TSANTSABANE
LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2025

Index

The reports and statements set out below comprise the annual financial statements presented to the council:

Index

General information

Legal form	NC085 - Local Municipality. The municipality's operations are governed by the Municipal Finance Management Act 56 of 2003, Municipal Structures Act 117 of 1998, Municipal Systems Act 32 of 2000, and various other acts and regulations.
Jurisdiction	Tsantsabane Local municipality is located in the north-eastern part of the Northern Cape Province in the ZF Mgcawu District. Cities/Towns: Postmasburg Beeshoek
Nature of business	Tsantsabane Local Municipality is a South African Category B Local Municipality as defined in the Municipal Structures Act. The municipality performs functions as set out in the Constitution. This means that the Municipality provides services such as electricity, water, sewerage and refuse to the Community.
Capacity of local authority	Low capacity (grade 2)
Municipal demarcation code	NC085
Management structure	The municipality's senior management structure consists of the Municipal Manager and heads of the four main departments. The Office of the Municipal Manager includes management functions pertaining to municipal systems improvement and integrated development planning functions.
Municipal manager	GH Mathobela
Chief Financial Officer	B Moselelane
Other heads of departments	Director Corporate Services IC Nkadimang Director Community Development JJ Theys
Registered office	13 Springbok Street Postmasburg 8420 Telephone: 053 313 7300 Website: www.tsantsabane.gov.za
External auditors	Auditor-General of South Africa Private Bag X5013 Kimberley

General information

Principle banker	Standard Bank 32 Main Street Po Box 24 Postmasburg 8420	
Relevant legislation	Municipal Finance Management Act Division of Revenue Act The Income Tax Amendment Act Value Added Tax Amendment Act Municipal Structures Act Municipal Systems Act Municipal Planning and Performance Management Regulations Housing Act Skills Development Levies Amendment Act Employment Equity Act Unemployment Insurance Act Basic Conditions of Employment Act Supply Chain Management Regulations	
Mayor	AH English	Ward 2
Councillors	Lottering MJ	Ward 1
	Devajee R	Ward 3
	Keoremetswe G	Ward 4
	Tonyane G	Ward 5
	Miennies D	Ward 6
	Teise L	Ward 7
	OM Mabilo	Proportional
	HA Beets	Proportional
	AJ Ruiters	Proportional
	J Boucher	Proportional
	D Esau	Proportional
	GE Sibiya	Proportional

Approval of Annual Financial Statements

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2025 which are set out on pages 1 to 117, in terms of section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality. The annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice.

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

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

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.

Management has concluded that the financial statements present fairly the municipality's financial position, financial performance and cash flows for the year

The annual financial statements set out from pages 6, which have been prepared on the going concern basis, were approved by the accounting officer and were signed by:

______________________	31 August 2025
G.H. Mathobela	**Date**
Municipal Manager	

TSANTSABANE LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Note	Actual 2025 R	2024 Restated R
ASSETS			
Current Assets		**68,233,191**	**84,575,423**
Inventories	2	11,251,814	14,373,756
Receivables from Exchange Transactions	3	5,934,630	8,602,882
Receivables from Non-exchange Transactions	4	26,927,573	36,488,869
VAT Receivable	5	13,508,232	15,030,835
Cash and Cash Equivalents	6	10,610,942	10,079,081
Non-Current Assets		**724,492,646**	**768,721,474**
Property, Plant and Equipment	7	674,330,505	702,315,576
Intangible Assets	8	21,327	33,343
Investment Property	9	49,746,139	65,977,880
Heritage Assets	10	394,675	394,675
Total Assets		**792,725,837**	**853,296,897**
LIABILITIES			
Current Liabilities		**631,938,830**	**560,071,907**
Consumer Deposits	11	3,183,604	3,084,612
Employee Benefit Liabilities	12	2,350,000	1,564,000
Payables from Exchange Transactions	13	623,917,102	547,319,237
Unspent Conditional Grants and Receipts	14	2,488,124	8,104,058
Non-Current Liabilities		**51,818,184**	**45,122,058**
Employee Benefit Liabilities	16	22,046,000	19,844,000
Non-current Provisions	17	29,772,184	25,278,058
Total Liabilities		**683,757,014**	**605,193,965**
Total Assets and Liabilities		**108,968,823**	**248,102,932**
NET ASSETS		**108,968,818**	**248,102,937**
Accumulated Surplus / (Deficit)		108,968,818	248,102,937
Total Net Assets		**108,968,818**	**248,102,937**

TSANTSABANE LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Note	Actual 2025	2024 Restated
		R	R
REVENUE			
Revenue from Non-exchange Transactions			
Property Rates	**18**	32,584,900	31,696,240
Fines, Penalties and Forfeits	**19**	1,775,532	432,048
Licences and Permits	**20**	2,718,624	923,110
Transfers and Subsidies	**21**	121,132,802	104,042,546
Revenue from Exchange Transactions			
Licences and Permits	**20**	-	2,040
Service Charges	**22**	128,927,438	115,698,585
Sales of Goods and Rendering of Services	**23**	520,477	527,013
Rental from Fixed Assets	**24**	732,603	603,423
Interest Earned	**25**	1,952,440	1,356,772
Operational Revenue	**26**	218,260	506,451
Gains	**37**	821,331	326,624
Total Revenue		**291,384,407**	**256,114,852**
EXPENDITURE			
Employee Related Costs	**27**	92,488,982	88,973,540
Remuneration of Councillors	**28**	5,910,970	5,750,390
Depreciation and Amortisation	**29**	37,197,570	43,044,873
Impairment Losses	**30**	75,740,775	52,364,187
Finance Costs	**31**	44,055,413	42,739,926
Bulk Purchases	**32**	63,562,897	50,462,093
Contracted Services	**33**	19,789,594	16,323,317
Inventory Consumed	**34**	6,380,320	14,277,273
Operating Leases	**35**	14,276,480	12,475,239
Operational Costs	**36**	23,896,447	21,740,033
Losses	**37**	21,777,026	10,155,300
Surplus/Deficit: Transfer to accumulated surplus		-	(125,950)
Total Expenditure		**405,076,474**	**358,180,221**
OTHER REVENUE / EXPENDITURE INCURRED			
Discontinued Operations:			
Surplus / (Deficit) from Discontinued Operations	**38**	-	206,000
DEFICIT FOR THE YEAR		**(113,692,067)**	**(101,859,368)**

Refer to Budget Statement for explanation of budget variances

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

	Accumulated Surplus/(Deficit)	Total Net Assets
	R	R
2024		
Balance at 30 June 2023	348,746,905	348,746,905
Correction of Error (Note 40)	(2,663,377)	(2,663,377)
Restated Balance	**346,083,528**	**346,083,528**
Appropriations 2024	3,878,778	3,878,778
Deficit for the year	(101,859,368)	(101,859,368)
Deficit for the year: Previously Reported	(144,356,446)	(144,356,446)
Correction of Error (Note 40)	54,841,460	54,841,460
Balance at 30 June 2024	**248,102,937**	**248,102,937**
2025		
Appropriations 2025	(25,442,052)	(25,442,052)
Surplus/(Deficit) for the year	(113,692,067)	(113,692,067)
Balance at 30 June 2025	**108,968,818**	**108,968,818**

TSANTSABANE LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	Actual 2025 R	2024 Restated R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		32,455,238	36,911,338
Transfers and Subsidies		102,834,874	99,914,187
External Interest Received		1,952,440	1,356,772
Service charges		89,853,654	87,099,513
Other Receipts		2,833,476	2,290,709
VAT Receivable		1,525,948	-
Payments			
Employee Related Costs		(89,304,084)	(87,683,166)
Remuneration of Councillors		(5,910,970)	(5,750,390)
External Interest Paid		(41,287,413)	(34,908,659)
Suppliers Paid		(67,593,115)	(65,294,651)
VAT Payable		-	(2,386,079)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**44**	**27,360,048**	**31,549,574**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	**8**	(26,828,147)	(31,303,353)
Proceeds on Disposal of Property, Plant and Equipment			6,894,269
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(26,828,147)**	**(24,409,084)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		-	(7,643,255)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**-**	**(7,643,255)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**531,861**	**(502,765)**
Cash and Cash Equivalents at Beginning of the year		10,079,081	10,581,846
Cash and Cash Equivalents at End of the year	**6**	10,610,942	10,079,081

TSANTSABANE LOCAL MUNICIPALITY

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

30 June 2025

Description	Original Budget	Budget Adjustments	Adjustment Budget	Virement	Final Budget	Actual Outcome	Variance
	R	R	R	R	R	R	R
FINANCIAL POSITION							
Current Assets							
Inventories	10,975,000	-	10,975,000	-	10,975,000	11,251,814	276,814
Receivables from Exchange Transactions	23,451,730	-	23,451,730	-	23,451,730	5,934,630	(17,517,100)
Receivables from Non-exchange Transactions	25,150,804	-	25,150,804	-	25,150,804	26,927,573	1,776,769
VAT Receivable	15,397,315	-	15,397,315	-	15,397,315	13,508,232	(1,889,083)
Cash and Cash Equivalents	10,312,307	-	10,312,307	-	10,312,307	10,610,942	298,635
Other current assets	1,300,000	6,578,000	7,878,000	-			
Non-Current Assets					-		
Property, Plant and Equipment	704,704,425	(12,797,508)	691,906,917	-	691,906,917	674,330,505	(17,576,412)
Intangible Assets	531,903	-	531,903	-	531,903	21,327	(510,576)
Investment Property	77,000,000	-	77,000,000	-	77,000,000	49,746,139	(27,253,861)
Heritage Assets	394,674	-	394,674	-	394,674	394,675	1
Total Assets	869,218,158	(6,219,508)	862,998,650	-	855,120,650	792,725,837	(62,394,813)
Current Liabilities							
Consumer Deposits	3,035,533	(20,350)	3,015,183	-		3,183,604	3,183,604
Provisions	3,542,380	-	3,542,380	-		2,350,000	2,350,000
Payables from Exchange Transactions	389,088,834	(224)	389,088,610	-		623,917,102	623,917,102
Unspent Conditional Grants and Receipts		-		-		2,488,124	2,488,124
Bank Overdraft	2,014,544	-	2,014,544	-		-	-
Current Portion of Long-term Liabilities	712,525	479,544	1,192,069	-		-	-
Non-Current Liabilities							
Long-term Liabilities	18,843,187	-	18,843,187	-		-	-
Employee Benefit Liabilities		-		-		22,046,000	22,046,000
Non-current Provisions	30,833,133	-	30,833,133	-		29,772,184	29,772,184
Total Liabilities	448,070,136	458,970	448,529,106	-	-	683,757,014	683,757,014
Total Assets and Liabilities	**421,148,022**	**(6,678,478)**	**414,469,544**	**-**	**855,120,650**	**108,968,823**	**(746,151,827)**
Net Assets (Equity)							
Accumulated Surplus / (Deficit)	421,148,022	5,855,531	427,003,553	-		108,968,818	108,968,818
Total Net Assets	**421,148,022**	**5,855,531**	**427,003,553**	**-**	**-**	**108,968,818**	**108,968,818**

30 June 2025

Description	Original Budget	Budget Adjustments	Adjustment Budget	Virement	Final Budget	Actual Outcome	Variance
	R	R	R	R	R	R	R
FINANCIAL PERFORMANCE							
Revenue from Non-exchange Transactions							
Property Rates	35,979,701	-	35,979,701	-	-	32,584,900	32,584,900
Fines, Penalties and Forfeits	112,610	1,983,551	2,096,161	-	-	1,775,532	1,775,532
Licences and Permits	1,159,046	-	1,159,046	-	-	2,718,624	2,718,624
Transfers and Subsidies	98,962,120	1,706,537	100,668,657	-	-	121,132,802	121,132,802
Revenue from Exchange Transactions							
Service Charges	123,667,149	-	123,667,149	-	-	128,927,438	128,927,438
Sales of Goods and Rendering of Services	832,531	106,201	938,732	-	-	520,477	520,477
Rental from Fixed Assets	617,459	-	617,459	-	-	732,603	732,603
Interest, Dividends and Rent on Land Earned	625,459	-	625,459	-	-	1,952,440	1,952,440
Operational Revenue	132,706	108,192	240,898	-	-	218,260	218,260
Gains on Disposal of Property, Plant and Equipment	8,360,000	20,000,000	28,360,000	-	-	821,331	821,331
Total Revenue	270,448,781	23,904,481	294,353,262	-	-	291,384,407	291,384,407
Expenditure							
Employee Related Costs	92,900,458	(417,311)	92,483,147	-	92,483,147	92,488,982	5,835
Remuneration of Councillors	6,090,096	116,841	6,206,937	-	6,206,937	5,910,970	(295,967)
Depreciation and Amortisation	2,422,836	13,797,510	16,220,346	-	16,220,346	37,197,570	20,977,224
Impairment Losses	1,083,804	-	1,083,804	-	1,083,804	75,740,775	74,656,971
Interest, Dividends and Rent on Land	3,500,000	5,500,000	9,000,000	-	9,000,000	44,055,413	35,055,413
Bulk Purchases	50,000,000	10,000,000	60,000,000	-	60,000,000	63,562,897	3,562,897
Contracted Services	19,371,300	(1,787,189)	17,584,111	-	17,584,111	19,789,594	2,205,483
Inventory Consumed	28,257,254	(5,275,835)	22,981,419	-	22,981,419	6,380,320	(16,601,099)
Operating Leases		-		-	-	14,276,480	14,276,480
Operational Costs	36,766,134	1,265,950	38,032,084	-	38,032,084	23,896,447	(14,135,637)
Loss on Disposal of Property, Plant and Equipment		-		-	-	21,777,026	21,777,026
Total Expenditure	240,391,882	23,199,966	263,591,848	-	263,591,848	405,076,474	141,484,626
Surplus/(Deficit for the Year	**30,056,899**	**704,515**	**30,761,414**	**-**	**(263,591,848)**	**(113,692,067)**	**149,899,781**

30 June 2025

Description	Original Budget	Budget Adjustments	Adjustment Budget	Virement	Final Budget	Actual Outcome	Variance
	R	R	R	R	R	R	R
CAPITAL EXPENDITURE PER FUNCTION							
Economic and environmental services	16,964,450	0	16,964,450	-			-
Finance and Administration	0	400,000	400,000	-		-	-
Municipal Manager		0		-		-	-
Community and public safety	500,000	100,000	600,000	-		-	-
Technical Services	15,994,000	500,000	16,494,000	-		12,681,994	12,681,994
Executive Council		0		-		-	-
Total Capital Expenditure	**33,458,450**	**1,000,000**	**34,458,450**	**-**	**-**	**12,681,994**	**12,681,994**

30 June 2025

Description	Original Budget	Budget Adjustments	Adjustment Budget	Virement	Final Budget	Actual Outcome	Variance
	R	R	R	R	R	R	R
CASH FLOW							
Cash Flows from/(used in) Operating Activities							
Property Rates	31,561,555	-	31,561,555	-		32,455,238	32,455,238
Transfers and Subsidies	98,962,120	-	98,962,120	-		102,834,874	102,834,874
External Interest and Dividends Received	625,459	-	625,459	-		1,952,440	1,952,440
Service charges	96,149,458	-	96,149,458	-		89,853,654	89,853,654
Other Receipts	1,789,515	-	1,789,515	-		2,833,476	2,833,476
Suppliers and Employees	(256,592,823)	(75)	(256,592,898)	-		(89,304,084)	(89,304,084)
Remuneration of Councillors		-		-		(5,910,970)	(5,910,970)
External Interest and Dividends Paid	(3,500,000)	-	(3,500,000)	-		(41,287,413)	(41,287,413)
Suppliers Paid		-		-		(67,593,115)	(67,593,115)
VAT Receivable / Payable		-		-		-	-
Cash Flows from/(used in) Investing Activities							
Purchase of Property, Plant and Equipment	(54,941,668)	-	(54,941,668)	-		(26,828,147)	(26,828,147)
Purchase of Intangible Assets		-		-		-	-
Proceeds on Disposal of Property, Plant and Equipmen	8,360,000	-	8,360,000	-		-	-
Proceeds on Disposal of Investment Property	-	-		-		-	-

Cash Flows from/(used in) Financing Activities							
Repayment of Borrowings		-		-		-	-
Increase / (Decrease) in consumer deposits		-		-		-	-
Net increase/(decrease) in cash held	**(77,586,384)**	**(75)**	**(77,586,459)**	**-**	**-**	**531,901**	**531,901**
Cash and Cash Equivalents at the year begin	8,595,170		8,595,170		8,595,170	**10,079,081**	1,483,911
Cash and Cash Equivalents at the year end	(68,991,214)	(75)	(68,991,289)	-	8,595,170	10,610,982	2,015,812
						40	

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an Accrual Basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality's operations. The Cash Flow Statement has been prepared using the Direct Method.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.2 Changes in Accounting Policy and Comparability

Accounting Policies have been consistently applied, except where otherwise indicated below.

For the years ended 30 June 2021 and 30 June 2022 the municipality has adopted the accounting framework as set out in paragraph 1 above. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

1.3 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

1.3.1 Revenue Recognition

Accounting Policy 10.2 on Revenue from Exchange Transactions and Accounting Policy 10.3 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the 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). As far as Revenue from Non-exchange Transactions is concerned, and, in particular, 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 is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.3.2 Impairment of Financial Assets

Accounting Policy 7.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- Impairment of Trade 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 is performed per service-identifiable categories across all classes of debtors.

1.3.3 Fair Value Estimations

As described in Accounting Policies 5.2 the municipality subsequently measures its Investment Property in terms of the Fair Value Model.

The valuation of assets are based on management's estimation. Management considered the impact of valuation techniques and market information in order to determine the current valuations, and more specific as follows:

- **Investment Property** is measured at fair value amounts based on valuation techniques and market information. The actual value of these items could differ from those estimated.

1.3.4 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 2.3, and 4.2, the municipality depreciates its Property, Plant & Equipment and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to 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.

1.3.5 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories

Accounting Policy 6 on Impairment of Assets, Accounting Policy 4.2 on Intangible Assets – Subsequent Measurement, Amortisation and Impairment describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment and impairment testing of Intangible Assets.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

1.3.6 Water Inventory

The estimation of the Water Inventory in reservoirs is based on actual dip readings, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the 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. Refer to Accounting Policy 9.2.

1.3.7 Defined Benefit Plan Liabilities

As described in Accounting Policy 12.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

1.3.8 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.3.9 Budget Information

Deviations between budget and actual amounts are regarded as material differences when a 10% deviation exists. All material differences are explained in the relevant Notes to the Annual Financial Statements.

1.4 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

1.5 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:

- Guideline — Accounting for Landfill sites
- Guideline — The application of Materiality to Financial Statements

Management has considered all of the above-mentioned Guidelines issued but not yet effective and anticipates that the adoption of these guidelines will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

2. PROPERTY, PLANT AND EQUIPMENT

2.1 Initial Recognition

Property, Plant and Equipment are initially recognised at 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.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

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 cost of an item of property, plant and equipment is recognized 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 if the cost or fair value of the item can be measured reliably.

2.2 Subsequent Measurement

Plant and Equipment
Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

2.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

	Asset Class	Years		Asset Class	Years
	Land and Buildings			**Infrastructure**	
				Roads and Paving	5 - 80
	Land	Indefinite		Roads & Paving	10 - 60
	Buildings	15 - 50		Electricity	10 - 70
				Water	15 - 60
	Other				
	Computer Equipment	3 - 7		**Community**	
	Furniture and Fittings	7 - 8		Graveyard site	15 - 50
	Motor Vehicles	5 - 6		Recreational & Sport Facilities	15 - 50
	Office Equipment	3 - 7		Landfill sites	10 - 30
	Plant and Machinery	3 - 7			

2.4 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

2.5 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

2.6 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as Property, Plant and Equipment controlled by the municipality or, where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

2.7 Derecognition

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in Surplus or Deficit when the item is derecognised.

3. HERITAGE ASSETS

Heritage Assets are not depreciated owing to uncertainty regarding to their estimated useful lives. The municipality assess at each reporting date if there is an indication of impairment.

3.1 Initial Recognition

Heritage Assets are initially recognised at 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.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

3.2 Subsequent Measurement

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses.

3.3 Derecognition

The gain or loss arising from the derecognition of an item of Heritage Assets is included in Surplus or Deficit when the item

4. INTANGIBLE ASSETS

4.1 Initial Recognition

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets.

For internally generated Intangible Assets, all research expenditure is recognised as an expense as it is incurred and costs incurred on development projects are recognised as Intangible Assets in accordance with GRAP 31 (Intangible Assets). Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as Intangible Assets and amortised from the point at which the asset is available for use. Development assets are tested for impairment annually.

Intangible Assets are initially recognised at cost.

Where an Intangible 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.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

4.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have indefinite useful lives, such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test.

The amortisation rates are based on the following estimated useful lives:

	Asset Class	Years
	Computer Software	3 - 7

4.3 Derecognition

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item

5. INVESTMENT PROPERTY

5.1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a

The Municipality recognises Investment property as an asset when, and only when:
(a) it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and
(b) the cost or fair value of the investment property can be measured reliably.

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.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

Where the classification of an investment property is 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;
• A building owned (or held by under a finance lease) and leased out under one or more operating leases;
• Leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held;
• A building that is vacant but is held to be leased out under one or more operating leases;
• Property that is being constructed or developed for future use as investment property.

5.2 Subsequent Measurement
Fair Value Model:

Investment Property is measured using the Fair Value Model. Investment Property is carried at fair value, representing open market value determined by external valuers at the date of the last general valuation. Fair value is based on active market prices, adjusted for any difference in the nature, location or condition of the specific asset, if necessary. A gain or loss arising from a change in the fair value of Investment Property is included in Surplus or Deficit for the period in which it arises.

If the municipality determines that the fair value of an Investment Property under construction is not reliably measurable but expects the fair value to be reliably measurable when construction is completed, it measures that Investment Property at cost until the fair value can be reliably determined or construction has been completed.

5.3 Derecognition

The gain or loss arising from the derecognition of an item of Investment Property is included in Surplus or Deficit when the

6. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-cash Generating Assets.

6.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

6.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The recoverable service amount of a non-cash generating asset is the higher of its 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.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

7. FINANCIAL INSTRUMENTS

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement.

Initial Recognition

Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair Value Methods and Assumptions

The fair values of Financial Instruments are determined as follows:

- The fair values of quoted investments are based on current bid prices.
- If the market for a Financial Asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

7.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Receivables from Non-exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Call Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Bank	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Cash	Financial Assets at Fair Value

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

7.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Long-term Liabilities	Financial Liabilities at Amortised Cost
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Taxes and Transfers Payable	Financial Liabilities at Amortised Cost
Current Portion of Long-term Liabilities	Financial Liabilities at Amortised Cost

7.3 Initial and Subsequent Measurement

7.3.1 Financial Assets:

Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment.

Financial Assets measured at Fair Value

Financial Assets at Fair Value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in Surplus or Deficit.

7.3.2 Financial Liabilities:

Financial Liabilities measured at Fair Value

Financial Liabilities at Fair Value are stated at fair value, with any resulted gain or loss recognised in Surplus or Deficit.

Financial Liabilities held at Amortised Cost

Any other Financial Liabilities are classified as Other Financial Liabilities (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

Advance payments (consumer debtors with credit balances) are carried at cost less any accumulated impairment losses.

7.4 Impairment of Financial Assets

Financial Assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

7.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as receivable for the following reasons:

- It is management's judgement that the accounts are not "loss events" in terms of GRAP 104.58.
- State Departments and Entities have to pay their creditors within 30 days in terms of the PFMA.
- There is an urge from National Treasury that State Departments and Entities should start paying their outstanding

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Consumer Debtors, where the carrying amount is reduced through the use of an allowance account. When a Consumer Debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

7.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

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

7.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in Surplus or Deficit.

8. STATUTORY RECEIVABLES

8.1 Transitional Provisions

GRAP 108 Statutory Receivables became effective on 1 April 2019 and, in accordance with the transitional provisions for the Standard provided in Directive 3, entities are not required to change their accounting policies in respect of the classification and measurement of statutory receivables for reporting periods beginning on a date within three years following the date of first adoption of GRAP 108. Entities shall comply with the disclosure requirements of GRAP 108 as and when statutory receivables are classified and measured in accordance with the Standard of GRAP.

The municipality is taking advantage of the transitional provisions by not classifying or measuring its Statutory Receivables in accordance with GRAP 108, and, therefore, no disclosures required by GRAP 108 has been made.

The Statutory Receivables that exists in the municipality's books at year-end are those relating to Property Rates (refer to 10.3.1), Fines (refer to 10.3.2) and VAT receivable.

The municipality is registered with the South African Revenue Service (SARS) for VAT in accordance with Section 15(2) of the Value-added Tax Act (Act No. 89 of 1991). The municipality accounts for VAT on the payment basis.

The municipality intends to fully apply the requirements of GRAP 108 by 30 June 2023.

9. INVENTORIES

9.1 Initial Recognition

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

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

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

9.2 Subsequent Measurement

9.2.1 Consumable Stores, Raw Materials, Work-in-Progress and Finished Goods

Consumable stores, raw materials, work-in-progress, inventories distributed at no charge or for a nominal charge and

9.2.2 Water Inventory

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water and purified effluent are valued by using the FIFO Method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

9.2.3 Unsold Properties

Unsold properties are valued at the lower of cost and net realisable value on a FIFO. Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs, if this relates to development.

9.2.4 Other Arrangements

Redundant and slow-moving Inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the measurement of such Inventory at the lower of cost and net realisable value are recognised in Surplus or Deficit in the year in which they arise. 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.

10. REVENUE RECOGNITION

10.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

10.2 Revenue from Exchange Transactions

10.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

10.2.2 Prepaid Electricity

Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

10.2.3 Rentals Received

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

10.2.4 Finance Income

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

10.2.5 Tariff Charges

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

10.2.6 Sale of Goods (including Houses)

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

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

10.3 Revenue from Non-exchange Transactions

10.3.1 Rates and Taxes (Statutory Receivable as per Accounting Policy 8)

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

10.3.2 Fines (Statutory Receivable as per Accounting Policy 8)

Fines constitute both spot fines and summonses

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings.

10.3.3 Public Contributions

Revenue from public contributions 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 are brought into use.

10.3.4 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

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 government organs.

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.

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the statement of financial

10.3.5 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

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 as revenue when the recovery thereof from the responsible councillors or officials became virtually certain.

11. PROVISIONS

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

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. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

11.1 Provision for Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

12. EMPLOYEE BENEFIT LIABILITIES

12.1 Short-term Employee Benefits

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

12.1.1 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.

12.1.2 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.

12.1.3 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57

12.1.4 Paid Absences

The municipality pays employees for absence for various reasons including holidays, sickness and short-term disability, and maternity or paternity. The expected cost of short-term employee benefits in the form of paid absences for accumulating paid absences is recognised when the employees render service that increases their entitlement to future paid absences. The expected cost of non-accumulating paid absences is recognised when the absences occur.

12.2 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

12.2.1 Defined Contribution Plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. 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.

12.2.2 Defined Benefit Plans

Defined Benefit Cost is made up of the following components:

(a) Service Cost, comprising:

- Current Service Cost
- Settlements
- Past Service Cost, comprising:;

(1) Plan Amendments
(2) Curtailments
(b) Net Interest Revenue / Expense
(c) Remeasurements, comprising:
- Actuarial Gains and Losses
- Return on Plan Assets, excluding amounts included in net interest on the net defined benefit liability (asset)
- Any change in the Effect of the Asset Ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Post-retirement Health Care Benefits
The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation minus the the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

Long-service Allowance
The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Provincially-administered Defined Benefit Plans
The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Defined Benefit Pension Plans
The municipality has an obligation to provide Post-retirement Pension Benefits to certain of its retirees. Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The municipality contributes monthly to the funds.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

12.2.3 Termination Benefits

The municipality provides termination benefits for its employees in terms of the municipality's Employee Benefit Plan.

Termination Benefits to employees is recognised as en expense in the Statement of Financial Performance and as a liability in the Statement of Financial Position when the municipality can no longer withdraw the offer of those benefits.

13. LEASES

13.1 The Municipality as Lessee

13.1.1 Finance Leases

Property, plant and equipment or intangible assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are recognised at equal amounts. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments to the fair value of the asset, plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the finance cost and the capital repayment using the Effective Interest Rate Method. Finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

13.1.2 Operating Leases

The municipality recognises operating lease rentals as an expense in Surplus or Deficit on a Straight-line Basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Any lease incentives are included as part of the net consideration agreed.

13.2 The Municipality as Lessor

Amounts due from lessees under **Finance Leases** or instalment sale agreements are recorded as receivables at the amount of the municipality’s net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the municipality’s net investment outstanding in respect of the leases or instalment sale agreements.

Rental revenue from **Operating Leases** is recognised on a Straight-line Basis over the term of the relevant lease.

14. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

(a) Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
(b) Expect to be repaid in future; or
(c) Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

15. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991).

16. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, 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 the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

17. 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 (Act No 20 of 1998), or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure. Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

18. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

19. MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply to the legislative requirements governing Municipalities and Municipal Entities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the First-In-First-Out Method as defined by GRAP 12 (Inventories).

20. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in note 51 to the Annual Financial Statements.

21. COMMITMENTS

Commitments are future expenditure to which the municipality committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in Surplus or Deficit, but are included in the disclosure Notes. A distinction is made between capital and current commitments.

22. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Mayor, Executive Committee Members, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

23. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements.

24. 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 seperate financial information is available.

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective. The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18 (Segment Reporting).

The following services are considered significant to the municipality and is accordingly managed separately:

- Municipal governance, finance and administration
- The provision of water and infrastructure to ensure delivery of Water.
- The provision of electricity and infrastructure to ensure delivery of Electricity.
- The removal of waste water and sewarage through a Sewerage Network.
- The removal of Solid Waste.

All other sources of income and expenditure is aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

The municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdction.

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of GRAP as descriped in these accounting policies.

No changes from were made from prior periods measurement methods used to determine reported segment surplus or deficit.

The Segmental Reporting is disclosed in Note 61 to the Annual Financial Statements.

25. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the

The approved budget covers the period from 1 July 2024 to 30 June 2025.

26. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy.

In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Refer to Note 42 to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

27. CONSUMER DEPOSITS

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account. No interest is paid on Consumer Deposits held. Consumer deposits are held in the municipality's primary bank account and available for immediate release.

Classification in terms of GRAP 104: Financial liability at fair value

Financial Liabilities measured at fair value

Financial liabilities measured at fair value are stated at fair value, with any resulted gain or loss recognised in the Statement of Financial Performance.

Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

28. NEW STANDARDS AND INTERPRETATIONS

GRAP 1 on the Presentation of financial statements (going concern) - effective date to be determined
GRAP 103 on Heritage Assets (revised) - effective date to be determined
GRAP 104 on Financial Instruments (revised) - effective from 1 April 2025
IGRAP 22 on Foreign Currency Transactions and Advance Consideration - effective from 1 April 2025

The National Minister of Finance announced in Regulation Gazette no 11129 (dated 4 June 2020) the effective dates as indicated next to each standard below.

The Accounting Standards Board Directive 5 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent Standard that was effective (prior to the adoption of the new/ replacement Standard) at the date that such new Standard is either adopted or becomes effective. Where a standard of GRAP has been issued, but is not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Standards or Interpretation	Nature of Impending Changes

GRAP 1 on Presentation of financial statements (going concern)	The objective of this amendment is to include additional guidance and disclosures on going concern. Management will continue to assess the entity's ability to continue as a going concern as assess the relevance thereof at each reporting date.
GRAP 103 on Heritage Assets (revised)	The standard is to prescribe the accounting and disclosure for heritage assets. Changes from the previously adopted version of GRAP 103 include: - expansion of "cultural significance" meaning; - changes to characteristics of heritage assets; - accounting for assets according to this standard if they have more than one use; and - changes to recognition, measurement, impairment and disclosure of heritage assets This standard is expected to be relevant to the Municipality and will replace the current adopted version of GRAP 103.
GRAP 104 on Financial Instruments (revised)	The revision of GRAP 104 was motivated by the need to address shortcomings identified in the classification and measurement of financial instruments, especially those highlighted during the financial crisis. The changes align with updates in IFRS 9 and IPSAS 41, aiming to improve the robustness and relevance of financial instrument reporting. Significant changes introduced in the revision include revising classification principles even though the number of categories remains the same, and adopting a new impairment model based on expected credit losses. This revision aims to enhance the financial reporting of financial instruments by introducing more relevant and timely recognition and measurement practices. Classification and measurement: The Municipality will need to reassess how they classify and measure financial instruments, which could lead to changes in the recognition of financial assets and liabilities on the Statement of Financial Position. This may affect the Municipality’s financial ratios and metrics that stakeholders use to assess financial health. Impairment model: The shift to an expected credit loss model for

This could have implications on the municipality's Statement of Financial Performance and may require the development of new models and assumptions for estimating expected credit losses.
The Municipality is planning on adopting this accounting standard retrospectively from 1 April 2025, with elements thereof adopted prospectively, in accordance with the Transitional Provisions issued by the Accounting Standards Board for the adoption of the new Standard. The adoption of this standard is less likely to have an effect on the classification of financial instruments, but could have a potential effect on the measurement and impairment of financial instruments. The expected future implication of re-measurement and impairment of financial instruments is currently not yet determinable without undue cost and effort.

The potential impact of implementing the revised GRAP 104 standard, is as follows:

The financial instruments disclosed by the Municipality continue to be correctly classified under the revised GRAP 104 standard. There is no change to the measurement basis of the Municipality's financial assets and liabilities because: the Municipality's business model is to hold and collect contractual cash flows, All instruments pass the 'Solely Payments of Principal and Interest' (SPPI) test, No instruments are

IGRAP 22 on Foreign Currency Transactions and Advance Consideration

IGRAP 22 was developed from IFRIC 22 on IAS 21 – 'The Effects of Changes in Foreign Exchange Rates.'

It addresses the treatment of foreign currency transactions and how advance consideration impacts the determination of the transaction date for currency conversion.

The interpretation aims to clarify how to determine the date of the transaction for the purpose of converting the foreign currency amount into the entity's functional currency, especially when payment is made or received in advance.

The Municipality does not have any foreign currency transactions and advance considerations. This Interpretation is thus not expected to be relevant to the Municipality, however it will be assessed folloing its effective date should any changes in the business necessitate the adoption of elements contained in this Interpretation.

1. GENERAL INFORMATION

Tsantsabane Local Municipality (the municipality) is a local government institution in Postmasburg, and is located within the north-eastern part of the Northern Cape Province, and is one of five local municipalities under the jurisdiction of the ZF Mgcawu District Municipality. The addresses of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Municipal Finance Management Act (MFMA).

2. INVENTORIES

	2025 R	2024 R
Consumables	11,152,093	14,279,301
Property Stock	-	-
Water	99,721	94,455
Total Inventories	**11,251,814**	**14,373,756**

The cost of water for the year amounted to R 10.71 (2024: R10.15) per kilolitre.

Reconciliation of Opening and Closing balances:

Consumables:	2025 R	2024 R
Opening balance	4,000,282	10,795,576
Add: Purchases	-	1,358,869
Less Obsolete stock & stock issued	-	(8,154,163)
Obsolete stock/Inventory write down	-	-
Stock issued (expense for the year)	-	(8,154,163)
Closing balance	**4,000,282**	**4,000,282**

No Inventories have been pledged as collateral for Liabilities of the municipality.

Reconciliation of Opening and Closing balances:

Water:	2025 R	2024 R
Opening balance	94,455	89,382
Add: Purchases	-	16,714,780
Less Obsolete stock & stock issued	-	(16,709,707)
Inventory write down: Abnormal wastage	-	-
Stock issued (expense for the year)	-	(16,709,707)
Closing balance	**94,455**	**94,455**

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2025			
Service Debtors:	369,701,671	363,273,506	6,428,165
Electricity	10,332,351	7,911,352	2,420,999
Refuse	102,032,421	101,754,238	278,183
Sewerage	171,184,218	167,721,139	3,463,079
Other Service Charges	524,115	2,601,284	(2,077,169)
Water	85,628,566	83,285,493	2,343,073
Other Receivables	3,817,384	2,891,255	926,129
Property Rental Debtors	3,271,810	2,891,255	380,555
Other Debtors: Control accounts	545,574	-	545,574

	Gross Balances R	Provision for Impairment R	Net Balances R
Control Clearing and Interface accounts	(1,419,664)	-	(1,419,664)
Total Receivables from Exchange Transactions	**372,099,391**	**366,164,761**	**5,934,630**

As at 30 June 2024	**Gross Balances R**	**Provision for Impairment R**	**Net Balances R**
Service Debtors:	328,541,018	319,209,420	9,331,598
Electricity	9,472,330	6,076,018	3,396,312
Refuse	87,625,087	85,902,310	1,722,777
Sewerage	146,790,582	144,172,053	2,618,529
Other Service Charges	(1,544,824)	-	(1,544,824)
Water	86,197,843	83,059,039	3,138,804
Other Receivables	5,866,544	5,213,305	653,239
Property Rental Debtors	5,320,970	5,213,305	107,665
Other Debtors: Control accounts	545,574	-	545,574
Control Clearing and Interface accounts	(1,381,955)	-	(1,381,955)
Total Receivables from Exchange Transactions	**333,025,607**	**324,422,725**	**8,602,882**

The municipality did not pledge any of its Receivables as security for borrowing purposes.
The management of the municipality is of the opinion that the carrying value of Receivables approximate their fair values.

The fair value of Receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and Receivables as well as the current payment ratios of the municipality's Receivables.

3.1 Ageing of Receivables from Exchange Transactions

As at 30 June 2025

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	861,329	98,277	168,436	7,202,775	8,330,817
Less: Provision for Impairment	817,960	93,328	159,954	6,840,107	7,911,349
Net Balances	**43,369**	**4,949**	**8,482**	**362,668**	**419,468**
Refuse:					
Gross Balances	3,151,182	1,498,231	1,431,405	95,807,635	101,888,452
Less: Provision for Impairment	3,147,303	1,496,257	1,429,519	95,681,431	101,754,510
Net Balances	**3,879**	**1,974**	**1,886**	**126,204**	**133,942**
Sewerage:					
Gross Balances	5,266,588	2,517,232	2,406,736	160,892,445	171,083,000
Less: Provision for Impairment	5,163,096	2,467,767	2,359,442	157,730,833	167,721,138
Net Balances	**103,492**	**49,465**	**47,294**	**3,161,612**	**3,361,862**
Property Rental:					
Gross Balances	82,379	36,797	37,579	3,392,026	3,548,781
Less: Provision for Impairment	81,619	36,457	37,252	3,360,749	3,516,078
Net Balances	**760**	**339**	**327**	**31,277**	**32,703**
Water:					
Gross Balances	358,466	211,034	331,800	83,884,263	84,785,563
Less: Provision for Impairment	352,124	207,300	325,929	82,400,138	83,285,491
Net Balances	**6,342**	**3,734**	**5,871**	**1,484,125**	**1,500,072**

	Current	Past Due			Total
Other: Control accounts					
Gross Balances		-	-	-	-
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**-**	**-**	**-**	**-**	**-**

As at 30 June Receivables of R5 448 047 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total Past Due
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	9,719,943	4,361,571	4,375,955	351,179,144	369,636,613
Less: Provision for Impairment	9,562,102	4,301,109	4,312,096	346,013,258	364,188,566
Net Balances	**157,841**	**60,462**	**63,858**	**5,165,886**	**5,448,047**

As at 30 June 2024

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	812,033	689,281	948,175	5,299,025	7,748,513
Less: Provision for Impairment	636,758	540,501	743,514	4,155,245	6,076,018
Net Balances	**175,275**	**148,779**	**204,661**	**1,143,779**	**1,672,494**
Refuse:					
Gross Balances	2,961,727	2,690,977	1,197,291	80,609,373	87,459,367
Less: Provision for Impairment	2,908,999	2,643,069	1,175,975	79,174,267	85,902,310
Net Balances	**52,728**	**47,908**	**21,316**	**1,435,106**	**1,557,058**
Sewerage:					
Gross Balances	4,900,638	4,479,087	2,013,762	135,267,597	146,661,085
Less: Provision for Impairment	4,817,468	4,403,071	1,979,586	132,971,927	144,172,053
Net Balances	**83,170**	**76,016**	**34,176**	**2,295,670**	**2,489,032**
Property Rental:					
Gross Balances	103,666	88,135	40,419	5,715,777	5,947,997
Less: Provision for Impairment	102,038	86,750	39,784	5,625,986	5,854,558
Net Balances	**1,629**	**1,385**	**635**	**89,791**	**93,439**
Water:					
Gross Balances	737,455	370,093	362,859	83,742,286	85,212,694
Less: Provision for Impairment	718,817	360,739	353,688	81,625,795	83,059,039
Net Balances	**18,638**	**9,354**	**9,171**	**2,116,491**	**2,153,654**
Other: Control accounts					
Gross Balances	545,574	-	-	-	545,574
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**545,574**	**-**	**-**	**-**	**545,574**

As at 30 June Receivables of R8 511 251 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total Past Due
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					

Gross Balances	10,061,093	8,317,573	4,562,506	310,634,057	333,575,230
Less: Provision for Impairment	9,184,079	8,034,132	4,292,547	303,553,221	325,063,979
Net Balances	**877,014**	**283,442**	**269,958**	**7,080,837**	**8,511,251**

3.2 Summary of Service Debtors by Customer Classification

	Household & Other R	Industrial/ & Commercial R	National and Provincial Government R	Total R
As at 30 June 2025				
0 - 30 days	8,600,832	853,856	182,876	9,637,564
Past Due:				
31 - 60 Days	3,967,181	287,145	70,449	4,324,775
61 - 90 Days	3,945,591	289,474	103,310	4,338,375
+ 90 Days	333,598,315	9,430,217	4,754,759	347,783,291
Sub-total	350,111,919	10,860,693	5,111,395	366,084,006
Less: Provision for Impairment	347,883,337	10,794,812	5,080,267	363,758,416
Total Trade Receivables by Customer Classification	**2,228,582**	**65,880**	**31,128**	**2,325,590**

	Household & Other R	Industrial/ & Commercial R	National and Provincial Government R	Total R
As at 30 June 2024				
Current:				
0 - 30 days	7,832,423	1,454,470	228,627	9,515,519
Past Due:				
31 - 60 Days	7,293,069	816,292	208,211	8,317,573
61 - 90 Days	3,408,880	1,060,347	93,278	4,562,506
+ 90 Days	296,348,974	8,110,753	6,174,330	310,634,057
Sub-total	314,883,346	11,441,862	6,704,447	333,029,656
Less: Provision for Impairment	-	-	-	-
Total Trade Receivables by Customer Classification	**314,883,346**	**11,441,862**	**6,704,447**	**333,029,656**

3.3 Reconciliation of the Provision for Impairment	**2025 R**	**2024 R**
Balance at beginning of year	324,422,726	299,682,717
Impairment Losses recognised	41,742,036	24,740,008
Balance at end of year	**366,164,762**	**324,422,726**
	0.69	0.69

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Consumer Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively.

3.4 Ageing of impaired Receivables from Exchange Transactions	**2025 R**	**2024 R**
Current:		
0 - 30 Days	9,562,102	9,184,079
Past Due:		

31 - 60 Days	4,301,109	8,034,132
61 - 90 Days	4,312,096	4,292,547
+ 90 Days	346,013,258	303,553,221
Total	**364,188,566**	**325,063,979**

3.5 Derecognition of Financial Assets

No Financial Assets have been transferred to other parties during the year.

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2025			
Property Rates	90,260,832	87,274,407	2,986,425
Fines	2,432,705	577,144	1,855,561
Deposits Held and Payments made in advance	22,085,587	-	22,085,587
Total Receivables from Non-exchange Transactions	**114,779,124**	**87,851,551**	**26,927,573**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2024			
Property Rates	96,271,147	78,577,373	17,693,774
Fines	1,069,984	577,144	492,840
Deposits Held and Payments made in advance	18,302,255	-	18,302,255
Total Receivables from Non-exchange Transactions	**115,643,386**	**79,154,517**	**36,488,869**

The municipality does not hold deposits or other security for its Receivables.

None of the Receivables have been pledged as security for the municipality's financial liabilities.

The management of the municipality is of the opinion that the carrying value of Receivables approximate their fair values.

The fair value of Receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and National / Provincial Departments as well as Other Debtors. The current payment ratios of Other Debtors were also taken into account for fair value determination.

4.1 Ageing of Receivables from Non-exchange Transactions

As at 30 June 2025

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	3,518,120	2,161,815	1,358,681	83,222,215	90,260,831
Less: Provision for Impairment	3,420,292	2,101,701	1,320,900	80,431,514	87,274,407
Net Balances	**97,828**	**60,114**	**37,781**	**2,790,701**	**2,986,424**
Deposits Held:					
Gross Balances	22,085,587	-	-		22,085,587
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**22,085,587**	**-**	**-**	**-**	**22,085,587**

Fines:					
Gross Balances		-	-	2,432,705	2,432,705
Less: Provision for Impairment		-	-	577,144	577,144
Net Balances	**-**	**-**	**-**	**1,855,561**	**1,855,561**

As at 30 June Receivables of R26,927,572 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	25,603,707	2,161,815	1,358,681	85,654,920	114,779,123
Less: Provision for Impairment	3,420,292	2,101,701	1,320,900	81,008,658	87,851,551
Net Balances	**22,183,415**	**60,114**	**37,781**	**4,646,262**	**26,927,572**

As at 30 June 2024

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	4,179,639	3,494,014	1,682,996	86,914,497	96,271,147
Less: Provision for Impairment	3,321,573	2,776,704	1,337,483	71,141,613	78,577,373
Net Balances	**858,067**	**717,310**	**345,514**	**15,772,884**	**17,693,774**
Fines:					
Gross Balances	-	-	-	1,069,984	1,069,984
Less: Provision for Impairment	-	-	-	577,144	577,144
Net Balances	**-**	**-**	**-**	**492,840**	**492,840**
Deposits Held:					
Gross Balances	18,302,255	-	-	-	18,302,255
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**18,302,255**	**-**	**-**	**-**	**18,302,255**

As at 30 June Receivables of R36,488,869 were past due but not impaired. The age analysis

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	22,481,894	3,494,014	1,682,996	87,984,481	115,643,386
Less: Provision for Impairment	3,321,573	2,776,704	1,337,483	71,718,757	79,154,517
Net Balances	**19,160,322**	**717,310**	**345,514**	**16,265,724**	**36,488,869**

4.2 Summary of Assessment Rates Debtors by Customer Classification

	Household & Other	Industrial/ & Commercial	National and Provincial Government	Total
	R	R	R	R
As at 30 June 2025				
Current:				
0 - 30 days	2,072,117	960,360	485,643	3,518,120
Past Due:				
31 - 60 Days	847,199	1,078,101	236,515	2,161,815
61 - 90 Days	816,451	308,784	233,446	1,358,681
+ 90 Days	38,943,820	39,444,830	4,833,565	83,222,215

Sub-total	42,679,587	41,792,075	5,789,169	90,260,831
Less: Provision for Impairment	42,359,801	41,478,939	5,745,792	89,584,532
Total Rates Debtors by Customer Classification	**319,786**	**313,136**	**43,377**	**676,299**

	Household & Other R	Industrial/ & Commercial R	National and Provincial Government R	Total R
As at 30 June 2024				
Current:				
0 - 30 days	2,960,006	568,314	651,319	4,179,639
Past Due:				
31 - 60 Days	2,641,775	238,451	613,789	3,494,014
61 - 90 Days	1,268,263	108,314	306,419	1,682,996
+ 90 Days	71,632,720	24,347,180	4,770,312	100,750,212
Sub-total	78,502,765	25,262,259	6,341,838	110,106,862
Less: Provision for Impairment	-	-	-	-
Total Rates Debtors by Customer Classification	**78,502,765**	**25,262,259**	**6,341,838**	**110,106,862**

4.3 Reconciliation of Provision for Impairment	2025 R	2024 R
Balance at beginning of year	79,154,517	60,825,338
Impairment Losses recognised	8,697,034	18,329,179
	-	-
Balance at end of year	**87,851,550**	**79,154,517**
	-0.42	

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

In determining the recoverability of a Rates Assessment Debtor and Receivables from Non-exchange Transactions, the municipality considers any change in the credit quality of the Rates Assessment Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

No Provision for Impairment has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Rates Assessment Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively.

Furthermore, no Provision for Impairment was calculated on Receivables other than Assessment Rates Debtors as the management is of the opinion that all Receivables are recoverable within normal credit terms.

5. VAT RECEIVABLE

VAT Receivable is the Net Receivable from all VAT Control Accounts and must agree to the VAT201 Return.

Vat Receivable.	**13,508,232**	**15,030,835**

VAT Payable is the Net Payable from all VAT Control Accounts and agree to the VAT201

The municipality accounts for VAT on the payment basis. Only once payment is received from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

	2025 R	2024 R
6. CASH AND CASH EQUIVALENTS		
Current Investments	10,192,469	8,742,080
Bank Accounts	418,774	1,337,302
Cash on hand	(301)	(301)
Total Bank, Cash and Cash Equivalents	**10,610,942**	**10,079,081**
Bank Overdraft	-	-
Net Bank, Cash and Cash Equivalents	**10,610,942**	**10,079,081**

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

6.1 Current Investment Deposits

	2025 R	2024 R
Call Deposits	10,192,469	8,742,080
Total Current Investment Deposits	**10,192,469**	**8,742,080**

Call Deposits are investments with a maturity period of less than 3 months and earn interest at rates varying from 2.5% to 3.45% (2023/24: 2.75% to 5.2%)
Fixed Deposits are investments with a maturity periods 30 to 365 days and earn interest at rates varying from 0.5% to 4.85% (2023/24: 6.5% to 6.8%)

	2025 R	2024 R
Standard Bank: Call account - Acc nr 54 852 911 6 – 011	693,749	99,929
Standard Bank: Call Deposit - Acc nr 54 852 911 6 – 014	10,749	104,786
First National Bank: Fixed deposit (6 months) - Acc nr 62798446160	2508	2,423
ABSA: Fixed Deposit (365 days) - Acc nr 20 7031 7223	8,959,320	8,200,000
Standard Bank: Call account - Acc nr 048459976 – 005	22,291	4,751
Standard Bank: Call account - Acc nr 048459976 – 003	503,551	329,894
Standard Bank: Call Deposit - Acc nr 048459976 – 004	298	298
Total Deposits attributable to Commitments of the Municipality	**10,192,466**	**8,742,081**
Deposits attributable to Unspent Conditional Grants	8,992,658	537,330
Deposits attributable to Payables	1,197,303	4,751
Deposits pledged as guarantees for ESKOM	2,508	8,200,000
Total Deposits attributable to Commitments of the Municipality	**10,192,469**	**8,742,081**

6.2 Bank Accounts	2025 R	2024 R
Cash in Bank	418,774	1,337,302
Bank Overdraft	-	-
Total Bank Accounts	**418,774**	**1,337,302**

The Municipality has the following bank accounts:

Primary Bank Account
ABSA Bank - Postmasburg Branch - Primary Account: 21-3000-0021

	2025 R	2024 R
Cash book balance at end of year	109,370	16,281
Bank statement balance at end of year	109,370	16,281

Standard Bank - Postmasburg Branch - Primary Account: 230035868		
Cash book balance at end of year	309,404	1,321,021
Bank statement balance at end of year	309,404	1,321,021

An amount of R15 720 039 (2024: R120 016 096) is attributable to Unspent Conditional Grants.

An amount of R34 112 049 (2024: R31 812 136) is attributable to the Capital Replacement Reserve.

An amount of RXX (2024: R0) is ring-fenced and attributable to the External Financing Fund for Unspent Loan Money held as at 30 June.

Interest on overdrawn current accounts are charged at the banker's prime rate plus two percent per annum. Interest is earned at different rates per annum on favourable balances.
Interest is earned at different rates per annum on favourable balances.

6.3 Cash and Cash Equivalents

Cash Floats and Advances	(301)	(301)
Total Cash on hand in Cash Floats, Advances and Equivalents	**(301)**	**(301)**

The municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

7. PROPERTY, PLANT AND EQUIPMENT

30 June 2025

Reconciliation of Carrying Value

Description	Community Assets	Infra-structure	Buildings	Land	Landfill sites	Other Assets	Work in Progress	Total
	R	R	R	R	R	R		R
Carrying values at 01 July 2024	**26,280,481**	**536,414,285**	**23,645,337**	**40,831,594**	**435,153**	**9,984,686**	**64,584,466**	**702,176,001**
Cost	41,757,772	880,577,551	75,669,490	42,207,511	25,238,723	30,542,431	64,584,466	1,160,577,944
Accumulated Impairment Losses	(934,234)	(6,675,319)	(539,158)	(1,375,917)	-	(1,097)	-	(9,525,725)
Accumulated Depreciation:	(14,543,057)	(337,487,947)	(51,484,995)	-	(24,803,570)	(20,556,648)	-	(448,876,217)
Acquisition of Assets								
- Additions	-				2,011,821	460,709	40,992,385	43,464,915
- Donations	-	12,681,994				-	(12,681,994)	-
- Capitalised	-	24,229,746		-	-	-	(24,229,746)	-
Depreciation:	(913,047)	(30,829,919)	(2,860,925)		(311,835)	(2,269,830)	-	(37,185,556)
Carrying value of Disposals:	(10,587)	(7,587,012)	(18,987)	-	-	-		(9,978,017)
- Cost	(197,060)	(19,985,132)	(131,059)	(1,372,061)	-	(25,155)		(21,710,467)
- Accumulated Depreciation	156,664	10,533,310	107,637		-	109		10,797,720
- Accumulated Impairment Losses	29,809	930,188	4,435	1,372,061		25,046		
Impairment Losses	(21,463)	(24,416,050)	(37,738)	(23,533)	-	(196,878)	(68,750)	(24,764,412)
Carrying values at 30 June 2025	**25,335,384**	**509,558,422**	**20,727,687**	**40,808,061**	**2,135,139**	**7,978,687**	**68,596,361**	**675,139,740**
Cost	41,560,712	897,504,159	75,538,431	40,835,450	27,250,544	30,977,985	68,665,111	1,182,332,392
Accumulated Impairment Losses	(925,888)	(30,161,181)	(572,461)	(27,389)	-	(197,866)	(68,750)	(31,953,535)
Accumulated Depreciation:	(15,299,440)	(357,784,556)	(54,238,283)	-	(25,115,405)	(22,801,432)	-	(475,239,116)

30 June 2024

Reconciliation of Carrying Value

Description	Community Assets	Infra- structure	Buildings	Land	Landfill sites	Other Assets	Work in Progress	Total
	R	R	R	R	R	R		R
Carrying values at 01 July 2023	**28,574,058**	**523,867,949**	**27,544,038**	**42,215,380**	**4,250,141**	**12,598,129**	**87,802,317**	**726,043,536**
Cost	43,244,253	839,970,278	77,522,110	42,215,380	29,010,100	43,333,066	87,802,317	1,163,097,504
Accumulated Impairment Losses	(146,562)	(4,836,886)	(808,475)	-	-	(1,717,105)	-	(7,509,028)
Accumulated Depreciation:	(14,523,633)	(311,265,443)	(49,978,072)	-	(24,759,959)	(29,017,832)	-	(429,544,939)
Acquisition of Assets								
- Additions	-	-	-	-	-	150,270	27,690,244	27,840,514
- Donated assets	-	4,606,700	-	-	-	1,326,000		5,932,700
- Capitalised	-	50,908,095	-	-	-	-	(50,908,095)	50,908,095
								-
Depreciation:	(963,318)	(31,616,106)	(2,910,112)	-	(43,611)	(3,042,698)		(39,238,949)
Carrying value of Disposals:	**(540,269)**	**(8,942,245)**	**(150,344)**	**(7,869)**	**(3,771,377)**	**(1,045,922)**	**-**	**(17,048,207)**
- Cost	(1,486,481)	(14,907,522)	(1,852,620)	(7,869)	(3,771,377)	(14,266,905)	-	(36,292,774)
- Accumulated Impairment Losses	2,318	571,675	299,087			1,717,101		
- Accumulated Depreciation	943,894	5,393,602	1,403,189			11,503,882	-	19,244,567
Impairment Losses	(789,990)	(2,410,108)	(29,770)	(1,375,917)	-	(1,093)	-	(4,606,878)
Carrying values at 30 June 2024	**26,280,481**	**536,414,285**	**23,645,337**	**40,831,594**	**435,153**	**9,984,686**	**64,584,466**	**702,176,001**
Cost	41,757,772	880,577,551	75,669,490	42,207,511	25,238,723	30,542,431	64,584,466	1,160,577,944
Accumulated Impairment Losses	(934,234)	(6,675,319)	(539,158)	(1,375,917)	-	(1,097)	-	(9,525,725)
Accumulated Depreciation:	(14,543,057)	(337,487,947)	(51,484,995)	-	(24,803,570)	(20,556,648)	-	(448,876,217)

Acquisition of Property, Plant and Equipment include Assets to the amount of R12 681 994 (2024: R5 932 700) donated to the municipality as indicated below (Refer to Note 50):

Donor	Description of Project	2025	2024
Assmang Iron Ore (Beeshoek)	Construction of New Roads: paved	-	4,606,700
Assmang Iron Ore (Beeshoek)	Improvement of storm water drainage in p	6,556,716	-
Assmang Iron Ore (Beeshoek)	Improvement of storm water drainage in postmasburg	6,125,278	-
Assmang Iron Ore (Beeshoek)	13000L Honeysucker Truck	-	1,326,000
Total for Donated Assets		**12,681,994**	**5,932,700**

The **prior year amount** for Property, Plant and Equipment has been restated. Refer to Note 42 on "Correction of errors" for details of the restatement.

	2025 R	2024 R

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

7.1 Assets pledged as security

The municipality did not pledge any of its assets as security.	-	-

7.2 Work-in-Progress

The municipality has incurred expenditure on capital projects which were not completed at year-end. The details of the carrying amounts of expenditure included in each class of assets are listed below:

	Included within Infrastructure	Total
Reconciliation of Work-in-Progress 2025		
Opening Balance	64,584,466	64,584,466
Additions/Capital Expenditure	40,992,385	40,992,385
Impaired/Expensed	(68,750)	(68,750)
Transferred to Completed Items	(36,911,740)	(36,911,740)
	68,596,361	**68,596,361**
Reconciliation of Work-in-Progress 2024		
Opening Balance	87,802,317	87,802,317
Additions/Capital Expenditure	32,296,944	32,296,944
Transferred to Completed Items	(55,514,795)	(55,514,795)
	64,584,466	**64,584,466**

The work in progress has been restated to reflect the correct movement under infrastructure assets, not prior year errors and has not adjusted to any balance.

7.3 Delayed Projects

The municipality has projects that are currently experiencing delays or were halted. For each project, the reason for the delay or halting of the project are noted below:

Project Details	Reason
Maremane Water Supply	Delays have been due to the contractor not doing the required pipe testing and final inspection for the snags.

8. INTANGIBLE ASSETS

	2025 R	2024 R
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	**21,327**	**33,343**

The movement in Intangible Assets is reconciled as follows:

	Software Purchased	Total
Carrying values at 01 July 2024	**33,342**	**33,342**
Cost	1,787,964	1,787,964
Accumulated Amortisation	(1,754,622)	(1,754,622)
Acquisitions:	-	-
Purchased	-	-
Amortisation:	(12,014)	(12,014)
Disposals:	-	-
At Cost	-	-
At Accumulated Amortisation	-	-

Carrying values at 30 June 2025	**21,328**	**21,328**
Cost	1,787,964	1,787,964
Accumulated Amortisation	(1,766,636)	(1,766,636)

	Software Purchased	Total
Carrying values at 01 July 2023	**589,698**	**589,698**
Cost	3,944,547	3,944,547
Accumulated Amortisation	(3,354,849)	(3,354,849)
Acquisitions:	-	-
Amortisation:	(554,994)	(554,994)
Disposals:	(1,362)	-
At Cost	(2,156,583)	(2,156,583)
At Accumulated Amortisation	2,155,221	2,155,221
Carrying values at 30 June 2024	**33,342**	**33,342**
Cost	1,787,964	1,787,964
Accumulated Amortisation	(1,754,622)	(1,754,622)

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 31).

All of the municipality’s Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

9. INVESTMENT PROPERTY	2025 R	2024 R
At Fair Value	49,746,143	65,977,884

The movement in Investment Property is reconciled as follows:

	2025	2024
Carrying values at 1 July	**65,977,880**	**74,946,260**
Fair Value	78,248,499	77,921,879
Accumulated Impairment Losses	(12,270,619)	(2,975,619)
Impairment Losses during the Year	-	(9,295,000)
Fair Value Adjustments	(16,231,741)	326,620
Disposals during the Year:	-	-
At Fair Value	-	-
Carrying values at 30 June	**49,746,139**	**65,977,880**
Fair Value	62,016,758	78,248,499
Accumulated Impairment	(12,270,619)	(12,270,619)

Reason for Impairment

All of the municipality’s Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality.

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

There are no contractual obligations on Investment Property.

9.1 Investment Property carried at Fair Value

The municipality’s Investment Property is valued annually at 30 June at fair value by management using observable market related transactions at arm-length and recent actual available data readily accessable. The valuation, which conforms to International Valuation Standards, is arrived at by reference to market evidence of transaction prices for similar properties within the municipal boadaries within the current reporting period.

10. HERITAGE ASSETS

30 June 2025

Reconciliation of Carrying Value

	Sculptures and Monuments	Municipal Jewellery	Total
	R	R	R
Carrying values at 01 July 2024	**319,675**	**75,000**	**394,675**
Cost	319,675	75,000	394,675
Accumulated Impairment Losses	-	-	-
Acquisitions	-	-	-
Carrying values at 30 June 2025	**319,675**	**75,000**	**394,675**
Cost	319,675	75,000	394,675
Accumulated Impairment Losses	-	-	-

30 June 2024

Reconciliation of Carrying Value

	Sculptures and Monuments	Municipal Jewellery	Total
	R	R	R
Carrying values at 01 July 2023	**319,675**	**75,000**	**394,675**
Cost	319,675	75,000	394,675
Accumulated Impairment Losses	-	-	-
Acquisitions	-	-	-
Carrying values at 30 June 2024	**319,675**	**75,000**	**394,675**
Cost	319,675	75,000	394,675
Accumulated Impairment Losses	-	-	-

All of the municipality's Heritage Assets are held under freehold interests and no Heritage Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Heritage Assets of the municipality.

10.1 Impairment of Heritage Assets

No impairment losses have been recognised on Heritage Assets of the municipality at the reporting date.

11. CONSUMER DEPOSITS

	2025 R	2024 R
Water & Electricity	2,477,619	2,478,468
Other Deposits	705,985	606,144
Total Consumer Deposits	**3,183,604**	**3,084,612**

Other deposits comprise deposits for properties rented out by the municipality.

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

No interest is paid on Consumer Deposits held.

The management of the municipality is of the opinion that the carrying value of Consumer Deposits approximates their fair values.

The fair value of Consumer Deposits was determined after considering the standard terms and conditions of agreements entered into between the municipality and its consumers.

12. EMPLOYEE BENEFIT LIABILITIES

	2025 R	2024 R
Current Portion of Employee Benefit Liabilities (See Note 16):	2,350,000	1,564,000
Post-retirement Medical Aid Benefits Liability	1,087,000	716,000
Long-term Service Liability	176,000	848,000
Total Provisions	**2,350,000**	**1,564,000**
		-

13. PAYABLES FROM EXCHANGE TRANSACTIONS

	2025 R	2024 R
Advance Payments - Consumer debtors with credit balances	25,334,151	23,418,024
Bonus	2,064,242	2,321,786
Leave Accrual	9,252,604	8,798,162
Department of Community Safety & Transport Management - Licence fees	24,966,947	25,760,253
Other Payables	25,181,657	21,903,570
Retentions	10,264,252	9,915,438
Salary Related Payables	150,000	-
Trade Creditors	526,703,249	455,202,003
Auditor-General of South Africa	7,276,281	5,777,628
Other trade payables and accruals	519,426,968	449,424,375
Total Payables	**623,917,102**	**547,319,236**

The **prior year amount** for Payables from Exchange Transactions has been restated. Refer to Note 42 on "Correction of errors" for details of the restatement.

Staff Bonuses accrue to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Staff Leave accrues to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

14. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	2025 R	2024 R
14.1 Conditional Grants from Government	**2,488,124**	**8,104,058**
Departmental Agencies and Accounts	34,354	1,321
National Government	2,042,050	7,691,017
Private Enterprises	411,720	411,720
Total Conditional Grants and Receipts	**2,488,124**	**8,104,058**

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

See Note 23 for the reconciliation of Grants from Government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

15. LONG-TERM LIABILITIES

	2025 R	2024 R
Long-Term Liabilities		
Finance Lease Liability	-	-
Less: Current Portion transferred to Current Liabilities:-	-	-
Finance Lease Liability	-	-
Non-Current Portion of Long-term Liabilities	-	-

15.1 Summary of Arrangements

The fair value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

15.2 Obligations under Borrowings

Finance Leases relate to Property, Plant and Equipment with lease terms not more than XX years (2023: 5 years). The effective interest rate on Finance Leases is between XX% and XX% (2023: 24% and 35.87%).

The municipality does not have an option to purchase the leased Property, Plant and Equipment at the conclusion of the lease agreements. The municipality's obligations under Finance Leases are secured by the lessors' title to the leased assets.

The municipality's obligations under Finance Leases are secured by the lessors' title to the leased assets.

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2025 R	2024 R	2025 R	2024 R
Amounts payable under borrowings:				
Within one year	-	-	-	-
In the second to fifth years, inclusive	-	-	-	-
Over five years	-	-	-	-
	-	-	-	-
Less: Future Finance Obligations	-	-		

Present Value of Minimum Lease Obligations	-	-	-	-
Less: Amounts due for settlement within 12 months (Current Portion)			-	-
Borrowings due for settlement after 12 months (Non-current Portion)			-	-

The municipality has finance lease agreements for the following significant classes of assets:
- Office Equipment
- Vehicles
- Electricity and water meters

Included in these classes are the following significant leases:

(i) Electrical and Water meters		
- Average period outstanding	63 months	63 months
- Average effective interest rate, based on prime	24%	24%
- Average monthly instalment	30% on monthly vending	30% on monthly
(ii) Office equipment - Solutions Pro (Pty) Ltd t/a Nashua Vryburg		
- Average period outstanding	36 months	36 months
- Average effective interest rate, based on prime	35.87%	35.87%
- Average monthly instalment	R 114,200.00	R 114,200.00

15.3 Operating Lease: Tsantsabane Local Municipality as Lessee

The municipality has entered into operating lease agreement with AVIS Fleet for motor vehicle. The lease have varying terms ,escalating clauses and renewal options.

Lease payments recognised as an expense in the statement of financial performance amounted to R 1 879 990.94 (2023/24) and R 4 511 978.27 (2024/25)

	2025	2024
- no later than one year	4,511,978.27	1,879,990.94
- later than one year and not later than five years	7,143,965.59	11,655,943.86
- later than five years.	0	0

The municipality has operating lease agreements for the following classes of assets:
- Vehicles

The following restrictions have been imposed on the Municipality in terms of the lease agreements on Avis vehicles:
(i) The vehicles shall remain the property of the lessor.
(ii) The maintenance lease vehicle and accessories must be serviced by the manufacture's approved dealers in line with the original equipmen,t manufacture (OEM) standards and approved schedules
(iii) The municipality shall ensure that the vehicle be maintained and repaired by arranging for the vehicle to be delivered to an authorised OEM.
(iv) The municipality will not fit any accessories or make any further modifications without the services provider "Avis Fleet" prior written consent, which consent shall not be unreasonably

16. EMPLOYEE BENEFIT LIABILITIES	**2025** **R**	**2024** **R**
Employee Benefit Liabilities	23,309,000	21,408,000
Post-retirement Health Care Benefits Liability	19,396,000	16,987,000
Long Service Awards Liability	3,913,000	4,421,000
Less: Current Portion of Employee Benefit Liabilities	(1,263,000)	(1,564,000)
Post-retirement Health Care Benefits Liability	(1,087,000)	(716,000)
Long Service Awards Liability	(176,000)	(848,000)
Post-retirement Health Care Benefits Liability	18,309,000	16,271,000
Long Service Awards Liability	3,737,000	3,573,000

Non-Current Portion of Employee Benefit Liabilities	**22,046,000**	**19,844,000**

Present Value of the Defined Benefit Obligations
Current Liabilities
Non-current Liabilities

Fair value of Plan Assets

Defined Benefit Liability recognised in Statement of Financial Position (wholly unfunded)

The municipality does not provide any other post-retirement or long service benefits beyond

Post-retirement Health Care Benefits Liability

Opening balance	16,987,000	15,580,000
Interest cost	2,324,000	1,889,000
Current service cost	885,000	822,000
Actual employer benefit payments	(933,000)	(716,000)
Actuarial loss/ (gain) recognised in the year	133,000	(588,000)
Balance at end of Year	19,396,000	16,987,000
Transfer to Current Provisions	1,087,000	716,000
Total Post-retirement Health Care Benefits Liability	**18,309,000**	**16,271,000**

	2025	2024
	R	R

Characteristics of the Defined Benefit Plan

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2025 by Mr. Chanan Weiss, a member of the Actuarial Society of South Africa (ASSA) and managing member of ARCH Actuarial Consulting CC. The present value of the defined benefit obligations, and the related current service costs and past service costs, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	88	90
In-service Non-members (Employees)	129	139
Continuation Members (Retirees, widowers and orphans)	20	17
Total Members	**237**	**246**

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

In-service Members	8,448,000	8,609,000
In-service Non-members	2,649,000	2,236,000
Continuation Members	8,299,000	6,142,000
Total Liability	**19,396,000**	**16,987,000**
	-	-

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Keyhealth
- LA Health
- Samwumed

The Current-service Cost for the year ending 30 June 2025 is estimated to be R885 000, whereas the cost for the ensuing year is estimated to be R 974,000 (30 June 2024: R 885 000).

The contributions expected to be paid to the plan during the annual period beginning after the reporting date (i.e. for the 2025/26 financial year): R 1,087,000.

The principal assumptions used for the purposes of the actuarial valuations were as	
Discount Rate	11.10%
Health care cost inflation rate	6.90%
Net Effective Discount Rate	3.90%
Mortality Tables	SA 85-90
Mortality tables post retirement	PA(90) -1 with a 1% mortality improvement p.a. from 2010
Average retirement age for active employees	62
Normal retirement age for active employees	65

	2025 R	2024 R
Movements in the present value of the Defined Benefit Obligation were as follows:		
Opening balance	16,987,000	15,580,000
Service Cost:		
Current Service Cost	885,000	822,000
Interest cost	2,324,000	1,889,000
Payments from the Defined Benefit:		
Payment of Benefits	(933,000)	(716,000)
Actuarial loss/ (gain) recognised in the year	133,000	(588,000)
Total Recognised Benefit Liability	**19,348,000**	**16,987,000**
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	19,348,000	16,987,000
Fair value of plan assets	-	-
Total Benefit Liability	**19,348,000**	**16,987,000**
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	2,324,000	822,000
Interest cost	885,000	1,889,000
Actuarial losses / (gains)	133,000	(588,000)
Total Post-retirement Benefit included in Employee Related Costs (Note 29)	**3,342,000**	**2,123,000**

The history of present values are as follows:

	2025 R	2024 R	2023 R	2022 R	2021 R
Present Value of Defined Benefit Obligation	19,396,000	16,987,000	15,580,000	13,716,000	14,536,000
Deficit	**19,396,000**	**16,987,000**	**15,580,000**	**13,716,000**	**14,536,000**

History of experienced adjustments: Gains and Losses (R millions)

Experienced adjustments are the effects of differences between the previous actuarial assumptions and what has occurred and were provided by the actuaries:

Experienced adjustments:

	2025 R	2024 R	2023 R	2022 R	2021 R
Liabilities: (Gains)/Loss	133,000	(588,000)	568,000	(1,408,000)	333,000

	2025 R	2024 R
Assumed rates for health care cost trends significantly impact the figures recorded in surplus or de		
Increase:		
Effect on the aggregate of the current service cost and the interest cost	3,394,000	3,005,000
Effect on the defined benefit obligation	20,555,000	15,904,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	2,955,000	3,450,000
Effect on the defined benefit obligation	17,911,000	18,279,000
The effect of a 20% adjustments of mortality rates, is as follows:		
Increase:		
Effect on the defined benefit obligation	18,862,000	15,904,000
Decrease:		
Effect on the defined benefit obligation	19,929,000	18,904,000

Refer to Note 46, "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

16.3 Long Service Awards Liability

Opening Balance	4,421,000	4,045,000
Interest cost	444,000	400,000
Current service cost	375,000	339,000
Actual employer benefit payments	(372,669)	(848,000)
Actuarial loss/ (gain) recognised in the year	(954,331)	485,000
Balance at end of Year	3,913,000	4,421,000
Transfer to Current Provisions	176,000	848,000
Total Long Service Awards Liability	**3,737,000**	**3,573,000**

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Leave Award (working days) is received after 10 years of continuous service, and every 5 years of continuous service thereafter to 45 years, to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2025 by Mr. Chanan Weiss, a member of the Actuarial Society of South Africa (ASSA) and managing member of ARCH Actuarial Consulting CC. The present value of the defined benefit obligations, and the related current service costs and past service costs, were measured using the Projected Unit Credit Method.

At year end, XXX (2023: 209) employees were eligible for Long-service Awards.

The Current-service Cost for the year ending 30 June 2025 is estimated to be R 375,000,

	2025 R	2024 R
The principal assumptions used for the purposes of the actuarial valuations were as		

Discount Rate	9.70%	
General earnings inflation rate (long-term)	4.70%	
Net Effective Discount Rate	4.80%	
Mortality Tables	SA 85-90	
Average retirement age for active employees	62	
Normal retirement age for active employees	65	
Expected Rate of Salary Increase	4.70%	6.25%

	2025 R	2024 R
Movements in the present value of the Defined Benefit Obligation were as follows:		
Opening Balance	4,421,000	4,045,000
Service Cost:		
Current service cost	375,000	339,000
Interest cost	444,000	400,000
Payment of Benefits	(372,669)	(848,000)
Remeasurement of Defined Benefit:		
Actuarial Gains / (Losses) from Changes in Financial Assumptions	(954,331)	485,000
Total Recognised Benefit Liability	**3,913,000**	**4,421,000**

The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	3,913,000	4,421,000
Fair value of plan assets	-	-
Total Benefit Liability	**3,913,000**	**4,421,000**
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	375,000	339,000
Interest cost	444,000	400,000
Actuarial losses / (gains)	(954,331)	485,000
Total Post-retirement Benefit included in Employee Related Costs (Note 29)	**(135,331)**	**1,224,000**

The history of present values are as follows:

	2025 R	2024 R	2023 R	2022 R	2021 R
Present Value of Defined Benefit Obligation	3,913,000	4,421,000	4,045,000	3,485,000	3,989,000
Deficit	**3,913,000**	**4,421,000**	**4,045,000**	**3,485,000**	**3,989,000**

History of experieced adjustments: Gains and Losses

Experienced adjustments are the effects of differences between the previous actuarial assumptions and what has occured and were provided by the actuaries:

Experienced adjustments:

	2025 R	2024 R	2023 R	2022 R	2021 R
Liabilities: (Gains)/Loss	(285,000)	485,000	418,000	(477,000)	(41,000)

	R	R
Increase:		
Effect on the aggregate of the current service cost and the interest cost	872,000	854,000
Effect on the defined benefit obligation	4,136,000	4,578,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	768,000	739,000
Effect on the defined benefit obligation	3,708,000	4,421,000

The effect of a 20% movement in the assumed level of withdrawal rates, is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	854,000	854,000
Effect on the defined benefit obligation	4,348,000	4,578,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	785,000	739,000
Effect on the defined benefit obligation	3,233,000	4,421,000

	2025 **R**	**2024** **R**
17. NON-CURRENT PROVISIONS		
Decommissioning, Restoration and Similar Liabilities: Landfill Sites	29,772,184	25,278,058
Total Non-current Provisions	**29,772,184**	**25,278,058**

The movement in Non-current Provisions are reconciled as follows:

Decommissioning of Landfill Sites

Opening Balance	25,278,088	29,821,892
Increases/(decrease) in Change in timing, amount or discount rate	2,011,821	(7,797,071)
Increases (Passage of Time/Discounted Rate)	2,482,305	3,253,267
Balance at end of year	**29,772,214**	**25,278,088**

17.1 Rehabilitation of Land-fill Sites

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R41 501 625 (2024: R38 054 620) 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 the average cost of borrowing interest rate.

The municipality will incur the following rehabilitation and closure costs on its two dumping/landfill sites:

	Proposed Rehabilitation		
Jenn Haven Landfill	2032/33	7,939,859	7,080,666
Boichoko Landfill	2025/26	33,561,766	30,973,954
		41,501,625	**38,054,620**

Key financial assumptions used in this calculation were as follows:

	Jenn Haven Landfill	Boichoko Landfill
CPI adjustment	6.0800%	6.1716%
Government Bond Rate used to determine the Present Value of the Formal Closure application process.	9.0200%	10.6716%
Net effective discount rate	10%	4.50%
Estimated total waste area to be rehabilitated	50600m2	108,653m2
Estimated area that has already been used for dumping of waste	6,083m2	48,490m2

	2025 R	2024 R

18. PROPERTY RATES

	Property Valuation as 30/06/2025 R	Property Valuation as 30/06/2024 R
Church	80,058,000	82,947,100
Commercial	695,115,000	3,045,710,500
Industrial	173,790,000	158,575,000
Mines	131,026,000	88,446,000
Municipal	225,671,000	361,073,000
Agriculture	4,115,540,000	5,433,211,200
Residential	2,876,005,000	2,837,952,300
Small holdings and farms	17,413,000	37,000,000
State	519,359,000	131,917,300
Total	8,833,977,000	12,176,832,400

	Actual Levies	
	2025 R	2024 R
Property Rates:		
Business and Commercial Properties	11,633,950	8,183,964
Vacant Land	377,022	233,340
Farm Properties	4,512,958	2,118,309
Industrial Properties	1,536,760	7,026,590
Municipal Properties	2,996,684	2,843,871
Residential Properties	11,527,526	11,290,166
Total Property Rates	32,584,900	31,696,240

Property Rates are levied on the value of land and improvements, which valuation is performed every four years. The last valuation came into effect in the prior financial year i.e. 2019/20

Interim valuations are processed on a continuous basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

The following rates in Rand were charged on the following properties:

Church	0.005566	0.006315
Commercial	0.010318	0.010755
Industrial	0.010318	0.010755
Mines	0.065977	0.060245
Municipal	0.005566	0.006315
Agriculture	0.000527	0.000431
Residential	0.005566	0.006315
Small holdings and farms	0.005566	0.006315
State	0.005566	0.006315

The first R 30,000 of the market value of all residential properties and indigents with a gross income of less than R 3 000 are exempt from the payment of rates. An additional rebate of 20% on property rates for pensioners applies subject to certain conditions.

No interest that is charged on arrear accounts.

19. FINES, PENALTIES AND FORFEITS

	2025 R	2024 R
Traffic Fines	175,810	79,250
Municipal	175,810	79,250
Other Fines	1,599,722	352,798
Illegal Connections	1,592,063	351,333
Overdue Books Fine	7,659	1,465

Total Fines, Penalties and Forfeits	**1,775,532**	**432,048**

20. LICENCES AND PERMITS

	Non-Exchange Transactions 2025 R	**Non-Exchange Transactions 2024 R**
Road and Transport	2,718,624	923,110
Motor Vehicle Licence	2,718,624	923,110
Total Licences and Permits	**2,718,624**	**923,110**

	Exchange Transactions 2025 R	**Exchange Transactions 2024 R**
Road and Transport		2,040
Licence Inspectors		2,040
Total Licences and Permits	**-**	**2,040**

21. TRANSFERS AND SUBSIDIES RECEIVED

Departmental Agencies and Accounts		
Sector Education Training Authority Grant (SETA)	146,900	171,361
Department of Arts & Culture (Library Grant)	1,417,000	1,356,000
National Revenue Fund		
Equitable Share	58,842,000	55,305,900
National Governments		
Municipal Infrastructure Grant (MIG)	16,827,876	5,392,712
MIG Capital	16,171,408	4,631,276
MIG Operating	656,468	761,436
Financial Management Grant (FMG)	3,000,000	2,566,244
Extended Public Works Program (EPWP)	1,860,000	950,000
Integrated National Electrification Programme (INEP)	13,486,091	4,524,908
Auditor general	1,387,186	-
WSIG Capital	6,174,000	1,912,722
Public Corporations (Refer to note 53)	17,922,999	31,862,699
Capital	12,681,994	9,274,260
Operating	5,241,005	22,588,439
Total Government Grants and Subsidies	**121,064,052**	**104,042,546**

21.1 Reconciliation per Grant Source	**2025 R**	**2024 R**
21.1.1 Provincial Treasury		
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions met - transferred to Revenue	-	-
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Current Liabilities (see Note 15)	-	-

Grant received for payment of Audit fees

21.1.2 Integrated National Electrification Programme Grant (INEP)		
Balance unspent at beginning of year	475,092	4,003,949
Current year receipts	13,011,000	5,000,000
Conditions met - transferred to Revenue	(13,486,091)	(4,524,908)
Other Adjustments/Refunds		(4,003,949)
Conditions still to be met - transferred to Current Liabilities (see Note 15)	**1**	**475,092**

The grant is used to address the electrification backlog of permanently occupied residential dwellings, the installation of infrastructure and rehabilitation of electricity infrastructure. Funds have been withheld during the 2022/23 financial year due to the non-spending of funds as at 30 June 2022.

21.1.3 National Revenue Fund - Equitable Share

Current year receipts	58,842,000	55,305,900
Conditions met - transferred to Revenue	(58,842,000)	(55,305,900)
Conditions still to be met - transferred to Current Liabilities (see Note 15)	-	-

This grant has been used to fund operational expenses within the municipality.

The allocation of equitable share has been reduced by R 12,580,827 during the 2022/23 financial year due to the non-spending of funds on the Integrated National Electrification Programme Grant and Municipal Infrastructure Grant by the municipality as at 30 June 2022, as indicated below.

21.1.4 Sishen Iron Ore Financial Support Grant	**2025** **R**	**2024** **R**
Balance unspent at beginning of year	411,323	411,323
Current year receipts	-	-
Conditions met - transferred to Revenue	-	-
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Current Liabilities (see Note 15)	**411,323**	**411,323**

21.1.5 Provincial Government - Department of Arts & Culture (Library Grant)

Balance unspent at beginning of year	-	-
Current year receipts	1,417,000	1,356,000
Conditions met - transferred to Revenue	(1,417,000)	(1,356,000)
Conditions still to be met - transferred to Current Liabilities (see Note 15)	-	-

The grant is to be utilised for programme costs of the library and other costs as per library proposal. No funds have been withheld.

21.1.6 National: Municipal Infrastructure Grant (MIG)	**2025** **R**	**2024** **R**
Balance unspent at beginning of year	4,607,288	67,854
Current year receipts	17,270,000	10,000,000
Conditions met - transferred to Revenue: Operating Expenses	(656,468)	(761,436)
Conditions met - transferred to Revenue: Capital Expenses	(16,171,408)	(4,631,276)
Other Adjustments/Refunds	(4,607,288)	(67,854)
Conditions met - transferred to Revenue: Covid19 Expenses	-	-
Conditions still to be met - transferred to Current Liabilities (see Note 15)	**442,124**	**4,607,288**

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions; to provide for new, rehabilitation and upgrading of municipal infrastructure. Funds have been withheld during the 2022/23 financial year due to the non-spending of funds as at 30 June 2022.

21.1.7 National: Municipal Finance Management Grant (FMG)

Balance unspent at beginning of year	533,756	46,099
Current year receipts	3,000,000	3,100,000
Conditions met - transferred to Revenue	(3,000,000)	(2,566,244)
Other Adjustments/Refunds	-	(46,099)
Conditions still to be met - transferred to Current Liabilities (see Note 15)	**533,756**	**533,756**

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial management reforms required by the Municipal Finance Management Act (MFMA), 2003.

21.1.8 National: Department of Public Works - Expanded Public Works Program Grant (EPWP)

Balance unspent at beginning of year	-	-
Current year receipts	1,860,000	950,000

Conditions met - transferred to Revenue	(1,860,000)	(950,000)
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Current Liabilities (see Note 15)	-	-

The grant is to be utilised for salary expenses for the expended Public Works Program in accordance with the national cleaning campaign.

23.3.9 Water Service Infrastructure Grant (WSIG)

Balance unspent at beginning of year	2,075,278	1,738,998
Current year receipts	6,174,000	3,988,000
Conditions met - transferred to Revenue	(6,174,000)	(1,912,722)
Other Adjustments/Refunds	(1,008,712)	(1,738,998)
Conditions still to be met - transferred to Current Liabilities (see Note 15)	1,066,566	2,075,278

Grant is used to develop new, refurbish, upgrade and replace ageing infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries

23.3.10 LG SETA Mandatory Grant

Balance unspent at beginning of year	1,321	31,494.00
Current year receipts	179,933	141,188
Conditions met - transferred to Revenue	(146,900)	(171,361)
Other Adjustments/Refunds	(1,321)	-
Conditions still to be met - transferred to Current Liabilities (see Note 15)	33,033	1,321

This grant is to be utilised by the Municipality for training.

22. SERVICE CHARGES

Sale of Electricity	71,221,647	58,677,339
Sale of Water	8,902,889	12,995,771
Refuse Removal	17,754,100	16,284,139
Sewerage and Sanitation Charges	31,048,802	27,741,336
Total Service Charges	128,927,438	115,698,585

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

The **prior year amount** for Service Charges has been restated. Refer to note 42 on " Correction of Error" for details of the restatements.

23. SALES OF GOODS AND RENDERING OF SERVICES

Advertisements	122,038	129,806
Building Plan Approval	85,310	114,914
Camping Fees	12,400	3,704
Cemetery and Burial	55,398	44,586
Clearance Certificates	-	33,327
Entrance Fees	1,765	9,227
Photocopies and Faxes	-	6,453
Sale of Goods	187,792	167,653
Stone and Gravel	29,194	15,881
Valuation Services	26,580	1,462
Total Sales of Goods and Rendering of Services	520,477	527,013

24. RENTAL FROM FIXED ASSETS

Investment Property	12,434	561,533
Other Rental income		
Contingent Rental Income from Other Fixed Assets	720,169	-
Ad-hoc Rental Income from Other Fixed Assets	-	41,890
Total Rental of Facilities and Equipment	732,603	603,423

Rental income generated are at market related premiums. All rental income recognised is therefore market related.

	2025	2024

25. INTEREST EARNED

	R	R
External Investments:		
Bank Account	11,571	12,505
Investments	1,255,536	1,344,267
Landfill	685,333	-
	1,952,440	**1,356,772**

26. OPERATIONAL REVENUE

Administrative Handling Fees	92,369	15,087
Commission	94,557	481,601
Incidental Cash Surpluses	-	4,174
Staff Recoveries	31,334	5,589
Total Operational Revenue	**218,260**	**506,451**

The amounts disclosed above for Other Revenue are in respect of services, other than described in Notes 20 to 26, rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

	2025 R	2024 R
27. EMPLOYEE RELATED COSTS		
Salaries and Wages		
Basic	53,395,253	49,165,224
Long Service Awards	-	410,159
Bonusses	-	95,815
Leave Payments	1,143,449	829,777
Overtime	8,752,885	9,725,871
Allowances		
Accommodation, Travel and Incidental	286,930	205,910
Acting and Post Related Allowances	346,463	554,493
Bonus Allowance	3,709,847	3,622,435
Cellular and Telephone	214,150	215,450
Housing Benefits	3,199,516	2,911,354
Non-pensionable	132,637	247,744
Standby Allowance	1,721,058	1,685,316
Travel or Motor Vehicle	4,698,094	4,680,560
Social Contributions		
Bargaining Council	33,723	37,714
Group Life Insurance	52,700	57,700
Medical	3,877,171	3,446,534
Pension	9,061,433	8,307,146
Unemployment Insurance	483,849	452,338
Post-retirement Benefit		
Current Service Cost	1,004,824	1,644,000
Long Term Service Awards	375,000	678,000
Total Employee Related Costs	**92,488,982**	**88,973,540**

No advances were made to employees.

Remuneration of Section 57 Employees:
Remuneration of the Municipal Manager - H Mathobela

	2025 R	2024 R
Annual Remuneration	646,564	631,017
Car and Other Allowances	498,516	448,113
Total	**1,145,080**	**1,079,130**

Remuneration of the Chief Financial Officer - LR Coakley

	2025 R	2024 R
Annual Remuneration	44,239	589,027
Car and Other Allowances	114,130	400,576
Total	**158,369**	**989,603**

Remuneration of the Director Corporate Services - IC Nkadimang

	2025 R	2024 R
Annual Remuneration	748,751	770,567
Car and Other Allowances	379,772	378,885
Total	**1,128,524**	**1,149,452**

Remuneration of the Director: Community Services - J Theys

	2025 R	2024 R
Annual Remuneration	660,663	682,479
Car and Other Allowances	482,425	469,073
Total	**1,143,088**	**1,151,552**

Summary of Remuneration of Section 57 Employees:

	2025 R	2024 R
All Managers	3,575,059	4,369,737

Total Remuneration of Section 57 Employees	**3,575,059**	**4,369,737**

Refer to Appendix G for more detail.

28. REMUNERATION OF COUNCILLORS

	2025 R	2024 R
Mayor	980,664	966,417
Allowances and Service Related Benefits	982,879	966,814
Speaker	813,387	756,771
Allowances and Service Related Benefits	816,150	781,832
Chief Whip	138,771	
Allowances and Service Related Benefits	138,771	-
Mayoral committee members	1,062,076	1,268,190
Allowances and Service Related Benefits	1,062,076	1,268,190
MPAC Chairman	376,639	362,814
Allowances and Service Related Benefits	376,639	362,814
Total for All Other Councillors	2,664,295	4,321,647
Allowances and Service Related Benefits	2,534,454	2,370,740
Total Councillors' Remuneration	**5,910,970**	**5,750,390**

Subsistence and travel included under operating cost note 38.

Remuneration of Councillors:

In-kind Benefits
The Mayor, Speaker and all the Mayoral committee members are full-time. The Mayor is provided with secretarial support and an office at the cost of the municipality.
The Mayor has use of a Council owned vehicle for official duties.

Refer to Appendix G for more detail.

29. DEPRECIATION AND AMORTISATION

Depreciation: Property, Plant and Equipment	37,185,557	42,489,881
Amortisation: Intangible Assets	12,014	554,994
Total Depreciation and Amortisation	**37,197,570**	**43,044,873**

30. IMPAIRMENT LOSSES

Impairment Losses on Fixed and Current Assets	24,668,164	9,295,000
Impairment Losses on Financial Assets	51,072,611	43,069,187
Total Impairment Losses	**75,740,775**	**52,364,187**

30.1 Impairment Losses on Fixed & Current Asset

	2025 R	2024 R
Impairment Losses		
Investment Property	-	9,295,000
Property, Plant and Equipment	24,668,164	-
	24,668,164	**9,295,000**

30.2 Impairment Losses on Financial Assets

Impairment Losses		
Trade and Other Receivables from Exchange Transactions	41,899,036	24,740,008
Reversal of Impairment Losses		
Trade and Other Receivables from Non-exchange Transactions	9,173,575	18,329,179
	51,072,611	**43,069,187**

31. FINANCE COSTS

Interest Paid	44,055,413	42,739,926
Interest Non-current Provisions	2,768,000	-
Interest costs non-current Provisions	-	7,831,267
Overdue Accounts	41,287,413	34,908,659
Total Finance Costs	**44,055,413**	**42,739,926**

32. BULK PURCHASES

Electricity	63,562,897	50,462,093
Total Bulk Purchases	**63,562,897**	**50,462,093**

The **prior year amount** for bulk purchases has been restated for bulk purchases incorrectly recorded in the prior year. Refer to note 42 on " Correction of Error" for details of the Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom.

33. CONTRACTED SERVICES

	2025 **R**	**2024** **R**
Outsourced Services	281,216	3,959,640
Consultants and Professional Services	13,115,940	4,575,722
Contractors	6,392,438	7,787,955
Total Contracted Services	**19,789,594**	**16,323,317**

33.1 Outsourced Services

Administrative and Support Staff	-	601,688
Business and Advisory	-	1,457,103
Catering Services	83,358	112,974
Cleaning Services	-	-
Drivers Licence Cards	156,965	192,683
Personnel and Labour	-	1,445,405
Security Services	40,893	149,787
	281,216	**3,959,640**

33.2 Consultants and Professional Services

Business and Advisory	4,793,922	4,479,987
Infrastructure and Planning	403,860	28,730
Legal Cost	7,918,158	67,005
	13,115,940	**4,575,722**

33.3 Contractors

Auctioneers	30,127	-
Electrical	-	4,308
Graphic Designers	24,300	-
Maintenance of Buildings and Facilities	-	704,138
Maintenance of Equipment	820,200	3,046,988
Maintenance of Unspecified assets	1,579,150	3,797,026
Pest Control and Fumigation	-	115,495
Prepaid Electricity Vendors	3,938,661	-
Sewerage Services	-	120,000
	6,392,438	**7,787,955**

The **prior year amount** for Contracted Services has been restated. Refer to Note 42 on

34. INVENTORY CONSUMED

Consumables	(329,372)	38,194
Materials and Supplies	(5,951,131)	(5,490,815)
Water	12,660,823	19,729,894
	6,380,320	14,277,273

The **prior year amount** for Inventory Consumed has been restated. Refer to Note 42 on "Correction of errors" for details of the restatement.

35. OPERATING LEASES	**R**	**R**
Community Assets	450,337	604,456
Furniture and Office Equipment	-	299,688
Infrastructure	2,352,680	2,448,803
Machinery and Equipment	6,961,485	6,192,852
Other Assets	-	393,761
Transport Assets	4,511,978	2,535,679
Machinery, vehicles and equipment	14,276,480	12,475,239

The **prior year amount** for Operating Leases has been restated to account for prior year transactions captured in the 2023/24 financial year. Refer to Note 42 on "Correction of errors" for details of the restatement.

36. OPERATIONAL COSTS

Included in General Expenses are the following:

Advertising, Publicity and Marketing	21,666	323,107
Bank Charges, Facility and Card Fees	614,841	513,802
Bargaining Council	263	239
Commission	733,002	3,589,387
Communication	321,693	547,785
Contribution to Provisions	2,482,305	-
Drivers Licences and Permits	333,270	-
Entertainment	380	32,107
External Audit Fees	5,039,249	2,100,309
Indigent Relief	437,281	1,018,087
External Computer Service	-	85,296
Fines and Penalties	-	99,538
Insurance Underwriting	1,310,063	1,409,099
Licences	3,617,882	2,256,527
Management Fee	402,441	1,676,846
Municipal Services	3,983,650	2,911,944
Personnel Agency Fees [Personnel Recruitment Costs]	28,942	-
Printing, Publications and Books	-	9,407
Professional Bodies, Membership and Subscription	874,245	1,047,714
Registration Fees	469,270	233,560
Remuneration to Ward Committees	409,000	383,000
Samples and Specimens	297,800	305,448
Skills Development Fund Levy	787,526	749,334
Travel and Subsistence	801,728	708,383
Uniform and Protective Clothing	990	33,748
Wet Fuel	928,960	1,133,224
Workmen's Compensation Fund	-	572,142
Total Operational Costs	23,896,447	21,740,033

No other extra-ordinary expenses were incurred.

The **prior year amount** for Operational Costs has been restated. Refer to Note 42 on "Correction of errors" for details of the restatement.

37. GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS

Fair Value adjustment Investment Property:Gains	(16,231,741)	326,624
Property, Plant and Equipment & Investment Property	(5,545,285)	(10,155,300)
Actuarial gains	821,331	
Total Gains / (Losses) on Disposal of Capital Assets	**(20,955,695)**	**(9,828,676)**
Total Gains on Disposal of Capital Assets	**821,331**	**326,624**
Total Losses on Disposal of Capital Assets	**21,777,026**	**10,155,300**

38. DISCONTINUED OPERATIONS

No operations have been discontinued.

39. CORRECTION OF ERROR

A split between reclassifications and prior period errors are provided to ensure that a clear distinction is made between reclassification of items previously incorrectly disclosed within the Annual Financial Statements, whilst items classified as errors are those items which were factual errors in the prior year, affecting the measurement of such items. The title reclassification does not exclude previous judgement errors, but is rather presented separately in order to allow users to understand that these changes were identified as a consequence of continuously reviewing the accurate disclosure of the nature of transactions.

39.1 Reclassification of Accumulated Surplus

The prior year figures of Accumulated Surplus has been restated to correctly disclose the monies held by the municipality in terms of the disclosure notes indicated below.

The effect of the changes are as follows:

		Accumulated Surplus
Balances published as at 30 June 2023		**348,746,905**
Correction of Error:-		
Property Rates receivables correction for John Hilton Pedlar as at 30 June 2023.	(16,211,843)	
Property Rates receivables _ Correct billing for John Hilton Pedlar as at 30 June 2023.	168,051	
Correction of Service charges for water and electricity in the correct financial years. (Cut off correction)	(15,658,567)	
Correction of diesel inventory issued in 2022/23 and not recorded.	(1,224,371)	
Impairment reversal on Property Rates receivables for John Hilton Pedlar as at 30 June 2023	16,211,000	
Correction of ESKOM deposit as at 30 June 2023	9,257,029	
Correction of an incorrect Bank overdraft balance as at 30 June 2023	1,755,474	
Correction of an incorrect Bank balance as at 30 June 2023	1,128,849	
Correction of property stock disposed in prior year	(3,000,000)	
Correct the understatement on the Post Employment Medical	(1,129,000)	
Correction of Current Portion of Employee benefit Liability in GL to agree with balance disclosed in 2024 Annual Financial	6,040,000	
Correction of Property rates imbalances	-	
Correction of prior year expenses causiing an error in the payables and accumulated surplus	-	
Rounding Errors		(2,663,377)
Restated Balances as at 30 June 2023		**346,083,528**
Correction of Error as per Vote:		
Transactions incurred for the Year 2023/24 : Previously Reported		(144,356,446)
Correction of Error:-		
Correction of Error as per Vote:		
Property Rates receivables correction for John Hilton Pedlar for the year ended 30 June 2024	(3,756,982)	
Property Rates receivables correct billing for John Hilton Pedlar for the year ended 30 June 2024	37,703	
Correction of Service charges for water and electricity in the correct financial years. (Cut off correction)	15,658,567	
Correction of ESKOM deposits as at 30 June 2024	(4,239,130)	
Reversal of incorrect journal to balance inventory (consumables) as at 30 June 2024.	6,905,252	

Correction of diesel inventory issued in 2023/24 and not recorded.	(1,151,862)	
Impairment reversal on Property Rates receivables for John Hilton Pedlar for the year ended 30 June 2024	3,756,983	
Eskom Deposit: interest capitalised for the year ended 30 June 2024	236,649	
Write-off of interest on Eskom payables due to debt relief accounted for against Public contributions and donations	20,436,035	
Correction of inventory against inventory consumed	8,750,000	
Trade payable raised for Sedibeng Water	(4,136,137)	
Correction of property rates imbalances	6,139,978	
Correction of Retention liability	1,338,323	
Correcting differences between Tisetso Enterprise (Pty) Ltd Creditor and AFS - CoAF18 Iss84	(160,195)	
Correcting differences between Peyper Attorneys Creditor and AFS - CoAF18 Iss84	(626,418)	
Correcting differences between DoE&L Creditor and AFS - CoAF18 Iss84	2,062,172	
Correcting differences between Payables listing and AFS - CoAF18 Iss91	3,590,523	
Rounding Errors	-	54,841,460
Restated Balances as at 30 June 2024		**256,568,542**

The prior year figures of Revenue Classes have been restated to correctly classify the nature of Revenue of the municipality.

39.2 Reclassification of Revenue

The effect of the Correction of Error is as follows:

	Prior Year 2023/24 Audited	**Reclassification**	**Reclassified Amount**	**Correction of Error**	**Restated Amount 2023/24**
Property Rates	35,415,521	-	35,415,521	(3,719,281)	31,696,240
Fines, Penalties and Forfeits	432,048	-	432,048	-	432,048
Licences and Permits - Non-exchange	923,110	-	923,110	-	923,110
Transfers and Subsidies	83,606,512	-	83,606,512	20,436,034	104,042,546
Licences and Permits - Exchange	2,040	-	2,040	-	2,040
Service Charges	100,040,017	-	100,040,017	15,658,568	115,698,585
Sales of Goods and Rendering of Services	527,013	-	527,013	-	527,013
Rental from Fixed Assets	603,423	-	603,423	-	603,423
Interest Earned - External Investments	1,120,123	-	1,120,123	236,649	1,356,772
Operational Revenue	506,451	-	506,451	-	506,451
Gains on Other Operations	326,624	-	326,624	-	326,624
	223,502,882	-	223,502,882	32,611,970	256,114,852

Prior year amounts of items in **Revenue** included in the Statement of Financial Performance have been restated as indicated below:

	Interest Earned - External Investments	**Property Rates**	**Service Charges**	**Sale of Goods**
Balance previously reported	1,120,123	**35,415,521**	**100,040,017**	**527,013**
Property Rates receivables correction for John Hilton Pedlar for the year ended 30 June 2024		(3,756,982)		
Property Rates receivables correct billing for John Hilton Pedlar for the year ended 30 June 2024		37,703		
Correction of Service charges for water and electricity in the correct financial years. (Cut off correction)			15,658,567	
Eskom Deposit: interest capitalised for the year ended 30 June 2024	236,649			
Rounding Errors		0	0	(0)
Restated Balance now reported	**1,356,772**	**31,696,242**	**115,698,584**	**527,013**
	(0)	2.16	(0.75)	-0.42

	Gains on Disposal of	Transfers and Subsidies	Rental from Fixed Assets	Operational Revenue
Balance previously reported	**326,624**	**83,606,512**	**603,423**	**506,451**
Write-off of interest on Eskom payables due to debt relief accounted for against Public contributions and donations		20,436,035		
Rounding Errors	(0)	(0)	0	0
Restated Balance now reported	**326,624**	**104,042,547**	**603,423**	**506,451**
	(0.15)	0.32	0.49	0.31

39.3 Reclassification of Expenditure

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2022/23 Audited	Reclassificatio n	Reclassified Amount	Correction of Error	Restated Amount 2021/22
Employee Related Costs	88,973,540	-	88,973,540	-	88,973,540
Remuneration of Councillors	5,750,390	-	5,750,390	-	5,750,390
Depreciation and Amortisation	43,044,873	-	43,044,873	-	43,044,873
Impairment Losses	56,121,170	-	56,121,170	(3,756,983)	52,364,187
Finance Costs	42,739,926	-	42,739,926	-	42,739,926
Bulk Purchases	49,134,907	(2,911,944)	46,222,963	4,239,130	50,462,093
Contracted Services	16,690,591	(367,274)	16,323,317	0	16,323,317
Inventory Consumed	25,840,376	(1,195,849)	24,644,527	(10,367,254)	14,277,273
Operating Leases	12,475,239	-	12,475,239	-	12,475,239
Operational Costs	17,264,966	4,475,068	21,740,034	(1)	21,740,033
Losses	10,155,300	-	10,155,300	-	10,155,300
Surplus/Deficit: Transfer to accumulated surpl	(125,950)	-	(125,950)	-	(125,950)
	368,065,328	**-**	**368,065,328**	**(9,885,107)**	**358,180,221**

Prior year amounts of items in **Expenditure** included in the Statement of Financial Performance have been restated as indicated below:

	Employee Related Costs	Remuneration of Councillors	Finance Costs
Balance previously reported	**88,973,540**	**5,750,390**	**42,739,926**
Rounding Errors	-	-	-
Restated Balance now reported	**88,973,540**	**5,750,390**	**42,739,926**
		0.00-	0.00-

	Depreciation and Amortisation	Impairment Losses	Bulk Purchases
Balance previously reported	**43,044,873**	**56,121,170**	**49,134,907**
Reclassification corrections: Reclassification of municipal services included in Bulk Purchases			(2,911,944)
Correction of ESKOM deposits as at 30 June 2024			4,239,130
Impairment reversal on Property Rates receivables for John Hilton Pedlar for the year ended 30 June 2024		(3,756,983)	
Rounding Errors	-	-	-
Restated Balance now reported	**43,044,873**	**52,364,187**	**50,462,093**
	0.00-	0.00-	0.18

	Contracted Services	Inventory Consumed	Operational Costs
Balance previously reported	**16,690,591**	**25,840,376**	**17,264,966**
Reclassification corrections: Reclassification of municipal services included in Bulk Purchases			2,911,944
Reclassification corrections: Misclassification of water inventory	1,195,849	(1,195,849)	

Reclassification corrections: Misclassification of Agency fees_included in external			(553,133)
Reclassification corrections: Misclassification of Agency fees_correction against	78,000		475,133
Reclassification corrections: Misclassification of Audit fees_corrections against contracted services	(1,641,123)		1,641,123
Reversal of incorrect journal to balance inventory (consumables) as at 30 June		(6,905,252)	
Correction of diesel inventory issued in 2023/24 and not recorded.		1,151,862	
Correction of inventory against inventory consumed		(8,750,000)	
Trade payable raised for Sedibeng Water		4,136,137	
Rounding Errors	-	-	-
Restated Balance now reported	**16,323,317**	**14,277,274**	**21,740,034**
	(0.28)	0.88	0.53

	Operating Leases	Losses
Balance previously reported	**12,475,239**	**10,155,300**
Rounding Errors	-	-
Restated Balance now reported	12,475,239	10,155,300
	0.00-	0.00-

39.4 Reclassification of Statement of Financial Position

The prior year figures of Classes in the Statement of Financial Position have been restated to correctly classify the nature of Assets, Liabilities and Net Assets of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2023/24 Audited	Reclassification	Reclassified Amount	Correction of Error	Restated Amount 2023/24
Current Assets					
Inventories	4,094,737	-	4,094,737	10,279,019	14,373,756
Receivables from Exchange Transactions	8,602,882	-	8,602,882	-	8,602,882
Receivables from Non-exchange Transactions	26,748,279	-	26,748,279	9,740,590	36,488,869
VAT Receivable	15,519,966	-	15,519,966	(489,131)	15,030,835
Cash and Cash Equivalents	8,950,232	-	8,950,232	1,128,849	10,079,081
Non-Current Assets					
Property, Plant and Equipment	701,672,519	-	701,672,519	643,057	702,315,576
Intangible Assets	33,343	-	33,343	-	33,343
Investment Property	65,977,884	-	65,977,884	(4)	65,977,880
Heritage Assets	394,675	-	394,675	-	394,675
Current Liabilities					
Consumer Deposits	(3,084,612)	-	(3,084,612)	-	(3,084,612)
Payables from Exchange Transactions	(559,827,134)	-	(559,827,134)	12,507,897	(547,319,237)
Current employee benefits	(1,564,000)	-	(1,564,000)	-	(1,564,000)
Unspent Conditional Grants and Receipts	(8,104,058)	-	(8,104,058)	-	(8,104,058)
Bank overdraft	(1,755,474)	-	(1,755,474)	1,755,474	(0)
Non-Current Liabilities					
Long-term Liabilities	-	-	-	-	-
Non-current Provisions	(25,278,058)	-	(25,278,058)	-	(25,278,058)
Employee Benefit Liabilities	(18,715,000)	-	(18,715,000)	(1,129,000)	(19,844,000)
Net Assets					
Accumulated Surplus / (Deficit)	(204,390,460)	-	(204,390,460)	(43,712,477)	(248,102,937)
	9,275,721	**-**	**9,275,721**	**(9,275,727)**	**(6)**

Opening balances and prior year amounts of items in the Statement of Financial Position have been restated as indicated below:

	Inventories	Exchange Receivables	Non-exchange Receivables	VAT
Balances previously published per AFS as at 30 June 2023	**10,884,958**	**20,402,385**	**26,284,284**	**12,644,756**
Property Rates receivables correction for John Hilton Pedlar as at 30 June 2023.			(16,211,843)	
Property Rates receivables _ Correct billing for John Hilton Pedlar as at 30 June 2023.			168,051	
Correction of Service charges for water and electricity in the correct financial years		(15,658,567)		
Correction of diesel inventory issued in 2022/23 and not recorded	(1,224,371)			
Impairment reversal on Property Rates receivables for John Hilton Pedlar as at 30 June 2023			16,211,000	
Correction of ESKOM deposit as at 30 June 2023			9,257,029	
Correction of property stock disposed in prior year	(3,000,000)			
Balances now published per AFS as at 30 June 2023	**6,660,587**	**4,743,818**	**35,708,522**	**12,644,756**
Transactions incurred for the Year 2023/24	(6,790,221)	(11,799,503)	463,995	2,875,210
Property Rates receivables correction for John Hilton Pedlar for the year ended 30 June 2024			(3,756,982)	
Property Rates receivables correct billing for John Hilton Pedlar for the year ended 30 June 2024			37,703	
Correction of Service charges for water and electricity in the		15,658,567		
Correction of ESKOM deposits as at 30 June 2024			(4,239,130)	
Reversal of incorrect journal to balance inventory (consumables) as at 30 June 2024	6,905,252			
Correction of diesel inventory issued in 2023/24 and not recorded	(1,151,862)			
Impairment reversal on Property Rates receivables for John Hilton Pedlar for the year ended 30 June 2024			3,756,983	
Eskom Deposit: interest capitalised for the year ended 30 June 2024			236,649	
Eskom deposit: Instalments raised as at 30 June 2024			7,542,000	
Correction between Eskom deposits and Bulk Electricity			(3,260,870)	
Correction of VAT on bulk electricity payables				(489,130)
Correction of inventory against inventory consumed	8,750,000			
Balances now published per AFS as at 30 June 2024	**14,373,756**	**8,602,882**	**36,488,869**	**15,030,836**
	(0)	0.00-	0	1

	PPE	Intangible Assets	Investment Property	Heritage Assets
Balances previously published per AFS as at 30 June 2023	**725,310,452**	**589,700**	**74,946,260**	**394,675**
Balances now published per AFS as at 30 June 2023	**725,310,452**	**589,700**	**74,946,260**	**394,675**
Transactions incurred for the Year 2023/24	(23,637,933)	(556,357)	(8,968,376)	-
Balances now published per AFS as at 30 June 2024	**701,672,519**	**33,343**	**65,977,884**	**394,675**
	(643,057)	0.00-	4	0.00-

	Consumer	Exchange	Current	Unspent
Balances previously published per AFS as at 30 June 2023	**(3,453,033)**	**(463,565,221)**	**(1,662,000)**	**(6,299,717)**
Correct the understatement on the Post Employment Medical Aid Liability				

Balances now published per AFS as at 30 June 2023	**(3,453,033)**	**(463,565,221)**	**(1,662,000)**	**(6,299,717)**
Transactions incurred for the Year 2023/24	368,421	(96,261,913)	98,000	(1,804,341)
Eskom deposit: Instalments raised as at 30 June 2024		(7,542,000)		
Correction between Eskom deposits and Bulk Electricity		3,260,870		
Correction of VAT on bulk electricity payables		489,130		
Write-off of Interest on Eskom payables due to debt relief		20,436,035		
Trade payable raised for Sedibeng Water		(4,136,137)		
Balances now published per AFS as at 30 June 2024	**(3,084,612)**	**(547,319,236)**	**(1,564,000)**	**(8,104,058)**
	0.00-	1.00	0.00-	0.00-

	Current portion of LT Liabilities	**Non-current Provisions**	**Bank overdraft**	**Cash and Cash Equivalents**
Balances previously published per AFS as at 30 June 2023	**(7,643,255)**	**(29,821,862)**	**(1,755,474)**	**9,452,997**
Correction of an incorrect Bank overdraft opening balance in the GL			1,755,474	
Correction of an incorrect Bank opening balance in the GL				1,128,849
Balances now published per AFS as at 30 June 2023	**(7,643,255)**	**(29,821,862)**	**-**	**10,581,846**
Transactions incurred for the Year 2023/24	7,643,255	4,543,804	-	(502,765)
Balances now published per AFS as at 30 June 2024	**-**	**(25,278,058)**	**-**	**10,079,081**
	0.00-	0.00-	0	0

	Non-Current Employee benefits
Balances previously published per AFS as at 30 June 2023	**(17,963,000)**
Correct the understatement on the Post Employment Medical Aid Liability	(1,129,000)
Balances now published per AFS as at 30 June 2023	**(19,092,000)**
Transactions incurred for the Year 2023/24	(752,000)
Balances now published per AFS as at 30 June 2024	**(19,844,000)**
	0.00-

40. CHANGE IN ACCOUNTING ESTIMATES

The municipality did not receive any new information or notice of new developments during the financial year that need to be disclosed in terms of GRAP 3.

41. CASH GENERATED BY OPERATIONS

	2025 R	**2024 R**
Surplus / (Deficit) for the Year	(113,692,067)	(101,859,368)
Adjustment for:		
Prior year appropriations	(13,097,669)	9,918,778
Depreciation and Amortisation	37,197,570	39,130,840
Impairment Losses on Property, Plant and Equipment & Investment Property	24,764,412	4,606,878
Losses / (Gains) on Disposal of Property, Plant and Equipment	5,545,285	10,155,300
Impairment Loss on Investment Property	-	9,295,000
Contribution to Post-retirement Employee Benefits - Non-current	1,643,507	(1,570,000)
Contribution to Post-retirement Employee Benefits - Current	786,000	(98,000)
Increase/Decrease in Non-current provisions	1,726,126	(12,375,071)
Provision for staff leave & bonus	196,898	636,374

Debt impairment - Provision for doubtful debts (Exchange)	41,742,036	24,740,008
Debt impairment - Provision for doubtful debts (Non-exchange - Rates)	8,697,034	2,118,179
Finance costs - Discounting of provision for rehabilitation of landfill site	2,768,000	7,831,267
Employee related cost - actuarial interest	1,379,824	2,322,000
Fair value adjustment Investment Property	16,231,741	(326,624)
Employee related cost - Actuarial gains	(821,331)	-
Donation received from mine	(12,681,994)	(5,932,700)
Operating surplus before working capital changes	2,385,371	(11,407,139)
Decrease/(Increase) in Inventories	3,121,942	(7,713,169)
Decrease/(Increase) in Receivables from Exchange Transactions	(39,073,784)	(28,599,072)
Decrease/(Increase) in Receivables from Non-exchange Transactions - Rates	(129,662)	5,215,098
Decrease/(Increase) in Receivables from Non-exchange Transactions - Fines & Other	(5,146,053)	(8,113,624)
Decrease/(Increase) in VAT Receivable	1,522,603	(2,386,079)
Increase/(Decrease) in Consumer Deposits	98,992	(368,421)
Increase/(Decrease) in Payables from Exchange Transactions	72,888,358	83,117,640
Increase/(Decrease) in Conditional Grants and Receipts	(5,615,934)	1,804,341
Cash generated by / (utilised in) Operations	**30,051,833**	**31,549,575**

42. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

42.1 Unauthorised Expenditure	**2025 R**	**2024 R**
Reconciliation of Unauthorised Expenditure:		
Opening balance	855,040,298	759,894,802
Unauthorised Expenditure current year	35,674,413	95,145,496
Approved by Council or condoned	-	-
To be recovered – contingent asset (see Note 59)	-	-
Transfer to receivables for recovery (see Note 4)	-	-
Unauthorised Expenditure awaiting authorisation	**890,714,712**	**855,040,298**

There were no criminal/disciplinary steps taken for unauthorised expenditure during the year under review.

	Actual	**Budget**	**Variance**	**Budgeted votes exceeded**
2025:				
Vote 1: Financial Services	87,622,739	111,188,068	(23,565,329)	-
Vote 2: Community Services	32,659,137	29,239,292	3,419,845	3,419,845
Vote 3: Corporate Services	22,801,952	15,488,385	7,313,567	7,313,567
Vote 4: Technical Services	182,663,580	168,284,385	14,379,195	14,379,195
Vote 5: Executive and Council	8,105,538	11,732,345	(3,626,807)	-
Vote 6: Municipal Manager	11,678,176	1,116,369	10,561,807	10,561,807
Vote 7: Planning and Development Services	3,486,154	25,707,228	(22,221,074)	-
	349,017,275	**362,756,072**	**(13,738,797)**	**35,674,413**

	Actual	**Budget**	**Variance**	**Budgeted votes exceeded**
2024:				
Vote 1: Financial Services	129,646,607	49,769,211	79,877,396	79,877,396
Vote 2: Community Services	29,621,160	29,318,136	303,024	303,024
Vote 3: Corporate Services	17,035,851	17,880,532	(844,681)	(844,681)
Vote 4: Technical Services	147,103,225	127,780,224	19,323,001	19,323,001
Vote 5: Executive and Council	7,812,109	8,638,347	(826,238)	(826,238)
Vote 6: Municipal Manager	6,866,915	6,800,076	66,839	66,839
Vote 7: Planning and Development Services	5,328,804	8,082,649	(2,753,845)	(2,753,845)
	343,414,671	**248,269,175**	**95,145,496**	**95,145,496**

42.2 Fruitless and Wasteful Expenditure	**2025 R**	**2024 R**
Reconciliation of Fruitless and Wasteful expenditure:		
Opening balance	170,740,402	134,917,007
Fruitless and Wasteful Expenditure current year	41,286,691	35,823,395
Fruitless and Wasteful Expenditure identified in current year relating to prior years	-	-
Expenditure investigated and approved by Council	-	-

To be recovered	-	-
Fruitless and Wasteful Expenditure awaiting condonement	**212,027,092**	**170,740,402**

The Fruitless and wasteful expenditure has been restated.

42.3 Irregular Expenditure

Reconciliation of Irregular Expenditure:		
Opening balance	90,155,446	80,565,288
Irregular Expenditure current year & previously reported	2,630,800	9,590,158
Irregular Expenditure prior year, but identified in current year	-	-
Condoned or written off by Council	-	-
To be recovered – contingent asset (see Note 59)	-	-
Transfer to receivables for recovery (see Note 4)	-	-
Irregular Expenditure awaiting condonement	**92,786,246**	**90,155,446**

43. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

43.1 Contributions to organised local government - SALGA

Opening Balance	2,717,020	3,189,285
Council Subscriptions	1,033,466	1,022,020
Amount Paid - current year	1,300,000	(1,494,285)
Amount Paid - previous years	-	-
Balance Unpaid (included in Creditors)	**5,050,486**	**2,717,020**

43.2 Audit Fees

Opening Balance	5,777,627	6,491,855
Current year Audit Fee	6,550,840	5,138,176
Amount Paid - current year	(3,665,000)	(3,700,000)
Amount Paid via credit note - previous years	(1,387,186)	(2,152,404)
Balance Unpaid (included in Creditors)	**7,276,281**	**5,777,627**

43.3 VAT

The net of VAT input payables and VAT output receivables are shown in Note 5. Not all VAT returns have been submitted by the due date throughout the year.

43.4 PAYE, Skills Development Levy and UIF

Opening Balance	1,915,770	1,021,968
Current year Payroll Deductions	13,848,170	13,634,449
Amount Paid - current year	(12,631,932)	(11,718,679)
Amount Paid - previous years	(1,915,770)	(1,021,968)
Balance Unpaid (included in Creditors)	**1,216,238**	**1,915,770**

43.5 Pension and Medical Aid Deductions

Opening Balance	1,761,812	1,525,019
Current year Payroll Deductions and Council Contributions	21,650,676	19,910,387
Amount Paid - current year	(19,796,507)	(18,148,575)
Amount Paid - previous years	(1,761,812)	(1,525,019)
Balance Unpaid (included in Creditors)	**1,854,169**	**1,761,812**

43.6 Councillor's arrear Consumer Accounts

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

30 June 2025	**Total**	**Outstanding up to 90 days**	**Outstanding more than 90 days**
Mabilo OM	2,036	2,036	-
Esau D	15,103	3,147	11,956
Tonyane K	11,057	3,147	7,910
English H	696	696	-
Miennies DH	295	295	-
Lottering MM	28,533	3,147	25,386

Boucher J 2969	0	0	-
Beets H	3,840	3,840	-
Sibiya G	56,279	3,247	53,032
Total Councillor Arrear Consumer Accounts	**117,838**	**19,555**	**98,283**

30 June 2024	**Total**	**up to 90 days**	**more than 90 days**
Mabilo OM	(2,999)	(2,999)	-
Esau D	15,044	3,000	12,044
Tonyane K	16,998	3,000	13,998
English H	(0)	(0)	-
Miennies DH	314	314	-
Lottering MM	35,674	3,000	32,674
Boucher J	20,877	3,210	17,666
Beets H	1,507	1,507	-
Sibiya G	56,212	3,079	53,133
Total Councillor Arrear Consumer Accounts	**143,626**	**14,111**	**129,515**

43.7 Deviation from, and ratification of minor breaches of, the Procurement Processes

In terms of section 36(2) of the Municipal Supply Chain Management Regulations approved by the council, any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager, noted by Council and bids where the formal procurement processes could not be followed must be noted in the Annual Financial Statements.

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

30 JUNE 2025

Department	Division	Deviation type	Amount
MMANAPE PRIVATE TECHNICAL COLLEGE	Function:Finance and Administration:Core Function:Finance	Service provider appointed initially appointed based on budget estimate of R198 000. After appointment additional employees were recommended and the service provider was requested to add them to the MFMP program	397,600
ROMALEPE CHARTED ACCOUNTANTS INC	Function:Finance and Administration:Core Function:Finance	As per recommendation / resolution of Audit Committee the municiaplity had not enough time to advertise for appointment of the service provider. Due to numerous findings raised by the AGSA it was prudent to appoint Consultants emmidiately to start with addressing prior year issues.	850,000
		Total:	**1,247,600**

30 June 2024

Department	Division	Deviation type	Amount
Community Services	Office of the Director Community Services	Emergency	1,621,001
Executive and Council	Office of the Mayor	Sole Provider or Single Provider	52,638
Financial Services	Asset and Fleet Management	Sole Provider or Single Provider	241,090
Financial Services	Budget and Reporting	Emergency	8,150
Financial Services	Office of the Chief Financial Officer	Acquisition of Special Works or Art Works	287,295
Financial Services	Office of the Chief Financial Officer	Emergency	60,591
Financial Services	Office of the Chief Financial Officer	Exceptional or Impractical case	3,000
Financial Services	Office of the Chief Financial Officer	Sole Provider or Single Provider	106,342
Municipal Manager	Office of the Municipal Manager	Sole Provider or Single Provider	266,164
Technical Services	Distribution Services	Emergency	819,382
Technical Services	Distribution Services	Sole Provider or Single Provider	720,946
Technical Services	Mechanical Services	Sole Provider or Single Provider	26,340
Technical Services	PMU	Emergency	953,548
Technical Services	Water Provision Maintenance Services	Emergency	1,939,426
	(Potable Water)		

Total:	**7,105,913**

43.8 Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Material Electricity and Water Losses were as follows and are not recoverable:

Electricity:

		Lost Units	Tariff	Value
30 June 2025	Unaccounted Electricity Losses	7,643,551	2.2061	16,862,110
30 June 2024	Unaccounted Electricity Losses	4,131,364	1.9700	8,138,788

Electricity Losses occur due to inter alia, technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an on-going process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

	2025 R	2024 R
Volumes in kWh/year:		
System Input Volume	28,812,896	25,566,946
Billed Consumption	21,169,345	21,435,582
Distribution Loss	**7,643,551**	**4,131,364**
Percentage Distribution Loss	26.53%	16.16%

Water:

		Lost Units	Tariff	Value
30 June 2025	Unaccounted Water Losses	743,574	10.71	7,963,679
30 June 2024	Unaccounted Water Losses	2,142,112	10.14	21,721,014

Water Losses occur due to inter alia, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an on-going process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repaired as soon as they are reported.

Volumes in Kl/year:		
System Input Volume	1,149,308	2,680,315
Billed Consumption	405,734	538,203
Inventory water stock level		-
Distribution Loss	**743,574**	**2,142,112**
Percentage Distribution Loss	64.70%	79.92%

44. COMMITMENTS FOR EXPENDITURE

44.1 Capital Commitments

	2025 R	2024 R
Commitments in respect of Capital Expenditure:		
- Approved and Contracted for:-	**34,272,829**	**22,019,767**
Property Plant and Equipment - Infrastructure assets	34,272,829	22,019,767
This expenditure will be financed from:		
Government Grants	34,272,829	22,019,767
	34,272,829	**22,019,767**
Commitments for the acquisition of Property, Plant and Equipment		

44.2 Lease Commitments

Finance Lease Liabilities and Non-cancellable Operating Lease Commitments are disclosed in Notes 16.

45. FINANCIAL INSTRUMENTS

45.1 Classification

FINANCIAL ASSETS:
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:

Financial Assets	Classification		
Receivables from Exchange Transactions		**7,354,294**	**9,984,837**
Cash and Cash Equivalents			
Call Deposits	Amortised cost	10,192,469	8,742,080
Short-term Portion of Investments	Amortised cost	-	-
Bank Balances	Amortised cost	418,774	1,337,302
Cash Floats and Advances	Fair Value	(301)	(301)

SUMMARY OF FINANCIAL ASSETS

Financial Assets at Amortised Cost:			
Receivables from Exchange Transactions		**7,354,294**	**9,984,837**
Investments	Investments	-	-
Cash and Cash Equivalents	Call Deposits	10,192,469	8,742,080
Cash and Cash Equivalents	Bank Balances	418,774	1,337,302
		17,965,537	20,064,219
Financial Assets at Fair Value:			
Cash and Cash Equivalents	Cash Floats and Advances	(301)	(301)
Total Financial Assets		17,965,236	20,063,918

FINANCIAL LIABILITIES:
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:

Financial Liabilities	Classification		
Payables from Exchange Transactions			
Retentions	Amortised cost	10,264,252	9,915,438
Salary Related Payables	Amortised cost	150,000	-
Trade Creditors	Amortised cost	551,670,196	480,962,256
Consumer Deposits	Amortised cost	3,183,604	3,084,612
		565,268,052	493,962,306

SUMMARY OF FINANCIAL LIABILITIES		2025 R	2024 R
Financial Liabilities at Amortised Cost:			
Payables from Exchange Transactions	Retentions	10,264,252	9,915,438
Payables from Exchange Transactions	Salary Related Payables	150,000	-
Payables from Exchange Transactions	Trade Creditors	551,670,196	480,962,256
Consumer Deposits	Consumer Deposits	3,183,604	3,084,612
Total Financial Liabilities		565,268,052	493,962,306

45.2 Fair Value

The following methods and assumptions were used to estimate the Fair Value of each class of Financial Instrument for which it is practical to estimate such value:

Cash
The carrying amount approximates the Fair Value because of the short maturity of these instruments.

Trade and Other Receivables/Payables
The Fair Value of Trade and Other Payables is estimated at the present value of future cash flows.

The management of the municipality is of the opinion that the carrying value of Trade and Other Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values. The Fair Value of Trade Receivables were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratios of the municipality's debtors.

Long-term Liabilities
The Fair Value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Management considers the carrying amounts of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial

The Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	30 June 2025		30 June 2024	
	Carrying Amount R	**Fair Value R**	**Carrying Amount R**	**Fair Value R**
FINANCIAL ASSETS				
Measured at Amortised Cost:	17,965,537	17,965,537	20,064,219	20,064,219
Receivables from Exchange Transactions	7,354,294	7,354,294	9,984,837	9,984,837
Call Deposits	10,192,469	10,192,469	8,742,080	8,742,080
Bank Balances	418,774	418,774	1,337,302	1,337,302
Measured at Fair Value	(301)	(301)	(301)	(301)
Cash and Cash Equivalents	(301)	(301)	(301)	(301)
Total Financial Assets	**17,965,236**	**17,965,236**	**20,063,918**	**20,063,918**
FINANCIAL LIABILITIES				
Measured at Amortised Cost:	565,268,052	565,268,052	493,962,306	493,962,306
Trade and Other Payables:				
-Payables from Exchange Transactions	562,084,448	562,084,448	490,877,694	490,877,694
Consumer Deposits	3,183,604	3,183,604	3,084,612	3,084,612
Total Financial Liabilities	**565,268,052**	**565,268,052**	**493,962,306**	**493,962,306**
Total Financial Instruments	**(547,302,816)**	**(547,302,816)**	**(473,898,389)**	**(473,898,389)**
Unrecognised Gain / (Loss)		-		-

No Financial Instruments of the municipality have been reclassified during the year.

Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP 104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments. The levels have been defined as follows:
Level 1:-

Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2:-
Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:-
Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

30 June 2025

	Level 1 R	**Level 2 R**	**Level 3 R**	**Total R**
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Cash and Cash Equivalents	-	(301)	-	(301)
Total Financial Assets	**-**	**(301)**	**-**	**(301)**

	Level 1	Level 2	Level 3	Total
Total Financial Instruments	**-**	**(301)**	**-**	**(301)**

30 June 2024

	Level 1 R	Level 2 R	Level 3 R	Total R
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Cash and Cash Equivalents	-	(301)	-	(301)
Total Financial Assets	**-**	**(301)**	**-**	**(301)**
Total Financial Instruments	**-**	**(301)**	**-**	**(301)**

45.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2024.

The capital structure of the municipality consists of debt, which includes Cash and Cash Equivalents and Equity, comprising Funds,

Gearing Ratio

	2025 R	2024 R
The gearing ratio at the year-end was as follows:		
Debt	-	-
Cash and Cash Equivalents	(10,610,942)	(10,079,081)
Net Debt	(10,610,942)	(10,079,081)
Equity	108,968,818	248,102,937
Net debt to equity ratio	**-9.74%**	**-4.06%**

Debt is defined as Long-term Liabilities, together with its Short-term Portion.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

45.4 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

45.5 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Credit Risk

Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities.

Liquidity Risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 45.7 to the Annual Financial Statements.

45.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 47.6.2 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

45.6.1 Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

45.6.2 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank and Standard Bank. No investments with a tenure exceeding twelve months are made.

In the case of debtors whose accounts become in arrears, it is endeavoured 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. Consumer Deposits are increased accordingly.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

45.7 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, First National Bank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and electricity services rendered to them.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:
• The application of section 118(3) of the Municipal Systems Act (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property;
• A new owner is advised, prior to the issue of a revenue clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount;
• The consolidation of rates and service accounts, enabling the disconnecting services for the non-payment of any of the individual debts, in terms of section 102 of the MSA;
• The requirement of a deposit for new service connections, serving as guarantee and are reviewed annually;
• Encouraging residents to install water management devices that control water flow to households, and/or prepaid electricity meters.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Payment of accounts of consumer debtors, who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer in terms of the Credit Control and Debt Collection Policy.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

	2025 R	2024 R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Receivables from Exchange Transactions	372,099,391	333,025,607
Bank, Cash and Cash Equivalents	10,611,243	10,079,381
Maximum Credit and Interest Risk Exposure	382,710,634	343,104,988

	2025 R	2024 R
Bank and Cash Balances		
ABSA Bank Ltd	111,878	8,216,281
First National Bank	693,751	2,423
Standard Bank	9,805,614	1,860,679
Total Bank and Cash Balances	10,611,243	10,079,383

45. FINANCIAL INSTRUMENTS (Continued)

47.8 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

Description	Note ref in AFS	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	R	R	R	R		R
30 June 2025							
Non-interest Bearing		562,084,448	562,084,448	-	-	-	-
- Payables from Exchange transactions	13	562,084,448	562,084,448	-	-	-	-
Consumer Deposits		3,183,604	1,591,802	1,591,802	-	-	-
		565,268,052	**563,676,250**	**1,591,802**	**-**	**-**	**-**
30 June 2024							
Restated:							
Non-interest Bearing		490,877,694	490,877,694	-	-	-	-
- Payables from Exchange transactions	13	490,877,694	490,877,694	-	-	-	-
Consumer Deposits		3,084,612	1,542,306	1,542,306	-	-	-
		493,962,306	**492,420,000**	**1,542,306**	**-**	**-**	**-**

The following table details the municipality's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the municipality anticipates that the cash flow will occur in a different period.

Description	Note ref in AFS	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	R	R	R	R		R
30 June 2025							
Non-interest Bearing		7,353,993	7,353,993	-	-	-	-
- Trade Receivables from Exchange Transactions	3	7,354,294	7,354,294	-	-	-	-
- Cash and Cash Equivalents	6	(301)	(301)	-	-	-	-
Variable Interest Rate Instruments		10,611,243	10,611,243	-	-	-	-
- Call Deposits	6	10,192,469	10,192,469	-	-	-	-
- Bank Account	6	418,774	418,774	-	-	-	-
		17,965,236	**17,965,236**	**-**	**-**	**-**	**-**
30 June 2024							
Non-interest Bearing		9,984,536	9,984,536	-	-	-	-
- Trade Receivables from Exchange Transactions	3	9,984,837	9,984,837	-	-	-	-
- Cash and Cash Equivalents	6	(301)	(301)	-	-	-	-
Variable Interest Rate Instruments		10,079,382	10,079,382	-	-	-	-
- Call Deposits	6	8,742,080	8,742,080	-	-	-	-
- Bank Account	6	1,337,302	1,337,302	-	-	-	-
		20,063,918	**20,063,918**	**-**	**-**	**-**	**-**

46. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

The municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.

(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

DEFINED CONTRIBUTION SCHEMES

Municipal Councillors Pension Fund:

The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2015.

The statutory valuation performed as at 30 June 2015 revealed that the net assets of the fund were R 2,551.9 (30 June 2012: R 1,371.3) million, with a funding level of 101.08% (30 June 2012: 100,45% (as per revised data reconstruction)). The contribution rate paid by the members (9%) and Council (18,00%) is sufficient to fund the benefits accruing from the fund in the future.

The actuaries certified that the Fund was in a sound financial condition as at 30 June 2015, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

National Fund for Municipal Workers

The last statutory valuation was performed as at 30 June 2015.

The net assets available for benefits were R 10,050 (2014: R 9,032) million.

The statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R 10,050,029,000 and the fund had a surplus of R 41.8 (30 June 2014: R 9.3) million, with a funding levels of R 100.42% (30 June 2014: (100,10%). The contribution rate paid by the members (9%) and the municipalities (18%) is sufficient to fund the benefits accruing from the fund in the future. The fund was certified to be financially sound.

SALA Pension Fund:

The last statutory valuation was performed as at 1 July 2018.

The statutory valuation performed as at 1 July 2018 revealed that the assets of the fund amounted to R14,298.6 (1 July 2015: R 13,231.2) million, with funding levels of 96% (1 July 2015: 100%). The contribution rate paid by the members (9%) and Council (18%). The drop in the funding level could be regarded as the result of short term fluctuations and therefore they do not consider it necessary at that stage to reduce benefits and/or to increase contribution rates in order to restore the funding level.

It is the actuary's opinion that :

- They are satisfied with the investment strategy of the Fund;
- the nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the Rules of the Fund;
- the matching of assets with the liabilities of the Fund is adequate; and
- the insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

LA Retirement Fund (previously Cape Joint Pension Fund):

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2019.

The actuarial review included in the 2019 Annual Report, revealed the following:

The DC section has a funding level of 100% and is in a sound financial position. The pensioners account was 100.7% funded with a surplus of R 68 million as at 30 June 2019. Overall the Fund is in a sound financial condition as at 30 June 2019. The contribution rate paid by the members is 9,00% and the municipality is 18,00%.

Consolidated Retirement Fund

The last statutory valuation was performed as at 30 June 2017. The fund provides defined contribution benefits to its active members and deferred members.

For Contract Employees and Councillors, the Participating Employer contribution rate is 18% of salary. The member contribution rate is 9% of salary.

The actuarial review included in the 2019 Annual Report, revealed the following:

Members Share Account: The largest of the accounts is the Member's Share Account representing the total Member's Share of the Fund of R 25.3 billion (30 June 2018: R 23.2). The Member's Share Account of the Fund was in a sound financial condition as at 30 June 2019 with a funding level of 100.3% (30 June 2018: 100.4%).

Reserve Account: The fund maintained R 65.7 million as at 30 June 2019 in reserve accounts to meet the special death after retirement benefit and unforeseen contingencies.

Pension Account: The Pension Account represents assets of R 647 million set aside to meet pension payments, increases on those payments and any bonuses granted to pensioners. The pensioner liability was R 481 million as at 30 June 2019. The Pension Account was in a sound financial condition and the funding level decreased from 128% as at 30 June 2018 to 124.9% as at 30 June 2019.

The fund was certified to be in sound financial position as at 30 June 2019. All accounts of the Fund had a funding level (assets divided by liabilities) of at least 100%.

Municipal Workers Retirement Fund (Previously SAMWU National Provident Fund)

The valuation performed as at 30 June 2008 revealed that the assets of the fund amounted to R 2,455,947 million (30 June 2005: R 1,511,461 million) with funding levels of 100% (30 June 2005: 100%). The contribution rate paid by the members (9%) and the municipalities (18%) is sufficient to fund the benefits accruing from the fund in the future. The fund is certified to be financially sound as at 30 June 2008.

None of the above mentioned plans are State Plans.

47. RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

47.1 Related Party relationships

Councillors:

Ward	Surname	Initials
1	Lottering	MJ
2	English	AH
3	Devajee	R
4	Keoremetswe	KG
5	Tonyana	G
6	Miennies	D
7	Teise	L
Proportional	Mabilo	OM
Proportional	Beets	HA
Proportional	Ruiters	AJ
Proportional	Esau	D
Proportional	Boucher	J
Proportional	Sibiya	GE

Directors:

	Surname	Initials
Municipal Manager	Mathobela	H
Chief Financial Officer	Coakley	LR
Director Corporate Services	Nkadimang	IC
Director Technical Services	Matebele	B
Director Community Development	Theys	JJ

47.2 Services rendered to Related Parties

During the year the Municipality rendered services to the following related parties that are related to the Municipality as indicated:

		Rates Charges R	Service Charges R	Sundry Charges R	Outstanding Balances R
Year ended 30 June 2025					
Councillors		798	67,975	-	117,838
Municipal Manager and Section 57 Personnel		1,973	22,659	81,094	14,321
Total Services		2,771	90,634	81,094	132,160
Executive Mayor					
Mayor (Ward 2)	English H	798	7,553	-	696
Councillor: Proportional	Sibiya G	-	7,553	-	56,279
Councillor: Proportional	Beets HA	-	7,553	-	3,840
Councillor: Proportional	Esau D	-	7,553	-	15,103
Councillor: Proportional	Boucher J	-	7,553	-	0
Councillor: Proportional	Mabilo OM	-	7,553	-	2,036
Councillor: Ward 1	Lottering MM	-	7,553	-	28,533
Councillor: Ward 5	Tonyane K	-	7,553	-	11,057
Councillor: Ward 6	Miennies DH	-	7,553	-	295
Section 57 Personnel:					
Municipal Manager	Mathobela H	-	7,553	40,547	16,471
Chief Financial Officer	Coakley LR	-	-	-	-
Director Corporate Services	Nkadimang IC	1,973	7,553	-	0
Director Community Development	Theys JJ	-	7,553	40,547	-2,150
		2,771	90,634	81,094	132,160

		Rates Charges R	Service Charges R	Sundry Charges R	Outstanding Balances R
Year ended 30 June 2024					
Councillors		11,433	64,800	-	143,626
Municipal Manager and Section 57 Personnel		190	28,800	121,641	28,861
Total Services		11,623	93,600	121,641	172,487
Mayor (Ward 2)	English H	824	7,200	-	-
Councillor: Proportional	Sibiya G	-	7,200	-	56,212
Councillor: Proportional	Beets HA	8,083	7,200	-	1,507
Councillor: Proportional	Esau D	-	7,200	-	15,044
Councillor: Proportional	Boucher J	2,526	7,200	-	20,877
Councillor: Proportional	Mabilo OM	-	7,200	-	-2,999
Councillor: Ward 1	Lottering MM	-	7,200	-	35,674
Councillor: Ward 5	Tonyane K	-	7,200	-	16,998
Councillor: Ward 6	Miennies DH	-	7,200	-	314
Section 57 Personnel:					
Municipal Manager	Mathobela H	-	7,200	40,547	20,421
Chief Financial Officer	Coakley LR	-	7,200	40,547	7,227
Director Corporate Services	Nkadimang IC	190	7,200	-	613
Director Community Development	Theys JJ	-	7,200	40,547	600
		11,623	93,600	121,641	172,487

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No Bad Debts were written off or recognised in respect of amounts owed by Related Parties.

The related party note has been restated to reflect the values of the levies for the year for the Property Rates, Service Charges and Other Receivables for the year and not the closing balances at year end.

47.3 Loans granted to Related Parties

In terms of the MFMA, the Municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. No loans were granted to Councillors, Management, Staff and Public by Tsantsabane Local Municipality.

47.4 Compensation of Related Parties

Compensation of Key Management Personnel is set out in note 27 and Councillors in note 28, to the Annual Financial Statements.

2025:

Remuneration of the family of key management personnel and councillors that are employed at the municipality:

Directors	Names	Family Member	Department	Relationship	Remuneration
Director Corporate Services	Nkadimang IC	Nkadimang, KB	Community	Wife	397,825.20

2024:

Remuneration of the family of key management personnel and councillors that are employed at the municipality:

Directors	Names	Family Member	Department	Relationship	Remuneration
Director Corporate Services	Nkadimang IC	Nkadimang, KB	Community	Wife	366,754.08

47.5 Transactions with key management personnel or close family members of persons in the service of the state

The municipality traded with the following companies and individuals, which are considered to be Related Parties:

2025:

Company/Individual	Tsantsabane employee	Department	Relation of Tsantsabane employee to company owner/(s)	Designation	Amount of award R
M Suez Trading Trading	Susan Moetsi	Mayor's Office	Owner is a Municipal Employee	Cleaner/General Worker	-
Molema M Caterings	Karabo Molema	Corperate Services	Owner is a Municipal Employee	Archieve Clerk	-
Reakopa General Trading	Lesego Morwe & Gladys Witbooi	Executive and Council	Owner is a Municipal Employee	Speaker's Drive and Secretary of Municipal	-
Caren Jo Couture (Pty)Ltd	Theys JJ	Community Services	Husband	Director Community Services	-

2024:

Company/Individual	Tsantsabane employee	Department	Relation of Tsantsabane employee to company owner/(s)	Designation	Amount of award R
M Suez Trading Trading	Susan Moetsi	Mayor's Office	Owner is a Municipal Employee	Cleaner/General Worker	-
Molema M Caterings	Karabo Molema	Corperate Services	Owner is a Municipal Employee	Archieve Clerk	-

Reakopa General Trading	Lesego Morwe & Gladys Witbooi	Executive and Council	Owner is a Municipal Employee	Speaker's Drive and Secretary of Municipal	-
Caren Jo Couture (Pty)Ltd	Theys JJ	Community Services	Husband	Director Community Services	-

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

47.6 Entities under the control of management or councillors

Designation	Official Surname	Official Initials	Entity
Chief Financial Officer	Coakley	L	C2M Investments (Pty) Ltd
Director	Nkadimang	IC	Monyaka Waboikanyo
Cleaner/General Worker	Moetsi	S	Molema M Caterings
Archieve Clerk	Molema	K	Reakopa General Trading
Councillor	Daniels	M	Greentag Recycling
Driver	Morwe	L	Caren Jo Couture (Pty)Ltd
Secretary	Witbooi	G	Caren Jo Couture (Pty)Ltd
Director (wife)	Theys	J	Caren Jo Couture (Pty)Ltd
Director (wife)	Theys	J	Rose Gold Projects and Events
Councillor	Esau	D	Tsantsa Test Pty Ltd
Municipal Manager	Mathobela	H	Africa Daiz CC
Municipal Manager	Mathobela	H	MNN Resources CC
Councillor	Mabilo	OM	Bopelo Jwa Ga Mabilo
Councillor	Mabilo	OM	TCF Funeral
Councillor	Mabilo	OM	Olemima (Pty) Ltd
Councillor	Mabilo	OM	Mabamosa (Pty Ltd

48. CONTINGENT LIABILITIES

	2025 R	2024 R
Contingent Liabilities arose due to various claims brought against the Municipality. All the claims are being contested based on legal advice. The likelihood of successfully defending the claims, as well as the timing and possible costs thereof are uncertain and cannot be determined at this time.		
48.1 Court Proceedings:	-	-

(i) Breach of Contract:
The municipality is involved in litigation with AXSYS Infrastructure (Pty) Ltd / 20Twenty Projects (Pty) Ltd relating to service agreement termination and non payment by the municipality. Both claims emanates from a contract concluded with the Municipality and Axys/20Twenty on 1 December 2014 for construction work to the value of 30 million rand. The tender was awarded to Axsys who subsequently changed its name to 20 Twenty Projects. The claim for 20Twenty is for request for issue of payment certificates other than for construction services rendered under the name of Axys. These matters are still pending in the Northern Cape High Court and the outcomes are still uncertain.

	2025 R	2024 R
The claim from 20 Twenty Projects (Pty) Ltd is for approximately R 1,118,574.61 plus cost of R 250,000.	-	

(ii) Breach of Contract:

	2025 R	2024 R
The municipality and the Minister of Water & Sanitation is involved in litigation with Sedibeng Water relating to non payment by the municipality with regards to water supplied to Olifantshoek which now falls under municipal boundaries of Gamagara municipality after the demarcation process. The Demarcation board amalgamated Olifantshoek into the Gamagara Municipality as from May 2006 (Election date).	-	

The case is pending and till date no judgement has been handed down. The municipality's lawyers indicated that the prospects on the merits favour the municipality. The claim is for R 10,788,404.75 with additional costs and disbursements of +- R 400,000 which might arise in relation to the case. The outcome of the matter is still uncertain.	Not recognized as contignet liability in terms of GRAP

49. CONTINGENT ASSETS

The municipality was not engaged in any transaction or event during the year under review involving Contingent Assets.

50. IN-KIND DONATIONS AND ASSISTANCE

Various donations in a variety of formats were made to the municipality during the year under review:

Description / Donor	Reference / Nature / Project	Value	Value
Cash Contributions:			
Kolomela Mine	Donations in Cash	-	-
Capital Contributions:	Note 7		
Assmang Iron Ore (Beeshoek)	Construction of New Roads: paved	-	-
Assmang Iron Ore (Beeshoek)	Improving Facilities of Local libraries	-	3,341,560
Kolomela Mine	Roads Infrastructure: Traffic Lights	-	-
Kolomela Mine	Fleet vehicle: Transport assets	-	5,932,700
Kolomela Mine	Machinery and Equipment	-	-
Kolomela Mine	Water Supply Infrastructure: Jojo Tanks	-	-
Kolomela Mine	Construction of New Roads: paved	-	-
Assmang Iron Ore (Beeshoek)	Installation of Solar Lights in Postmasburg	-	-
Assmang Iron Ore (Beeshoek)	Upgrade of Boichoko storm water	6,556,716	-
Assmang Iron Ore (Beeshoek)	Improvement of storm water drainage in postmasburg	6,125,278	-
		12,681,994	**9,274,260**
Provincial Treasury		1,387,186	2,152,404
Write-off of interest on Eskom payables due			20,436,035
Kolomela, Sishen		5,241,005	
Total Donations and In-kind Assistnace Received		**19,310,185**	**31,862,699**

51. PRIVATE PUBLIC PARTNERSHIPS

The municipality was not a party to any Private Public Partnerships during the year under review.

52. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 40).

53. EVENTS AFTER THE REPORTING DATE

No events having financial implications requiring disclosure occurred subsequent to 30 June 2023.

54. GOING CONCERN ASSESSMENT

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This

Management also considered the following matters in relation to the Going Concern position of Tsantsabane Local Municipality:

(i) On 28 June 2023 Council adopted the 2023/24 to 2025/26 budget. This three-year Medium Term Revenue and Expenditure Framework (MTREF), fund the elementary operations of the Municipality to support the on-going delivery of municipal services to residents, reflected that the Budget was cash-backed over the three-year period.

(ii) The municipality’s Budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.

(iii) Strict daily cash management processes are embedded in the municipality’s operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the budget. The cash management processes is complemented by monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

(iv) As the municipality has the power to levy fees, tariffs and charges, this will result in an on-going inflow of revenue to support the on-going delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

(v) A cost containment program is in place and it is regarded by the Municipality as a high priority in order to contain cost and improve service delivery.

(vi) Assessment of the going concern assumption through ratios analysis:

	2025 Ratio	2024 Ratio
Current ratio:		
Comment	11%	15%
The current ratio increased from the previous year to the current year.		
Quick ratio:	9%	13%
Comment		
The Quick ratio increased from the previous financial year to the current year.		
Revenue management		
Debt-collection period (after impairment)	41	58
Debt-impairment provision as a percentage of accounts receivable	93%	92%
Debt ratio	86%	71%
Comment		
The debt ratio increased from the previous year to the current year.		
Other indicators:		
Net Assets position	108,968,818	248,102,937
Comment		
The Municipality entity's total assets exceed its liabilities by R 123,140,264 (2024: R 242,062,937)		
Cash flow	10,610,942	10,079,080
The Municipality entity has a positive bank balance of R 10,610,942 (2024: R 10,079,081) as at 30		
Amount of net cash in /(out)flows for the year from operating activities	27,360,048	31,549,574
Surplus / (Deficit)	(113,692,067)	(101,859,368)
The Municipality has a Loss of R 115,6211,987 worsen from the prior financial year of R 101,859,368		

Payment of creditors within 30 days
Comment
The creditors were not paid within the 30 days as required by law.

Despite the above negative indicators, the municipality is a going concern because of the following:

Municipality Entity Funding
The municipality receives funding from the Government as Grants and Transfers as per the DoRA. There is no intention from Treasury to stop the distribution of Equitable share to Tsantsabane Local Municipality. This is also corroborated by experience where National Treasury has met its obligations year on year and has therefore created a constructive obligation.

It is a state entity set up by the Constitution of the Republic of South Africa to provide basic services to the community and is also funded by the state for that purpose. Failure to provide these services will prompt National Government intervention to ensure it stays functional and able to deliver basic services and consequently compliance with the Constitution.

Grant income receivable in future years:	**2025/26** R	**2026/27** R	**Total** R
Finance Management Grant (FMG)	3,000,000	3,000,000	6,000,000
Municipal Infrastructure Grant (MIG)	17,976,000	19,176,000	37,152,000
Integrated National Electrification (Municipal) Grant	8,000,000	7,000,000	15,000,000
Integrated National Electrification (Eskom) Grant	24,860,000	-	24,860,000
Library grant			-

Equitable Share	61,906,000	64,830,000	126,736,000
Water Services Infrastructure Grant (WSIG)	14,163,000	-	14,163,000
	129,905,000	**94,006,000**	**223,911,000**

Taking the aforementioned into account, Management has prepared the Annual Financial Statements on the Going Concern Basis.

59 Accounting by principals and agents

Details of the arrangements are as follows:

Municipality as Agent/ Principle	Other Party in the Agreement	Purpose of Arrangement	Description of Arrangement	Significant Terms andConditions o
Agent	Provincial Department of Transport	MotorVehicleregistra	The Municipality undertakes to handle Motor vehicle license issuing on behalf of the Department of Transport and collects a commission of 12% plus VAT.	The municipality collectmotor registra
Agent	Provincial Department of Transport	DriversLicenceappli	The Municipality undertakes to handle Driver's licence applications on behalf of the Department of Transport.	The value of application fees is determined by the Provincial administration. The Municipality recognise all fees collected as agency fees.
Agent	Provincial Department of Transport	Administration of Drivers licence cards - RTMC (Road Traffic Management Company)	The Municipality undertakes to issue Driver's licence cards on behalf of the Department of Transport.	The municipality collect all application fees on behalf of Provincial Administration and recognise the revenue as agency fees. The cost for the production of a drivers licence card, for each successful applicant, is paid by the Municipality to the service provider appointed by Provincial Administration based on an invoice of RTMC (Road Traffic Management Company)
Principal	VETA Investments	Prepaid electricityve	Tsantsabane Local Municipality requires a prepayment vending and management system.	The system must provide for all types of payment methods. System must be operation on a 24 hour per day, 7 days a week, 365 days a year basis. No changes during the reporting period.
Principal	Jimbos	Prepaid electricityve	Tsantsabane Local Municipality requires a prepayment vending and management system.	The system must provide for all types of payment methods. System must be operation on a 24 hour per day, 7 days a week, 365 days a year basis. No changes during the reporting period.

Principal	Grid Control	Prepaid watervendo	Tsantsabane Local Municipality requires a prepayment vending and management system.	The system must provide for all types of payment methods. System must be operation on a 24 hour per day, 7 days a week, 365 days a year basis. No changes during the reporting period.

Municipality as agent

Resources held on behalf of the principal(s), but recognised in the municipality's own financial statements

The resources regarding the Licensing Department remain their own and do not form part of the Municipality's financial statements.

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R XXX (2024: R XXX).

Agent Principal arrangement

Motor Vehicle registration, Drivers Licence applications & RTMC - Dept of Transport	2,718,624	923,110

Category(ies) of revenue received / expenses paid on behalf of the principal, are:

The one category of revenue received on behalf of the principal is Licensing fees (includes Vehicle licences, Drivers licences and Drivers licence cards).

Municipality as principal

Resources (including assets and liabilities) of the entity under the custodianship of the agent

No assets or liabilities of Tsantsabane Local Municipality are under the custodianship of Inzalo UMS, VETA and Grid Control.

Fee paid (Commission paid)	2025 R	2024 R
Fees paid as compensation to the agent		
Commission paid		
VETA - prepaid electricity vendor	4,671,663	4,186,147
Inzalo UMS prepaid water vendor	402,807	590,704
GRID Control - prepaid water vendor	-	-
	5,074,470	4,776,851

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated.

There are no resource or cost implications for the municipality if the arrangements are terminated.

60. MFMA Non-Compliance For 2024-2025

MFMA Section	Non-Compliance	Details	Non-Compliance Date
Sec 21(1)(b)	Tabling of Schedule of Key Deadlines	Mayor must, atleast 10 before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for: (i) The preparation, tabling and approval of the annual budget; (ii) The annual review of IDP in terms of sec 34 of MSA. (iii) The tabling and adoption of any amendments to the IDP and the budget related policies. (iv) Any consultative processes forming part of the the processess referred above in (i),(ii) and (iii).	Complied
Sec 28(2)(b) and MBRR Sec 23(3)	Tabling of Special Adjustment Budget	2023/24 MTREF budget adjustment to account for the revised funding allocations that were made available.	Not Applicable

Sec 72	Mid-year budget and performance assessment	(1) The accounting officer of a municipality must by 25 January of year - (a) Assess the performance of the municipality during the first half of the financial year, taking into account; (i) The monthly statements referred to section 71 for the first half of the financial year; (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and perforamnce indicators set in the service delivery and budget implementation plan. (ii) The past year's annual report; and (b) Submit a report on such assessment to - (i) The mayor of the municipality; (ii) The national treasury; and (iii) The relevant provincial treasury.	Complied

Sec 71 Reports	Montly Budget Statements (Sec Reports) 2023/24	Municipalities are required to submit by no later than 10 working days after the end of each month to the mayor and Provincial Treasury a statement in the prescribed format on the state of the municipality's budget.	Non-Complied
Section 65(2)(e) of the MFMA.	30 days of	Municipalities are required to pay all suppliers within	Non-Complied

61. SEGMENTAL INFORMATION

General information

The mandate of the municipality is to provide basic services to the community over which it governs. In order to execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective.

The components described below have been identified as individually significant segments for purposes of reporting according to these service objectives:

Finance and administration
Energy sources - Electricity generation and distribution
Waste management - Solid waste and waste water management
Water - Water provision and treatment

The following individually insignificant segments, with similiar economic characteristics, have been agregated for reporting purposes
Governance and administration
Community and Public Safety
Ecoomic and environmental services

The municipality does not monitor segments geographically
The municipality monitors the following business units operating results separately for the purpose of making decisions about resource allocation and performance assessment.

Transitional provisions

GRAP 18 Segment Reporting became effective on 1 April 2020 and, in accordance with the transitional provisions for the Standard provided in Directive 3, entities are not required to present comparative segment information on initial adoption of GRAP 18.

The municipality is taking advantage of the transitional provisions by not presenting comparative segment information.
The municipality intends to fully apply the requirements of GRAP 18 by 30 June 2022.

Segment Analysis of Financial Performance
Year Ended 30 June 2025

Description	Finance and Administration	Energy Sources	Waste Management	Waste Water Management	Water Management	Other	Total for Municipality
	R	R	R	R	R		R
REVENUE							
Revenue from Non-exchange Transactions							
Property Rates	32,584,901	-	-	-	-	(1)	32,584,900
Fines, Penalties and Forfeits	1,599,722	-	-	-	-	175,810	1,775,532
Licences and Permits	-	-	-	-	-	2,718,624	2,718,624
Transfers and Subsidies	98,787,394	16,171,408	-	-	6,174,000	-	121,132,802
Revenue from Exchange Transactions							
Licences and Permits	-	-	-	-	-	-	-
Service Charges	2,326	71,221,647	17,754,100	31,048,802	8,902,889	(2,326)	128,927,438
Sales of Goods and Rendering of Services	122,038	-	-	-	-	398,439	520,477
Rental from Fixed Assets	732,603	-	-	-	-	-	732,603
Interest, Dividends and Rent on Land Earned	1,952,440	-	-	-	-	-	1,952,440
Operational Revenue	218,260	-	-	-	-	-	218,260
Intercompany/Parent-subsidiary Transactions	-	-	-	-	-		-
Gains on Other Operations	2,031,593	-	-	-	-		-
- Total Gains, Including PPE	2,852,924	-	-	-	-		2,852,924
Gains on Disposal of Property, Plant and Equip	821,331	-	-	-	-	-	821,331
Total Revenue	136,821,015	87,393,055	17,754,100	31,048,802	15,076,889	3,290,546	291,384,407
EXPENDITURE							
Employee Related Costs	22,234,912	7,339,613	9,262,239	10,328,487	5,492,271	37,831,460	92,488,982
Remuneration of Councillors	-	-	-	-	-	5,910,970	5,910,970
Depreciation and Amortisation	5,442,590	7,307,365	-	4,670,943	5,803,407	13,973,265	37,197,570
Impairment Losses	33,841,739	1,835,333	15,851,928	23,549,086	226,453	436,236	75,740,775
Interest, Dividends and Rent on Land	44,055,413	-	-	-	-	-	44,055,413
Bulk Purchases	-	63,562,897	-	-	-	-	63,562,897
Contracted Services	12,931,045	4,599,846	-	771,326	753,276	734,101	19,789,594
Inventory Consumed	(6,280,503)	(8,641,285)	-	67,096	12,660,823	8,574,189	6,380,320
Operating Leases	14,276,480	-	-	2,674,340	2,352,680	(5,027,020)	14,276,480
Operational Costs	15,504,348	5,197,570	77,893	92,637	344,402	2,679,597	23,896,447
Loss on Disposal of Property, Plant and Equipm	8,531,209	-	-	-	-	13,245,817	21,777,026
Total Expenditure	150,537,233	81,201,339	25,192,060	42,153,915	27,633,312	78,358,615	405,076,474
Surplus/(Deficit) for the Year	(13,716,218)	6,191,716	(7,437,960)	(11,105,113)	(12,556,423)	(75,068,069)	(113,692,067)

TSANTSABANE LOCAL MUNICIPALITY
SEGMENTAL ANALYSIS OF FINANCIAL PERFORMANCE (Continued)

Year Ended 30 June 2024

Description	Finance and Administration	Energy Sources	Waste Management	Waste Water Management	Water Management	Other	Total for Municipality
	R	R	R	R	R		R
REVENUE							
Revenue from Non-exchange Transactions							
Property Rates	26,367,810	5,328,429	-	-	-	-	31,696,239
Fines, Penalties and Forfeits	352,798	-	-	-	-	79,250	432,048
Licences and Permits	-	-	-	-	-	-	-
Transfers and Subsidies	90,856,204	4,524,908			1,912,722	6,748,712	104,042,546
Revenue from Exchange Transactions	-	-	-	-	-	-	
Licences and Permits	-	-	-	-	-	925,150	925,150
Service Charges	-	58,677,339	16,284,139	27,741,336	12,995,771	-	115,698,585
Sales of Goods and Rendering of Services	333,580	-	-	-	14,550	178,883	527,013

Rental from Fixed Assets	603,422	-	-	-	-	-	603,422
Interest, Dividends and Rent on Land Earned	1,356,771	-	-	-	-	-	1,356,771
Operational Revenue	506,451	-	-	-	-	-	506,451
Gains on Disposal of PPE	326,624					-	326,624
Total Revenue	**120,703,660**	**68,530,676**	**16,284,139**	**27,741,336**	**14,923,043**	**7,931,995**	**256,114,849**
EXPENDITURE							
Employee Related Costs	21,932,964	6,562,967	5,252,438	10,160,724	4,590,147	40,474,301	88,973,541
Remuneration of Councillors	-	-	-	-	-	5,750,390	5,750,390
Depreciation and Amortisation	40,425,387	-	-	-	-	2,619,486	43,044,873
Impairment Losses	19,299,179	1,233,868	-	43,420,296	(10,619,156)	(970,000)	52,364,187
- Total Losses, Including PPE	19,299,179	1,233,868	-	43,420,296	(10,619,156)	(970,000)	52,364,187
- Bad Debts Written Off	-	-	-	-	-		-
Interest, Dividends and Rent on Land	42,739,926			-			42,739,926
Interest, Dividends and Rent on Land	42,739,926	-	-	-	-	-	42,739,926
Bulk Purchases	-	50,462,093	-	-	-	-	50,462,093
Contracted Services	7,929,383	2,132,038	1,445,405	1,800,898	746,034	2,269,559	16,323,317
Inventory Consumed	(13,934,767)	631,922	-	7,850,224	19,729,894	-	14,277,273
Transfers and Subsidies Paid	-	-	-	-	-	(125,950)	(125,950)
Operating Leases	6,260,174	393,761	-	2,199,824	2,448,803	1,172,676	12,475,238
Operating Leases	6,260,174	393,761	-	2,199,824	2,448,803	1,172,676	12,475,238
Operational Costs	10,291,268	6,721,531	43,855	87,716	357,242	4,238,422	21,740,034
Income Taxes	-	-	-	-	-		-
Statutory Payments other than Taxes	-	-	-	-	-		-
Loss on Disposal of Property, Plant and Equipm	-					10,155,300	10,155,300
Surplus from discontinued operations	-	-	-	-	-	206,000	(206,000)
Total Expenditure	**134,943,514**	**68,138,180**	**6,741,698**	**65,519,682**	**17,252,964**	**65,710,134**	**357,974,222**
Surplus/(Deficit) for the Year	**(14,239,854)**	**392,496**	**9,542,441**	**(37,778,346)**	**(2,329,921.00)**	**(57,778,139.00)**	**(101,859,373)**

Segment Analysis of Financial Position and analysis of Capital Expenditure

A measure of assets and liabilities for each reportable segment has not been presented as these amounts are not regularly provided to management, in line with pagraph.

APPENDIX A
TSANTSABANE LOCAL MUNICIPALITY
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 0F 2003

Grants and Subsidies Received

Name of Grant	Name of Organ of State or Municipal Entity	Quarterly Receipts				Total Receipts	Quarterly Expenditure				Total Expenses	Net Grant	nd Subsidies Delayed /				Reason for Delay / Withholding of Funds	Compliance to Revenue Act (*) See below	Reason for Non-complianc
		Sept	Dec	March	June	Total	Sept	Dec	March	June	Total	Total	Sept	Dec	March	June		Yes / No	
Equitable Share	Nat Treasury	24,518,000	13,998,000	14,710,000		**53,226,000**	13,306,500	13,306,500	13,306,500	13,306,500	**53,226,000**	**-**					N/A	Yes	N/A
FMG	Nat Treasury	3,000,000	-	-	-	**3,000,000**	636,850	694,310	188,679	1,480,161	**3,000,000**	**-**					N/A	Yes	N/A
MIG	COGTA	4,840,000	2,320,000	2,417,000	7,693,000	**17,270,000**	4,238,504	4,214,294	631,965	7,743,112	**16,827,875**	**442,125.00**					N/A	Yes	N/A
INEP	DMRE	5,494,000	5,000,000	2,517,000	-	**13,011,000**	-	4,915,286	3,315,698	4,780,016	**13,011,000**	**-**					N/A	Yes	N/A
EPWP Incentive Grant	Province	300,000	540,000	360,000	660,000	**1,860,000**	351,430	829,489	200,286	478,795	**1,860,000**	**-**					N/A	Yes	N/A
LG SETA Mandatory Gran	Province	26,143	24,484	-	129,306	**179,933**	-	-	-	179,933	**179,933**	**-**					N/A	Yes	N/A
Library	Province	708,500	-	708,500	-	**1,417,000**	403,648	424,400	304,015	284,937	**1,417,000**	**-**					N/A	Yes	N/A
WSIG	DWS	-	-	-	6,174,000	**6,174,000**	-	-	-	6,174,000	**6,174,000**	**-**					N/A	Yes	N/A
RBIG	DWS	-	-	-	-	**-**	-	-	-	-	**0**	**-**					N/A	Yes	N/A
PT Audit Fee	Province	-	-	1,387,186	-	**1,387,186**	-	-	1,387,186	-	**1,387,186**	**-**					N/A	Yes	N/A
Total Grants and Subsidies Received		**38,886,643**	**21,882,484**	**22,099,686**	**14,656,306**	**97,525,119**	**18,936,932**	**24,384,279**	**19,334,329**	**34,427,454**	**97,082,994**	**442,125.00**	**-**	**-**	**-**	**-**			

Appendix G
TSANTSABANE LOCAL MUNICIPALITY
STATEMENT OF REMUNERATION OF MANAGEMENT

30 June 2025

Incumbent	Basic Salaries	Other Allowance	Sitting Allowances	Travel Allowances	Cellphone Allowances	Housing Allowances	Company Contr. to UIF, SDL, Medical	Acting Allowances	Any Other Benefits	Total Remuneration
	R	R	R	R	R	R	R	R	R	R
Mayor										
AH English (Ward 2)	703,468	8,941		222,456	45,800					**980,664**
Councillors										
Lottering MJ (Ward 1)	274,619	-		86,349	45,800					**406,768**
Devajee R (Ward 3)	286,293	17,166		90,346	45,800					**439,605**
Keoremetswe G (Ward 4)	223,306	3,735		70,399	45,800					**343,241**
Tonyane G (Ward 5)	223,306	3,875		70,399	45,800					**343,381**
Miennies D (Ward 6)	294,195	-		93,076	45,800					**433,071**
Teise L (Ward 7) - Speaker	562,975	26,647		177,965	45,800					**813,387**
OM Mabilo (Proportional)	207,965	-		70,399	45,800					**324,165**
HA Beets (Proportional)	294,915	-		93,076	45,800					**433,791**
AJ Ruiters (Proportional)	223,306	13,190		70,399	45,800					**352,696**
D Esau (Proportional)	223,306	2,760		70,399	45,800					**342,266**
GE Sibiya (Proportional)	223,306	4,600		70,399	45,800					**344,106**
JC Boucher (Proportional)	223,306	415		70,399	45,800					**339,921**
Total for Councillors	**3,964,268**	**81,330**	**-**	**1,256,064**	**595,400**	**-**	**-**	**-**	**-**	**5,897,062**
Municipal Manager										
H Mathobela	646,564	37,473		323,282	30,000	107,761			-	**1,145,080**
Chief Financial Officer										
LR Coakley	44,239	8,717		22,119	1,600	7,373			74,321	**158,369**
Director: Corporate Services										
IC Nkadimang	748,751	4,619		330,331	22,800	22,022				**1,128,524**
Director: Community Services										
JJ Theys	660,663	2,483		418,420	22,800	38,722		-	-	**1,143,088**
Director: Technical Services										
BJ Matebele	**520,786**	**16,130**		**190,410**	**19,000**	**38,082**				**784,408**
	2,621,003	**69,422**	**-**	**1,284,563**	**96,200**	**213,960**	**-**	**-**	**74,321**	**4,359,468**
Total for Management	**6,585,271**	**150,752**	**-**	**2,540,627**	**691,600**	**213,960**	**-**	**-**	**74,321**	**10,256,529**

30 June 2024

Incumbent	Basic Salaries	Other Allowance	Sitting Allowances	Travel Allowances	Cellphone Allowances	Housing Allowances	Company Contr. to UIF, SDL, Medical and Pension	Acting Allowances	Any Other Benefits	Total Remuneration
	R	R	R	R	R	R	R	R	R	R
Mayor										
AH English (Ward 2)	710,206	4,489		207,322	44,400					**966,417**
Councillors										
Lottering MJ (Ward 1)	285,559	7,548		88,220	44,400	-			-	**425,727**
Devajee R (Ward 3)	277,182	1,588		85,632	44,400	-			-	**408,802**
Keoremetswe G (Ward 4)	215,986	12,154		66,726	44,400	-			-	**339,266**
Tonyane G (Ward 5)	215,986	7,543		66,726	44,400	-			-	**334,655**
Miennies D (Ward 6)	285,559	6,105		88,220	44,400	-			-	**424,284**
Teise L (Ward 7) - Speaker	523,580	22,933		165,858	44,400	-			-	**756,771**
						-			-	**-**
OM Mabilo (Proportional)	215,986	-		66,726	44,400	-			-	**327,112**
HA Beets (Proportional)	285,559	-		88,220	44,400	-			-	**418,179**
AJ Ruiters (Proportional)	215,986	-		66,726	44,400	-			-	**327,112**
M Van Zyl (Proportional)	215,986	-		66,726	44,400	-			-	**327,112**
D Esau (Proportional)	215,986	-		66,726	44,400	-			-	**327,112**
GE Sibiya (Proportional)	215,986	8,062		66,726	44,400	-			-	**335,174**
JC Boucher (Proportional)	215,986	-		66,726	44,400	-			-	**327,112**
Total for Councillors	**4,095,533**	**70,422**	**-**	**1,257,280**	**621,600**	**-**	**-**	**-**	**-**	**6,044,835**
Municipal Manager										
H Mathobela	631,017	26,537		295,557	27,500	98,519			-	**1,079,130**
Chief Financial Officer										
LR Coakley	589,027	26,432		263,508	22,800	87,836			-	**989,603**
Director: Corporate Services										
IC Nkadimang	770,567	3,732		330,331	22,800	22,022			-	**1,149,452**
Director: Community Services										
JJ Theys	682,479	2,445		418,420	22,800	24,563		845	-	**1,151,552**
Total for Senior Managers	**2,673,090**	**59,146**	**-**	**1,307,816**	**95,900**	**232,940**	**-**	**845**	**-**	**4,369,737**
Total for Management	**6,768,623**	**129,568**	**-**	**2,565,096**	**717,500**	**232,940**	**-**	**845**	**-**	**10,414,572**