Creditors payment period amounts to 525 days

Debt impairment of Trade Receivables from exchange and non-exchange amounted to 84% and 82% in the prior year.

Other Indicators

Possible outflow of recources due the contingent liability disclosed in note 52

The municipality has elected to extensively adhere to Circular 123 and Circular 124 - in order to have the Eskom debt written off over the 3 year period.

The municipality adjusted budget for 2024/25 shows an improved cash flow and resulting in a positve cash balance in the 2 outer financial years.

The municipality is expecting operating government grants amounting to R74 149 000 in the next financial year.

	2025 R	2024 R
Cash available for working capital requirement (Rand)	(4 130 280)	1 905 743
Current Ratio (norm - 2:1)	0.34 : 1	0.45 : 1
Creditors days (norm - 30 days or less)	525 days	474 days
Average debtors payment days	615 days	551 days
Debt impairment ratio (norm - 95% or more)	84%	82%

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

APPENDIX A - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2025

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2024	Correction of Error	Balance at 30 June 2024 Restated	Received during the period	Redeemed written off during the period	Balance at 31 Dec 2024
LEASE LIABILITY									
Smartmeters - Smartmunic	18.00%	Smartmunic	31/05/2030	-	-	-	4 477 600	(112 930)	4 364 670
Vodacom - Laptops	10.75%	Laptops	31/01/2026	35 495	-	35 495	-	(21 713)	13 782
							-		
Total Lease Liabilities				**35 495**	**-**	**35 495**	**4 477 600**	**(134 643)**	**4 378 452**
TOTAL EXTERNAL LOANS				**35 495**	**-**	**35 495**	**4 477 600**	**(134 643)**	**4 378 452**

APPENDIX B - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
MUNICIPAL VOTES CLASSIFICATION

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
29 357	(538 008)	(508 652)	Cemetary	56 350	(551 586)	(495 236)
18 442 538	(16 168 537)	2 274 000	Cleansing	20 739 734	(16 357 429)	4 382 305
1 252 586	(27 722 180)	(26 469 593)	Corporate and Human Resources	489 909	(23 809 654)	(23 319 745)
-	(5 015)	(5 015)	Douglas Holiday Resort	-	(16 299)	(16 299)
64 902 772	(79 116 645)	(14 213 873)	Electricity	67 166 519	(89 375 661)	(22 209 142)
98 572 364	(57 643 609)	40 928 755	Finance	51 080 738	(65 409 239)	(14 328 501)
-	(1 346 575)	(1 346 575)	Fire Bridge	-	(1 244 870)	(1 244 870)
3 153 000	(6 772 342)	(3 619 342)	Governance - Council	3 185 000	(9 177 033)	(5 992 033)
-	(7)	(7)	Health Services	-	(56)	(56)
-	(692 831)	(692 831)	Interns	-	(541 762)	(541 762)
1 460 000	(1 947 380)	(487 380)	Library	1 516 000	(2 041 310)	(525 310)
519 257	(429)	518 828	Meent	2 563 806	(3 833)	2 559 973
-	(1 418 430)	(1 418 430)	Municipal Manager	-	(1 845 811)	(1 845 811)
-	(391 089)	(391 089)	Parks and Recreation	-	(395 451)	(395 451)
626 051	(672 223)	(46 171)	Properties	321 710	(892 848)	(571 138)
900 000	(14 053 874)	(13 153 874)	Public Works: Roads	1 860 000	(16 137 066)	(14 277 066)
40 308 270	(23 834 128)	16 474 141	Sewerage and Sanitation	50 631 471	(26 003 780)	24 627 691
944 435	(1 798 364)	(853 930)	Traffic	588 129	(2 075 002)	(1 486 873)
65 052 531	(31 528 028)	33 524 502	Water	69 408 789	(32 285 554)	37 123 235
296 163 160	(265 649 694)	30 513 466	Sub Total	269 608 155	(288 164 244)	(18 556 089)
-	-	-	Less Inter-Departmental Charges	-	-	-
296 163 160	(265 649 694)	30 513 466	**Total**	269 608 155	(288 164 244)	(18 556 089)

APPENDIX C - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
3 153 000	(6 772 342)	(3 619 342)	Executive & Council	3 185 000	(9 177 033)	(5 992 033)
99 198 415	(59 008 663)	40 189 753	Budget & Treasury	51 402 448	(66 843 848)	(15 441 400)
1 771 843	(29 141 039)	(27 369 196)	Corporate Services	3 053 715	(25 659 298)	(22 605 583)
-	(7)	(7)	Health	-	(56)	(56)
1 489 357	(2 485 389)	(996 032)	Community & Social Services	1 572 350	(2 592 897)	(1 020 547)
944 435	(3 144 939)	(2 200 504)	Public Safety	588 129	(3 319 872)	(2 731 743)
-	(396 104)	(396 104)	Sport & Recreation	-	(411 751)	(411 751)
18 442 538	(16 168 537)	2 274 000	Waste Management	20 739 734	(16 357 429)	4 382 305
40 308 270	(23 834 128)	16 474 141	Waste Water Management	50 631 471	(26 003 780)	24 627 691
900 000	(14 053 874)	(13 153 874)	Road Transport	1 860 000	(16 137 066)	(14 277 066)
65 052 531	(31 528 028)	33 524 502	Water	69 408 789	(32 285 554)	37 123 235
64 902 772	(79 116 641)	(14 213 869)	Electricity	67 166 519	(89 375 657)	(22 209 138)
						-
296 163 160	(265 649 690)	30 513 470	Sub Total	269 608 155	(288 164 241)	-18 556 086
-	-	-	Less Inter-Departmental Charges	-	-	-
296 163 160	(265 649 690)	30 513 470	**Total**	269 608 155	(288 164 241)	(18 556 086)

APPENDIX D - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 July 2024	Correction of error	Restated balance 1 July 2024	Contributions during the year	Transfer	Transfer to Sundry Payable	Transfer from Sundry Payable	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2025
UNSPENT/UNPIAD CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	R	R	R	R	R	R	R	R	R	R
Library Project	-	-	-	1 516 000	-	-	-	1 516 000	-	-
FMG	-	-	-	3 000 000	-	-	-	3 000 000	-	-
Equitable Share	-	-	-	66 107 000	-	-	-	66 107 000	-	-
MIG	-	-	-	26 558 000	-	-	-	327 927	24 448 118	1 781 955
LG Seta	620 153	(452 742)	167 412	129 349	-	-	-	296 760	-	-
EPWP	-	-	-	1 860 000	-	-	-	1 860 000	-	-
WSIG	-	-	-	24 732 657	-	-	-	-	25 513 329	(780 672)
Total	**620 153**	**-452 742**	**167 412**	**123 903 006**	**-**	**-**	**-**	**73 107 687**	**49 961 447**	**1 001 283**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

Description	2024/2025							2023/2024
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Revenue - Standard								
Governance and administration	**134 296**	**1 096**	**135 392**	**57 641**	**(77 750)**	**42.6%**	**42.9%**	**104 123**
Executive and council	3 185	–	3 185	3 185	–	100.0%	100.0%	3 153
Finance and administration	131 111	1 096	132 207	54 456	(77 750)	41.2%	41.5%	100 970
Internal audit	–	–	–	–	–	-	-	–
Community and public safety	**10 605**	**–**	**10 605**	**2 160**	**(8 444)**	**20.4%**	**20.4%**	**2 434**
Community and social services	1 594	–	1 594	1 572	(21)	98.7%	98.7%	1 489
Sport and recreation	8 001	–	8 001	0	(8 001)	100.0%	100.0%	–
Public safety	1 010	–	1 010	588	–	100.0%	100.0%	944
Housing	–	–	–	–	–	-	-	–
Health	–	–	–	–	–	-	-	–
Economic and environmental services	**1 220**	**–**	**1 220**	**1 860**	**640**	**152.4%**	**152.4%**	**900**
Planning and development	20	–	20	–	(20)	-	-	–
Road transport	1 200	–	1 200	1 860	660	155.0%	155.0%	900
Environmental protection	–	–	–	–	–	-	-	–
Trading services	**204 842**	**10 187**	**215 029**	**207 947**	**(7 082)**	**96.7%**	**101.5%**	**188 706**
Electricity	78 598	4 100	82 698	67 167	(15 531)	81.2%	85.5%	64 903
Water management	66 928	1 138	68 066	69 409	1 343	102.0%	103.7%	65 053
Waste water management	40 328	3 704	44 032	50 631	6 600	115.0%	125.5%	40 308
Waste management	18 987	1 246	20 233	20 740	506	102.5%	109.2%	18 443
Other	–	–	–	–	–	-	-	–
Total Revenue - Standard	**350 962**	**11 283**	**362 245**	**269 608**	**(92 637)**	**74.4%**	**76.8%**	**296 163**
Expenditure - Standard								
Governance and administration	**73 290**	**2 357**	**75 647**	**101 680**	26 033	**134.4%**	**138.7%**	**94 922**
Executive and council	10 603	1 939	12 542	9 177	(3 365)	73.2%	86.6%	6 772
Finance and administration	62 688	418	63 105	92 503	29 398	146.6%	147.6%	88 150
Internal audit	–	–	–	–	–	-	-	–
Community and public safety	**5 475**	**–**	**5 475**	**6 325**	**850**	**115.5%**	**115.5%**	**6 026**
Community and social services	3 008	–	3 008	2 593	(415)	86.2%	86.2%	2 485
Sport and recreation	409	–	409	412	3	100.7%	100.7%	396
Public safety	2 058	–	2 058	3 320	1 262	100.0%	161.3%	3 145
Housing	–	–	–	–	–	-	-	–
Health	0	–	0	0	0	100.0%	100.0%	0
Economic and environmental services	**16 781**	**669**	**17 450**	**16 137**	**(1 313)**	**92.5%**	**96.2%**	**14 054**
Planning and development	–	–	–	–	–	-	-	–
Road transport	16 781	669	17 450	16 137	(1 313)	92.5%	96.2%	14 054
Environmental protection	–	–	–	–	–	-	-	–
Trading services	**140 590**	**3 877**	**144 467**	**164 022**	**19 556**	**113.5%**	**116.7%**	**150 647**
Electricity	94 868	3 889	98 758	89 376	(9 382)	90.5%	94.2%	79 117
Water management	17 040	(158)	16 882	32 286	15 404	191.2%	189.5%	31 528
Waste water management	18 877	141	19 018	26 004	6 986	136.7%	137.8%	23 834
Waste management	9 804	5	9 809	16 357	6 548	166.8%	166.8%	16 169
Other	–	–	–	–	–	-	-	–
Total Expenditure - Standard	**236 136**	**6 903**	**243 039**	**288 164**	**45 126**	**118.6%**	**122.0%**	**265 650**
Surplus/(Deficit) for the year	**114 826**	**4 380**	**119 207**	**(18 556)**	**(137 763)**	**-15.6%**	**-16.2%**	**30 513**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

Description	2024/2025							2023/2024
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Revenue by Vote								
Vote 1 - Executive Council	3 185	–	3 185	3 185	–	100.0%	100.0%	3 153
Vote 2 - Office of the Municipal Manager	–	–	–	–	–	-	-	–
Vote 3 - Department of Finance	129 235	1 245	130 480	51 402	(79 078)	39.4%	39.8%	99 198
Vote 4 - Department of Administration & Commur	1 013	(149)	864	5 214	4 350	603.6%	514.6%	4 206
Vote 5 - Department of Infrastructure Developmer	206 595	10 187	216 783	209 807	(6 976)	96.8%	101.6%	189 606
Vote 6 - COMMUNITY & SOCIAL SERVICES	10 934	–	10 934	–	(10 934)	-	-	
Total Revenue by Vote	**350 962**	**11 283**	**362 245**	**269 608**	**(92 637)**	**74.4%**	**76.8%**	**296 163**
Expenditure by Vote ***to be appropriated***								
Vote 1 - Executive Council	8 203	1 619	9 822	9 177	(645)	93.4%	111.9%	6 772
Vote 2 - Office of the Municipal Manager	2 400	320	2 720	1 846	(874)	67.9%	76.9%	1 418
Vote 3 - Department of Finance	37 504	386	37 889	66 844	28 954	176.4%	178.2%	59 009
Vote 4 - Department of Administration & Commur	24 309	5	24 313	30 138	5 825	124.0%	124.0%	33 749
Vote 5 - Department of Infrastructure Developmer	158 245	4 574	162 819	180 159	17 341	110.7%	113.8%	164 701
Vote 6 - COMMUNITY & SOCIAL SERVICES	5 475	–	5 475	–	(5 475)	-	-	–
Total Expenditure by Vote	**236 136**	**6 903**	**243 039**	**288 164**	**45 126**	**118.6%**	**122.0%**	**265 650**
Surplus/(Deficit) for the year	**114 826**	**4 380**	**119 207**	**(18 556)**	**(137 763)**	**-15.6%**	**-16.2%**	**30 513**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
REVENUE AND EXPENDITURE (REVENUE BY SOURCE AND EXPENDITURE BY TYPE)

Description	2024/2025							2023/2024
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Revenue By Source								
Exchange Revenue								
Service charges - Electricity	67 488	4 500	71 988	55 954	(16 034)	77.7%	82.9%	49 394
Service charges - Water	29 509	–	29 509	24 717	(4 792)	83.8%	83.8%	23 672
Service charges - Waste Water Management	9 976	3 456	13 432	13 649	217	101.6%	136.8%	12 480
Service charges - Waste Management	9 127	1 004	10 131	10 376	245	102.4%	113.7%	9 508
Sale of Goods and Rendering of Services	330	–	330	–	(330)	-	-	–
Agency services	300	–	300	229	(71)	76.2%	76.2%	407
Interest								
Interest earned from Receivables	8 741	1 078	9 819	13 966	4 147	142.2%	159.8%	9 144
Interest earned from Current and Non Current A	1 668	–	1 668	795	(873)	47.7%	47.7%	1 585
Dividends received		–		–	–	-	-	–
Rent on Land	458	–	458	2 886	2 428	630.2%	630.2%	1 145
Rental from Fixed Assets	425	–	425	–	(425)	-	-	–
Licences and permits	243	–	243	79	(165)	32.3%	100.0%	46
Other revenue	2 632	–	2 632	1 013	(1 618)	38.5%	38.5%	1 920
Debt waived				–				49 506
Non-Exchange Revenue								
Property rates	20 699	542	21 241	21 028	(212)	99.0%	101.6%	20 038
Surcharges and Taxes								
Fines, penalties and forfeits	582	–	582	375	(206)	64.5%	64.5%	687
Licences and permits		–		–	–	-	100.0%	–
Transfers and subsidies	71 823	–	71 823	74 581	2 758	103.8%	103.8%	69 724
Interest	2 347	703	3 050	–	(3 050)	-	100.0%	–
Fuel Levy		–		–	–	-	100.0%	–
Operational Revenue		–		–	–	-	100.0%	–
Gains on disposal of PPE	(0)	–	(0)	–	0	100.0%	100.0%	–
Other Gains	77 995	–	77 995	–	(77 995)	-	100.0%	–
Total Revenue (excluding capital transfers and contributions)	**304 342**	**11 283**	**315 625**	**219 647**	**(95 979)**	**69.6%**	**72.2%**	**249 257**
Expenditure By Type								
Employee related costs	78 352	1 393	79 744	76 055	(3 689)	95.4%	97.1%	71 612
Remuneration of councillors	5 427	1 126	6 553	6 474	(79)	98.8%	119.3%	5 376
Bulk purchases - electricity	78 110	3 905	82 016	77 949	(4 067)	95.0%	99.8%	67 496
Inventory consumed	8 121	(200)	7 921	4 503	(3 417)	100.0%	100.0%	2 718
Debt impairment	18 969	–	18 969	49 009	30 040	258.4%	258.4%	47 865
Depreciation & asset impairment	12 225	–	12 225	13 335	1 110	109.1%	109.1%	12 700
Interest	6 161	–	6 161	29 045	22 883	471.4%	471.4%	31 943
Contracted services	12 856	(497)	12 359	–	(12 359)	-	-	–
Transfers and subsidies	–	–	–	–	–	100.0%	100.0%	–
Irrecoverable debts written off	2 198		2 198					
Operational costs	13 717	1 176	14 893	31 120	16 227	209.0%	226.9%	25 985
Loss on disposal of PPE	0	–	0	674	674	100.0%	100.0%	(30)
Total Expenditure	**236 136**	**6 903**	**243 039**	**288 164**	**47 324**	**118.6%**	**122.0%**	**265 665**
					–	-	-	
Surplus/(Deficit)	**68 206**	**4 380**	**72 587**	**(68 518)**	**(141 104)**	**-94.4%**	**-100.5%**	**(16 408)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	46 620	–	46 620	49 961	3 341	107.2%	107.2%	46 921
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	100.0%	100.0%	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	100.0%	100.0%	–
Surplus/(Deficit) for the year	**114 826**	**4 380**	**119 207**	**(18 556)**	**(137 763)**	**-15.6%**	**-16.2%**	**30 513**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

Description	2024/2025							2023/2024
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Capital expenditure - Vote								
Multi-year expenditure								
Vote 1 - Executive Council	–	–	–	–	–	-	-	–
Vote 2 - Office of the Municipal Manager	–	–	–	–	–	-	-	–
Vote 3 - Department of Finance	–	–	–	–	–	-	-	–
Vote 4 - Department of Administration & Community Ser	–	–	–	–	–	-	-	–
Vote 5 - Department of Infrastructure Development & Te	–	–	–	–	–	-	-	–
Vote 6 - COMMUNITY & SOCIAL SERVICES	–	–	–	–	–	-	-	–
Capital multi-year expenditure	**–**	**–**	**–**	**–**	–	-	-	**–**
Single-year expenditure								
Vote 1 - Executive Council	–	–	–	–	–	-	-	–
Vote 2 - Office of the Municipal Manager	–	–	–	804	804	#DIV/0!	#DIV/0!	1 572
Vote 3 - Department of Finance	–	500	500	–	(500)	-	-	–
Vote 4 - Department of Administration & Community Ser	–	–	–	–	–	-	-	–
Vote 5 - Department of Infrastructure Development & Te	38 620	4 900	43 520	–	(43 520)	-	-	–
Vote 6 - COMMUNITY & SOCIAL SERVICES	8 000	–	8 000	–	(8 000)	-	-	–
Capital single-year expenditure	**46 620**	**5 400**	**52 020**	**804**	(51 216)	2%	2%	**1 572**
Total Capital Expenditure - Vote	**46 620**	**5 400**	**52 020**	**804**	(51 216)	2%	2%	**1 572**
					–	-	-	
Capital Expenditure - Standard					–	-	-	
Governance and administration	**–**	**500**	**500**	**804**	304	160.8%	#DIV/0!	**1 572**
Executive and council	–	–	–	–	–	-	-	–
Finance and administration	–	500	500	804	304	160.8%	#DIV/0!	1 572
Corporate services	–	–	–	–	–	100.0%	100.0%	–
Community and public safety	**8 000**	**–**	**8 000**	**–**	(8 000)	-	-	**–**
Community and social services	–	–	–	–	–	-	-	–
Sport and recreation	8 000	–	8 000	–	(8 000)	-	-	–
Public safety	–	–	–	–	–	-	-	–
Housing	–	–	–	–	–	-	-	–
Health	–	–	–	–	–	-	-	–
Economic and environmental services	**–**	**–**	**–**	**–**	–	-	-	**–**
Planning and development	–	–	–	–	–	-	-	–
Road transport	–	–	–	–	–	-	-	–
Environmental protection	–	–	–	–	–	-	-	–
Trading services	**38 620**	**4 900**	**43 520**	**52 641**	9 121	121.0%	136.3%	**42 670**
Energy sources	–	4 900	4 900	10 276	5 376	209.7%	#DIV/0!	5 358
Water management	20 000	–	20 000	22 365	2 365	100.0%	100.0%	21 539
Waste water management	18 620	–	18 620	20 000	1 380	100.0%	100.0%	15 773
Waste management	–	–	–	–	–	-	-	–
Other	**–**	**–**	**–**	**–**	–	-	-	**–**
Total Capital Expenditure - Standard	**46 620**	**5 400**	**52 020**	**53 445**	**1 425**	**103%**	**115%**	**44 242**
					–	-	-	
Funded by:					–	-	-	
National Government	46 620	–	46 620	–	(46 620)	-	-	7 719
Provincial Government	–	–	–	–	–	100.0%	100.0%	–
District Municipality		–	–	–	–	-	-	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	-	-	–
Transfers recognised - capital	**46 620**	**–**	**46 620**	**–**	**(46 620)**	**-**	**-**	**7 719**
Borrowing	**–**	**1 000**	**1 000**	**–**	(1 000)	100.0%	100.0%	–
Internally generated funds	**–**	**4 400**	**4 400**	**#REF!**	#REF!	#REF!	#REF!	35 765
Total Capital Funding	**46 620**	**5 400**	**52 020**	**#REF!**	**#REF!**	**#REF!**	**#REF!**	**43 484**

APPENDIX E - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025
CASH FLOWS

Description	2024/2025							2023/2024
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	17 594	1 245	18 839	13 288	(5 551)	70.5%	75.5%	13 643
Service charges	101 613	10 038	111 651	54 743	(56 908)	49.0%	53.9%	56 488
Other revenue	4 970	–	4 970	14 917	9 947	300.2%	300.2%	1 521
Transfers and Subsidies - Operational	71 823	–	71 823	72 940	1 117	101.6%	101.6%	68 000
Transfers and Subsidies - Capital	46 620	–	46 620	50 963	4 343	109.3%	109.3%	43 109
Interest	1 668	–	1 668	2 727	1 059	163.5%	163.5%	2 870
Dividends	–	–	–	–	–	-	-	–
Payments								
Suppliers and employees	(195 050)	(6 903)	(201 953)	(165 715)	36 237	82.1%	85.0%	(149 807)
Finance charges	(6 161)	–	(6 161)	(35)	6 126	0.6%	0.6%	(136)
Transfers and Grants	–	–	–	–	–	-	-	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**43 076**	**4 380**	**47 457**	**43 829**	**(3 628)**	**92.4%**	**101.7%**	**35 687**
					–	-	-	
CASH FLOWS FROM INVESTING ACTIVITIES					–	-	-	
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	100.0%	100.0%	23
Decrease (Increase) in non-current debtors	–	–	–		–	-	-	–
Decrease (increase) other non-current receivables	–	–	–	–	–	-	-	–
Decrease (increase) in non-current investments	–	–	–	–	–	-	-	–
Payments					–	-	-	
Capital assets	(46 620)	(5 400)	(52 020)	(53 374)	(1 354)	102.6%	114.5%	(44 184)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(46 620)**	**(5 400)**	**(52 020)**	**(53 374)**	**(1 354)**	**102.6%**	**114.5%**	**(44 161)**
					–	-	-	
CASH FLOWS FROM FINANCING ACTIVITIES					–	-	-	
Receipts					–	-	-	
Short term loans	–	–	–	–	–	-	-	–
Borrowing long term/refinancing	–	1 000	1 000	4 478	3 478	447.8%	#DIV/0!	–
Increase (decrease) in consumer deposits	–	–	–	–	–	-	-	–
Payments								
Repayment of borrowing	–	–	–	(135)	(135)	#DIV/0!	#DIV/0!	(319)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**1 000**	**1 000**	**4 343**	**3 343**	**434.3%**	**#DIV/0!**	**(319)**
					–	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD	(3 544)	(20)	(3 563)	(5 202)	(1 639)	146.0%	146.8%	(8 792)
Cash/cash equivalents at the year begin:	3 590	–	3 590	10 930	7 340	100.0%	100.0%	19 722
Cash/cash equivalents at the year end:	46	(20)	26	5 728	9 045	21752.0%	12418.9%	10 930