MATZIKAMA LOCAL MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2025

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

INDEX

MATZIKAMA LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Matzikama Local Municipality performs the functions as set out in the Constitution (Act no 108 of 1996).

LEGAL FORM

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

JURISDICTION

The Matzikama Local Municipality includes the following areas:

Vredendal	Lutzville	Bitterfontein	Rietpoort
Vanrhynsdorp	Ebenhaeser	Nuwerus	Kliprand
Klawer	Strandfontein	Stofkraal	
Koekenaap	Doringbaai	Molsvlei	

MEMBERS OF THE COUNCIL

Ward 1	Tieties Johan Muller
Ward 2	Amelia Fransina Kristina Job
Ward 3	Sampi Jackes Tshabalala
Ward 4	Cecil Andrew le Fleur
Ward 5	Stephanus Petrus Cornelissen
Ward 6	Monica Bottom
Ward 7	Christo Boks (until 1 June 2025)
Ward 8	Albertus Johannes Pool
Proportional	Hermanus Johannes van der Hoven
Proportional	Andreas Sindyamba
Proportional	Davine Angela Witbooi
Proportional	Xolani Peterson Tshetu
Proportional	Christoffel van der Westruis
Proportional	Mertle Brenda Ruiter
Proportional	Chris White

MEMBERS OF THE EXECUTIVE COMMITTEE

Cllr Hermanus Johannes van der Hoven
Cllr Amelia Fransina Kristina Job
Cllr Stephanus Petrus Cornelissen
Cllr Christo Boks (until 1 June 2025)
Cllr Chris White

MUNICIPAL MANAGER

Lionel Phillips

CHIEF FINANCIAL OFFICER

ER Alfred

AUDIT COMMITTEE

A Wells
M Smit
F Rootman

REGISTERED OFFICE

37 Church Street
Vredendal
8160

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

POSTAL ADDRESS

PO Box 98
VREDENDAL
8160

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

Standard Bank Limited

ATTORNEYS

Downing & Engelbrecht
Fairbridges Wertheim Becker Inc
Gustav de Vries Prokureurs

RELEVANT LEGISLATION

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

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements year ended 30 June 2025, which are set out on pages 1 to 90 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 GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

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

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

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

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

Lionel Phillips
Municipal Manager

300825
Date

MATZIKAMA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
ASSETS			
Current Assets		**100 130 392**	**73 013 535**
Cash and Cash Equivalents	**2**	14 373 284	2 426 657
Receivables from Exchange Transactions	**3**	34 663 589	28 754 106
Receivables from Non-Exchange Transactions	**4**	29 792 740	17 746 121
Taxes	**5**	14 463 807	19 253 340
Operating Lease Assets	**6**	31 612	5 655
Current Portion of Long-term Receivables	**7**	3 668 220	3 084 740
Inventory	**8**	3 137 140	1 742 915
Non-Current Assets		**1 030 403 655**	**946 580 440**
Operating Lease Assets	**6**	44 694	73 876
Long-term Receivables	**7**	1 841 866	3 026 567
Investment Property	**9**	110 312 000	93 467 300
Property, Plant and Equipment	**10**	918 096 405	849 902 103
Intangible Assets	**11**	108 690	110 594
Total Assets		**1 130 534 047**	**1 019 593 975**
LIABILITIES			
Current Liabilities		**160 513 273**	**150 639 056**
Current Portion of Long-term Liabilities	**12**	35 363 626	37 410 052
Payables from Exchange Transactions	**13**	94 445 799	80 366 293
Unspent Conditional Government Grants	**14**	930 870	6 327 518
Unspent Public Contributions	**15**	-	282 843
Taxes	**5**	9 071 369	7 328 672
Current Employee Benefits	**16**	20 701 609	18 923 678
Current Provisions	**17**	-	-
Non-Current Liabilities		**167 902 353**	**184 163 846**
Long-term Liabilities	**12**	41 368 195	76 731 821
Employee Benefits	**18**	46 998 000	40 203 000
Non-Current Provisions	**19**	79 536 158	67 229 025
Total Liabilities		**328 415 627**	**334 802 902**
NET ASSETS		**802 118 420**	**684 791 072**
COMMUNITY WEALTH			
Accumulated Surplus		802 118 420	684 791 072
		802 118 420	**684 791 072**

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence
10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**306 646 782**	**240 328 826**
Taxation Revenue		**52 476 166**	**51 341 376**
Property Rates	**20**	52 476 166	51 341 376
Transfer Revenue - Operating		**96 140 532**	**91 001 172**
Government Grants and Subsidies - Operating	**21**	95 857 689	90 671 600
Public Contributions and Donations - Operating	**22**	282 843	329 572
Transfer Revenue - Capital		**86 084 593**	**45 482 349**
Government Grants and Subsidies - Capital	**21**	86 041 520	45 233 392
Contributed Assets	**23**	43 072	248 957
Other Revenue		**71 945 491**	**52 503 930**
Availability Charges	**24**	4 677 621	4 438 723
Fines, Penalties and Forfeits	**25**	9 433 838	10 278 418
Fair Value Adjustment Gains	**26**	22 702 237	24 874 692
Debt Forgiveness	**27**	33 528 391	11 710 418
Other Income (Non-Exchange)	**28**	1 603 404	1 201 678
REVENUE FROM EXCHANGE TRANSACTIONS		**337 520 777**	**288 830 875**
Operating Activities		**337 520 777**	**288 830 875**
Service Charges	**29**	293 991 207	249 178 610
Rental of Facilities and Equipment	**30**	1 928 448	1 815 553
Interest Earned - External Investments	**31**	2 068 409	1 728 706
Interest Earned - Outstanding Debtors	**32**	21 352 918	16 363 919
Licences and Permits	**33**	1 142 955	1 021 206
Agency Services	**34**	4 292 816	4 390 080
Library Services	**35**	8 000 870	8 660 975
Other Income (Exchange)	**36**	4 743 155	5 671 825
TOTAL REVENUE		**644 167 559**	**529 159 701**
EXPENDITURE			
Employee Related Costs	**37**	182 450 169	174 017 426
Remuneration of Councillors	**38**	8 213 312	8 238 021
Debt Impairment	**39**	62 792 691	51 860 653
Depreciation and Amortisation	**40**	24 729 603	23 520 054
Impairments	**41**	-	1 553 377
Finance Charges	**42**	22 083 058	29 361 241
Bulk Purchases	**43**	159 079 269	141 567 713
Contracted Services	**44**	11 371 833	8 905 319
Transfers and Grants	**45**	2 132 968	2 002 388
Other Expenditure	**46**	48 125 422	42 253 600
Loss on disposal of Non-Monetary Assets	**47**	3 384 500	672 635
Fair Value Adjustment Losses	**48**	2 477 386	-
TOTAL EXPENDITURE		**526 840 211**	**483 952 429**
NET SURPLUS FOR THE YEAR		**117 327 348**	**45 207 272**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

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

	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2023	**640 197 989**	**640 197 989**
Correction of error restatement - note 49.3	(614 188)	(614 188)
Balance on 30 June 2023 - Restated	**639 583 801**	**639 583 801**
Net Surplus for the year	45 207 271	45 207 271
Balance on 30 June 2024	**684 791 072**	**684 791 072**
Net Surplus for the year	117 327 348	117 327 348
Balance on 30 June 2025	**802 118 420**	**802 118 420**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		50 406 004	48 374 142
Service Charges and Interest		261 155 278	218 805 985
Other Revenue and Receipts		27 150 803	23 748 816
Government Grants		175 960 709	120 068 644
Investment Interest		1 346 435	1 495 383
Payments			
Suppliers and employees		(411 450 831)	(371 789 036)
Finance charges		(2 029 831)	(2 995 904)
Transfers and Grants		(2 132 968)	(2 002 388)
NET CASH FROM OPERATING ACTIVITIES	**50**	**100 405 599**	**35 705 642**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		4 739 417	3 981 699
Payments			
Purchase of Capital Assets		(90 241 525)	(52 165 799)
NET CASH USED INVESTING ACTIVITIES		**(85 502 108)**	**(48 184 100)**
CASH FLOW FROM FINANCING ACTIVITIES			
Payments			
Loans repaid		(2 956 864)	(3 604 008)
NET CASH USED FINANCING ACTIVITIES		**(2 956 864)**	**(3 604 008)**
NET INCREASE/(DECREASE) IN CASH HELD		**11 946 627**	**(16 082 466)**
Cash and Cash Equivalents at the beginning of the year		2 426 657	18 509 123
Cash and Cash Equivalents at the end of the year		14 373 284	2 426 657

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

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

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current assets					
Cash and Cash Equivalents	15 553 963	(9 862 091)	5 691 872	14 373 284	8 681 413
Trade and Other Receivables from Exchange Transactions	26 370 149	(5 065 248)	21 304 901	34 663 589	13 358 687
Receivables from Non-Exchange Transactions	12 522 720	5 765 883	18 288 603	11 015 682	(7 272 920)
Current Portion of Non-Current Receivables	2 313 308	(2 023 563)	289 745	3 668 220	3 378 474
Inventory	1 363 906	696 854	2 060 760	3 137 140	1 076 380
VAT	24 681 132	(1 210 213)	23 470 920	14 463 807	(9 007 112)
Other Current Assets	10 720 411	7 626 581	18 346 992	18 808 670	461 678
Total current assets	**93 525 590**	**(4 071 797)**	**89 453 792**	**100 130 392**	**10 676 599**
Non current assets					
Investment Property	85 193 523	4 425 142	89 618 665	110 312 000	20 693 335
Property, Plant and Equipment	875 369 079	32 391 776	907 760 855	918 096 405	10 335 550
Intangible Assets	72 269	16 903	89 172	108 690	19 518
Trade and Other Receivables from Exchange Transactions	2 119 271	1 262 563	3 381 835	1 841 866	(1 539 968)
Other Non-Current Assets	72 914	1 962	74 876	44 694	(30 182)
Total non current assets	**962 827 057**	**38 098 346**	**1 000 925 403**	**1 030 403 655**	**29 478 253**
TOTAL ASSETS	**1 056 352 647**	**34 026 548**	**1 090 379 195**	**1 130 534 047**	**40 154 852**
LIABILITIES					
Current liabilities					
Financial Liabilities	1 729 201	(20 370)	1 708 831	35 363 626	33 654 795
Consumer Deposits	12 113	31 538	43 650	-	(43 650)
Trade and Other Payables from Exchange Transactions	70 100 437	11 365 792	81 466 229	94 445 799	12 979 570
Trade and Other Payables from Non-Exchange Transaction	42 604	(42 580)	24	930 870	930 846
Provision	19 428 839	6 644 087	26 072 925	20 701 609	(5 371 317)
VAT	4 737 511	706 391	5 443 902	9 071 369	3 627 468
Total current liabilities	**96 050 703**	**18 684 858**	**114 735 561**	**160 513 273**	**45 777 712**
Non current liabilities					
Financial Liabilities	4 617 291	(323 217)	4 294 073	4 294 073	(0)
Provisions	120 317 374	(6 964 382)	113 352 992	126 534 158	13 181 166
Long-term Portion of Trade Payables	75 328 355	(4 599 438)	70 728 917	37 074 122	(33 654 795)
Total non current liabilities	**200 263 020**	**(11 887 037)**	**188 375 982**	**167 902 353**	**(20 473 629)**
TOTAL LIABILITIES	**296 313 723**	**6 797 820**	**303 111 543**	**328 415 627**	**25 304 083**
NET ASSETS	**760 038 924**	**27 228 728**	**787 267 652**	**802 118 420**	**14 850 769**
COMMUNITY WEALTH					
Accumulated Surplus	760 038 924	27 228 728	787 267 652	802 118 420	14 850 769
TOTAL COMMUNITY WEALTH/EQUITY	**760 038 924**	**27 228 728**	**787 267 652**	**802 118 420**	**14 850 769**

Refer to note 52.1 for the classification differences between GRAP and the budget statements.

Refer to note 52.2 for explanations of material variances.

Material variances are considered to be any variances greater than R5 million.

MATZIKAMA LOCAL MUNICIPALITY

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

	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL APPROVED BUDGET R	VIREMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL PERFORMANCE							
REVENUE							
Exchange Revenue							
Service Charges - Electricity	198 474 474	(6 900 002)	191 574 472	-	191 574 472	177 881 116	(13 693 356)
Service Charges - Water	44 250 733	279 656	44 530 389	-	44 530 389	42 922 067	(1 608 322)
Service Charges - Waste Water Management	31 885 263	1 434 452	33 319 715	-	33 319 715	33 270 927	(48 788)
Service Charges - Waste Management	37 619 022	2 272 493	39 891 515	-	39 891 515	39 917 098	25 583
Sale of Goods and Rendering of Services	5 215 114	(756 106)	4 459 008	-	4 459 008	4 133 785	(325 223)
Agency Services	5 255 009	(899 000)	4 356 009	-	4 356 009	4 292 816	(63 193)
Interest Earned from Receivables (Exchange)	12 879 644	4 309 864	17 189 508	-	17 189 508	17 350 046	160 538
Interest Earned from Current and Non Current Assets	1 558 466	315 000	1 873 466	-	1 873 466	2 068 409	194 943
Rental from Fixed Assets	2 144 943	(109 400)	2 035 543	-	2 035 543	1 928 448	(107 095)
Licences and Permits	43 908	34 467	78 375	-	78 375	78 132	(243)
Operational Revenue	8 416 423	(1 340 138)	7 076 285	-	7 076 285	2 168 005	(4 908 280)
Non-Exchange Revenue							
Property Rates	52 886 678	(391 412)	52 495 266	-	52 495 266	52 476 166	(19 100)
Fines, Penalties and Forfeits	11 811 927	(1 909 469)	9 902 458	-	9 902 458	9 433 838	(468 620)
Licences or permits	1 066 561	53 000	1 119 561	-	1 119 561	1 064 823	(54 738)
Transfers and Subsidies - Operational	105 677 221	6 614 912	112 292 133	-	112 292 133	104 130 186	(8 161 947)
Interest Earned from Receivables (Non-Exchange)	3 489 964	515 295	4 005 259	-	4 005 259	4 002 872	(2 387)
Operational Revenue (Non-Exchange)	4 789 380	(133 382)	4 655 998	-	4 655 998	4 677 621	21 623
Gains on disposal of Assets	1 400 000	(928 000)	472 000	-	472 000	-	(472 000)
Other Gains	33 528 603	5 293 388	38 821 991	-	38 821 991	56 275 396	17 453 405
Total Revenue (excluding capital transfers)	**562 393 333**	**7 755 618**	**570 148 951**	**-**	**570 148 951**	**558 071 750**	**(12 077 201)**
EXPENDITURE							
Employee Related Costs	193 283 268	(7 942 921)	185 340 347	-	185 340 347	181 459 555	(3 880 792)
Remuneration of Councillors	8 353 111	(74 423)	8 278 688	-	8 278 688	8 213 312	(65 376)
Bulk Purchases - Electricity	134 216 381	12 211 000	146 427 381	-	146 427 381	149 729 878	3 302 497
Inventory Consumed	25 593 787	5 335 251	30 929 038	-	30 929 038	19 963 181	(10 965 857)
Debt Impairment	56 468 000	6 862 000	63 330 000	-	63 330 000	62 792 691	(537 309)
Depreciation and Amortisation	30 077 179	(500 000)	29 577 179	-	29 577 179	24 729 603	(4 847 576)
Interest	15 825 519	5 824 275	21 649 794	-	21 649 794	22 083 058	433 264
Contracted Services	17 258 019	(25 021)	17 232 998	-	17 232 998	11 371 833	(5 861 165)
Transfers and Subsidies	2 230 272	212 801	2 443 073	-	2 443 073	2 132 968	(310 105)
Operational Costs	51 262 657	(4 646 136)	46 616 521	-	46 616 521	38 502 247	(8 114 274)
Losses on Disposal of Assets	-	672 635	672 635	-	672 635	3 384 500	2 711 865
Other Losses	-	1 918 400	1 918 400	-	1 918 400	2 477 386	558 986
Total Expenditure	**534 568 193**	**19 847 861**	**554 416 054**	**-**	**554 416 054**	**526 840 211**	**(27 575 843)**
Surplus/(Deficit)	**27 825 140**	**(12 092 243)**	**15 732 897**	**-**	**15 732 897**	**31 231 539**	**15 498 642**
Transfers and Subsidies - Capital (monetary allocations)	44 319 441	41 246 936	85 566 377	-	85 566 377	86 052 738	486 361
Transfers and Subsidies - Capital (in-kind)	-	51 500	51 500	-	51 500	43 072	(8 428)
Surplus/(Deficit) for the year	**72 144 581**	**29 206 193**	**101 350 774**	**-**	**101 350 774**	**117 327 349**	**15 976 575**

Refer to note 52.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 52.3 for explanations of material variances.

Material variances are considered to be any variances greater than R5 million.

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

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

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW STATEMENT					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property Rates	46 011 410	(340 528)	45 670 881	50 406 004	4 735 122
Service Charges	271 643 925	(5 239 569)	266 404 356	258 276 723	(8 127 634)
Other Revenue	28 606 793	(3 137 182)	25 469 611	19 149 933	(6 319 678)
Transfers and Subsidies	149 996 662	41 200 759	191 197 421	183 961 579	(7 235 842)
Interest	14 654 152	3 760 127	18 414 280	4 224 991	(14 189 289)
Payments					
Suppliers and Employees	(442 425 767)	(7 330 197)	(449 755 964)	(411 450 831)	38 305 133
Finance Charges	(3 155 768)	861 674	(2 294 094)	(2 029 831)	264 263
Transfers and Grants	(2 230 272)	(212 801)	(2 443 073)	(2 132 968)	310 105
Net Cash from/(used) Operating Activities	**63 101 136**	**29 562 283**	**92 663 419**	**100 405 599**	**7 742 180**
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	2 719 288	981 212	3 700 500	4 739 417	1 038 917
Payments					
Capital Assets	(49 100 614)	(40 998 648)	(90 099 262)	(90 241 525)	(142 263)
Net Cash from/(used) Investing Activities	**(46 381 326)**	**(40 017 436)**	**(86 398 762)**	**(85 502 108)**	**896 654**
CASH FLOW FROM FINANCING ACTIVITIES					
Payments					
Repayment of Borrowing	(2 123 234)	(833 630)	(2 956 863)	(2 956 864)	(1)
Net Cash from/(used) Financing Activities	**(2 123 234)**	**(833 630)**	**(2 956 863)**	**(2 956 864)**	**(1)**
NET INCREASE/(DECREASE) IN CASH HELD	**14 596 576**	**(11 288 783)**	**3 307 794**	**11 946 627**	**8 638 833**
Cash and Cash Equivalents at the year begin	957 387	1 469 271	2 426 657	2 426 657	-
Cash and Cash Equivalents at the year end	15 553 963	(9 819 512)	5 734 451	14 373 284	8 638 833

Refer to note 52.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 52.4 for explanations of material variances.

Material variances are considered to be any variances greater than R5 million.

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

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

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

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

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

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

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

1.02 TRANSITIONAL PROVISIONS

The Municipality resolved to take advantage of the following transitional provisions:

In terms of Directive 7 - "The Application of Deemed Cost on the Adoption of Standards of GRAP", the Municipality applied deemed cost to Investment Property and Property, Plant and Equipment where the acquisition cost of an asset could not be determined.

1.03 PRESENTATION CURRENCY

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

1.04 GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis. Refer to note 67 for the going concern assessment performed by the Municipality.

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.05.2 Amended Accounting Policies

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

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

1.06 MATERIALITY

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

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

1.07 BUDGET INFORMATION

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

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

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

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

1.08.1 Effective dates determined

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

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

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

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

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

(a) Changes in the classification of instruments for subsequent measurement – financial assets are measured at either amortised cost or fair value based on the reason why they are held and their economic characteristics. Specific liabilities are measured at fair value, and all others are measured at amortised cost.
(b) The approach to impairing financial assets changed from an incurred loss to an expected loss model. As indicated in the name, expected losses estimate the expected default of financial assets over a period of time rather than only recognising an impairment loss when an event occurs.
(c) Loan commitments and financial guarantee contracts are recognised and measured differently. They are no longer in the scope of GRAP 19 on *Provisions, Contingent Liabilities and Contingent Assets* . When entering into these transactions there is an economic consequence that exposes an entity to risk. Accounting for them as financial instruments best captures this risk exposure.
(d) With the changes in the classification of instruments and impairment approach, there is new information that GRAP 104 requires entities to disclose.

1.08.1.2 iGRAP 22 - Foreign Currency Transactions and Advance Consideration (effective 1 April 2025)

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

No significant impact is expected as the Municipality is not exposed to any significant foreign currency transactions.

1.08.2 Effective dates not yet determined

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

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

1.08.2.1 GRAP 103 (Revised 2022) - Heritage Assets

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

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

1.08.2.2 GRAP 105 (Revised 2023) - Transfer of Functions Between Entities Under Common Control

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

1.08.2.3 GRAP 106 (Revised 2023) - Transfer of Functions Between Entities Not Under Common Control

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

1.08.2.4 GRAP 107 (Revised 2023) - Mergers

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any mergers in the near future.

1.08.2.5 Amendments to GRAP 1 on Presentation of Financial Statements (2022)

The amendments to the Standard clarifies how to apply going concern assumption in the public sector and improve disclosure on related judgements and conclusions.

The impact of these amendments to the Standard on the financial statements will not be significant.

1.08.2.6 Improvements to the Standards of GRAP (2023)

The effect of the improvements to the current pronouncements to the Standard of GRAP is considered insignificant. The improvements mainly relates to the clarification of accounting principles.

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

1.09 INVESTMENT PROPERTY

1.09.1 Initial Recognition

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

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

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

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

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

1.09.2 Subsequent Measurement – Fair Value Model

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is recognised in the Statement of Financial Performance for the period in which it arises.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property’s deemed cost is its fair value at the date of change in use.

If an owner-occupied property becomes an investment property that will be carried at fair value, any differences between the carrying amount of the property and its fair value is treated in the same way as a revaluation in accordance with the Standard of GRAP on Property, Plant and Equipment.

For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property and its previous carrying amount is recognised in the Statement of Financial Performance.

1.09.3 Impairment

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

An impairment is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.09.4 Derecognition

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

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

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

1.10 PROPERTY, PLANT AND EQUIPMENT

1.10.1 Initial Recognition

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

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

Items of property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

1.10.2 Subsequent Measurement - Cost Model

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

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

1.10.3 Depreciation

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

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

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

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

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

	YEARS		YEARS
Land and Buildings		**Community**	
Land	Infinite	Sport and Recreation Facilities	10 - 100
Buildings	10 - 100	Community Facilities	8 - 100
Work in Progress	N/A	Work in progress	N/A
Infrastructure		**Other**	
Roads and Storm Water	10 - 100	Computer Equipment	5 - 20
Electricity	5 - 80	Furniture and Office Equipment	5 - 22
Water Supply	10 - 100	Machinery and Equipment	4 - 34
Sanitation	10 - 100	Transport Assets	5 - 24
Solid Waste	15 - 35		
Work in Progress	N/A	**Finance lease assets**	
		Furniture and Office Equipment	2 - 5

1.10.4 Impairment

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

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.10.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

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

1.11 INTANGIBLE ASSETS

1.11.1 Initial Recognition

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

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

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

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

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

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

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

1.11.2 Subsequent Measurement - Cost Model

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

1.11.3 Amortisation

The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is still subject to an annual impairment test.

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

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

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

The amortisation period and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

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

	Years
Computer Software	2 - 15
Rights (Servitudes)	Indefinite

1.11.4 Impairment

Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.11.5 Derecognition

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

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

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

1.12 IMPAIRMENT OF NON-MONETARY ASSETS

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

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

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

1.12.1 Recoverable amount of Cash-generating assets

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

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

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

1.12.2 Recoverable amount of Non-cash-generating assets

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

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.12.3 Impairment loss

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

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

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

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

1.12.4 Reversal of an impairment loss

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

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

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

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

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

1.13 INVENTORIES

1.13.1 Initial Recognition

Inventories are assets:

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

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

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

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

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

1.13.2 Subsequent Measurement

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

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost.

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

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

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

The basis of allocating cost to inventory items is the first-in-first-out method.

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

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

1.14 EMPLOYEE BENEFITS

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

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

1.14.1 Post-Retirement Benefits

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

1.14.1.1 Defined Contribution Plans

The Municipality contributes to various defined contribution plans on behalf of its qualifying employees. The contributions to fund obligations for the payment of retirement benefits are recognised in the Statement of Financial Performance in the year they become payable.

1.14.1.2 Post Retirement Medical Benefits

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

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

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

1.14.2 Long-term Benefits

1.14.2.1 Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality’s obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the Statement of Financial Performance as employee benefits upon valuation.

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

1.14.3 Short-term Benefits

1.14.3.1 Staff Leave

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

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

1.14.3.2 Bonuses

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

1.14.3.3 Provision for Performance Bonuses

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

1.15 PROVISIONS

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

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

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

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

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The Municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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

1.16 LEASES

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

1.16.1 Municipality as Lessee

1.16.1.1 Finance Leases

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

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

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

1.16.1.2 Operating leases

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

1.16.2 Municipality as Lessor

1.16.2.1 Finance Leases

The Municipality recognises lease payments receivable under a finance lease as assets (receivable) in the Statement of Financial Position. The asset (receivable) is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease.

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

1.16.2.2 Operating Leases

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

1.17 FINANCIAL INSTRUMENTS

1.17.1 Initial Recognition

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

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

1.17.2 Subsequent Measurement

Financial instruments are categorised as follow:

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

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

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

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

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

1.17.3 Impairment and uncollectability of financial assets

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

1.17.3.1 Financial assets measured at amortised cost

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

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

1.17.3.2 Financial assets measured at cost

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

1.17.4 Derecognition of financial instruments

1.17.4.1 Financial assets

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

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

1.17.4.2 Financial liabilities

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

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

1.17.5 Offsetting of financial instruments

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

1.18 STATUTORY RECEIVABLES

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

1.18.1 Initial Recognition

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

1.18.2 Subsequent Measurement

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

1.18.3 Impairment and uncollectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

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

1.18.4 Derecognition

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

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

1.19 CASH AND CASH EQUIVALENTS

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

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

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

1.20 RECEIVABLES

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

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

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

1.21 TAXES (VALUE ADDED TAX)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position. The Municipality accounts for value-added tax (VAT) on the payment basis.

1.22 PAYABLES AND ANNUITY LOANS

Payables and annuity loans are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.23 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

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

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

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

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

1.24 REVENUE

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the Municipality has no intention of collecting this revenue. Where the Municipality has no intention of collecting the revenue, rebates and discounts are offset against the related revenue. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

1.24.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.24.1.1 Taxation Revenue

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

1.24.1.2 Transfer Revenue

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

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

1.24.1.3 Availability Charges

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

1.24.1.4 Fines

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue.

1.24.1.5 Insurance Refund

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

1.24.1.6 Unclaimed deposits

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

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

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

1.24.1.8 Services in-kind

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

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

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

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

1.24.1.9 Contributed Assets

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

1.24.1.10 Debt Forgiveness

Debt forgiveness are instances when creditors waive their right to collect a debt owed by the Municipality, effectively cancelling the debt.

The Municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

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

1.24.1.11 Off-Market Portion of Municipal Debt Relief

The Municipal Debt Relief are loans received by the Municipality at below market terms. The off-market portion of the loans is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

1.24.2 Revenue from Exchange Transactions

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

1.24.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

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

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. An adjustment is made at year-end for unused units. The pre-paid electricity sold, but not consumed yet at reporting date is recognised as a liability under Payables from Exchange Transactions in the Statement of Financial Position.

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

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

1.24.2.2 Interest earned

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

1.24.2.3 Rental income

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

1.24.2.4 Income from Agency Services

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

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

1.24.2.5 Other Tariffs

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

1.24.2.6 Sale of goods

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

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

1.24.2.7 Deferred payment

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

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

1.25 BORROWING COSTS

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

1.26 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27 IRREGULAR EXPENDITURE

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

1.28 FRUITLESS AND WASTEFUL EXPENDITURE

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

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

1.29 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

1.30 CAPITAL COMMITMENTS

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

1.31 EVENTS AFTER REPORTING DATE

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

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

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

1.32 RELATED PARTIES

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

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

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

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

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

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

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

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms, are disclosed.

1.33 ACCOUNTING BY PRINCIPAL AND AGENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

1.34 LIVING AND NON-LIVING RESOURCES

Living resources are those resources that undergo biological transformation which comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, is not recognised as assets. The Standard only requires disclosure of the relevant resources.

The Municipality has assessed that it does not control any living resources, but is however responsible for non-living resources as set out in notes to the financial statements.

1.35 SEGMENT REPORTING

A segment is an activity of the Municipality:

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

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

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

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

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

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

1.36 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

1.36.1 Application of Directive 7

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

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

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

GRAP implementation date for the Municipality is 1 July 2009 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2009 to the current year's reported date. Where the economic useful life of an items of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

1.36.2 Impairment of Receivables

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

1.36.3 Useful lives and residual values

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

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

1.36.4 Impairment of non-monetary assets

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

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

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

1.36.5 Post-Retirement and Long-term Benefits

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

1.36.6 Provisions and Contingent Liabilities

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

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

1.36.7 Financial Instruments and Statutory Receivables

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

1.36.8 Financial assets and liabilities

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

1.36.9 Revenue Recognition

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

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

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

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

1.36.10 Recognition and Derecognition of Land

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

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

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

1.36.11 Materiality

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

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

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

1.36.12 Water Inventory

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

1.36.13 Pre-paid electricity

Pre-paid electricity is only recognised as income once the electricity is consumed. The prepaid electricity balance (included under payables) represents the best estimate of electricity sold at year-end, which is still unused. The average pre-paid electricity sold per day during the year under review is used, and the estimate is calculated using 5 days' worth of unused electricity.

1.36.14 Componentisation Of Infrastructure Assets

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

Figures in Rand	2025	2024

2 CASH AND CASH EQUIVALENTS

	2025	2024
Bank Accounts	14 367 424	2 420 797
Cash Floats	5 860	5 860
Total	**14 373 284**	**2 426 657**

Due to the short term nature of cash deposits, all balances included above are in line with their fair values.

Cash and Cash Equivalents are held to support the following:

	2025	2024
Unspent Conditional Government Grants - note 14	930 870	6 327 518
Unspent Public Contributions - note 15	-	282 843
VAT Payable - note 55.3	1 428 320	1 377 940
Total	**2 359 190**	**7 988 301**
Grant funding utilised for own working capital requirements	-	5 561 644
Overdraft facilities available during the financial year with Standard Bank of South Africa Limited	25 000 000	25 000 000
Guarantee in favour of Eskom registered with Standard Bank of South Africa Limited (Account Number 082 451 885)	6 000 000	6 000 000

2.1 Bank Accounts

	2025	2024
Standard Bank of South Africa Limited - Account Number 082 451 885 (Primary Bank Account)	2 228 721	2 259 575
Standard Bank of South Africa Limited - Account Number 082 452 024 (Grants)	13 911	150 470
Standard Bank of South Africa Limited - Account Number 082 455 333 (Housing)	12 124 792	10 752
Total	**14 367 424**	**2 420 797**

Bank accounts consists out of the following accounts:

Standard Bank of South Africa Limited - Account Number 082 451 885 (Primary Bank Account)

	2025	2024
Cash book balance at beginning of year	2 259 575	3 417 746
Cash book balance at end of year	2 228 721	2 259 575
Bank statement balance at beginning of year	1 098 644	2 891 942
Bank statement balance at end of year	1 386 351	1 098 644

Standard Bank of South Africa Limited - Account Number 082 452 024 (Grants)

	2025	2024
Cash book balance at beginning of year	150 470	10 402 304
Cash book balance at end of year	13 911	150 470
Bank statement balance at beginning of year	150 470	10 402 304
Bank statement balance at end of year	13 911	150 470

Standard Bank of South Africa Limited - Account Number 082 455 333 (Housing)

	2025	2024
Cash book balance at beginning of year	10 752	4 683 213
Cash book balance at end of year	12 124 792	10 752
Bank statement balance at beginning of year	10 752	4 683 213
Bank statement balance at end of year	12 124 792	10 752

Figures in Rand	2025	2024
3 RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables		
Electricity	23 079 520	17 082 180
Water	43 660 031	35 888 639
Refuse	50 847 255	41 313 797
Sewerage	44 196 253	38 627 168
Other	49 871 756	33 339 493
Interest	42 343 969	26 279 158
Housing Selling Scheme	217 696	248 386
Property Rental Debtors	1 177 765	998 214
Other Services	4 481 966	4 135 861
Sundry Arrears	1 650 360	1 677 875
Total Gross Balance	**211 654 816**	**166 251 277**
Less: Allowance for Debt Impairment	(176 991 227)	(137 497 171)
Total Net Receivable	**34 663 589**	**28 754 106**

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Reconciliation of Allowance for Debt Impairment

	2025	2024
Balance at the beginning of the year	137 497 171	97 488 506
Movement in the contribution to the provision	55 716 010	42 263 954
Electricity	3 867 599	861 300
Water	10 725 707	8 484 378
Refuse	13 039 747	10 146 319
Sewerage	10 144 615	9 393 531
Other	17 938 341	13 378 426
Bad Debts Written off	(16 221 954)	(2 255 289)
Electricity	(361 455)	(552 126)
Water	(3 220 136)	(387 052)
Refuse	(4 992 598)	(517 459)
Sewerage	(5 232 904)	(633 067)
Other	(2 414 861)	(165 585)
Balance at the end of the year	**176 991 227**	**137 497 171**

The allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2025			
Service Receivables			
Electricity	23 079 520	(8 028 520)	15 051 000
Water	43 660 031	(38 187 220)	5 472 811
Refuse	50 847 255	(44 300 019)	6 547 236
Sewerage	44 196 253	(39 108 202)	5 088 051
Other	49 871 756	(47 367 266)	2 504 490
Total	**211 654 816**	**(176 991 227)**	**34 663 589**

Figures in Rand	2025	2024

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2024			
Service Receivables			
Electricity	17 082 180	(4 522 375)	12 559 805
Water	35 888 639	(30 681 649)	5 206 990
Refuse	41 313 797	(36 252 870)	5 060 927
Sewerage	38 627 168	(34 196 492)	4 430 676
Other	33 339 493	(31 843 785)	1 495 708
Total	**166 251 277**	**(137 497 171)**	**28 754 106**

Ageing of Receivables from Exchange Transactions

	2025	2024
Electricity		
Current (0 - 30 days)	11 404 350	9 223 011
31 - 60 Days	2 488 695	2 695 654
61 - 90 Days	676 776	930 426
+ 90 Days	8 509 700	4 233 090
Total	**23 079 520**	**17 082 180**
Water		
Current (0 - 30 days)	3 209 753	3 797 692
31 - 60 Days	2 359 399	2 128 139
61 - 90 Days	1 894 955	1 593 555
+ 90 Days	36 195 925	28 369 253
Total	**43 660 031**	**35 888 639**
Refuse		
Current (0 - 30 days)	3 839 438	3 213 406
31 - 60 Days	2 279 801	2 161 423
61 - 90 Days	1 761 824	1 646 530
+ 90 Days	42 966 192	34 292 438
Total	**50 847 255**	**41 313 797**
Sewerage		
Current (0 - 30 days)	3 094 971	3 013 311
31 - 60 Days	1 980 461	2 104 993
61 - 90 Days	1 565 148	1 723 528
+ 90 Days	37 555 673	31 785 336
Total	**44 196 253**	**38 627 168**
Interest		
Current (0 - 30 days)	1 926 760	1 569 266
31 - 60 Days	1 889 795	1 549 853
61 - 90 Days	1 775 566	1 437 455
+ 90 Days	36 751 849	21 722 583
Total	**42 343 969**	**26 279 158**
Housing Selling Scheme		
Current (0 - 30 days)	2	230
31 - 60 Days	2	7 040
61 - 90 Days	2	20
+ 90 Days	217 690	241 095
Total	**217 696**	**248 386**

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

Figures in Rand	2025	2024

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Property Rental Debtors		
Current (0 - 30 days)	108 721	99 841
31 - 60 Days	42 581	60 826
61 - 90 Days	35 261	41 385
+ 90 Days	991 202	796 162
Total	**1 177 765**	**998 214**
Other Services		
Current (0 - 30 days)	44 669	7 390
31 - 60 Days	7 438	1 987
61 - 90 Days	401 719	1 297
+ 90 Days	4 028 141	4 125 187
Total	**4 481 966**	**4 135 861**
Sundry Arrears		
Current (0 - 30 days)	88 385	98 236
31 - 60 Days	36 559	44 192
61 - 90 Days	13 062	12 308
+ 90 Days	1 512 353	1 523 139
Total	**1 650 360**	**1 677 875**
Summary Ageing of all Receivables from Exchange Transactions		
Current (0 - 30 days)	23 717 049	21 022 381
31 - 60 Days	11 084 730	10 754 106
61 - 90 Days	8 124 313	7 386 505
+ 90 Days	168 728 725	127 088 284
Total	**211 654 816**	**166 251 277**

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Service Receivables	**40 030 909**	**37 210 867**
Property Rates	29 269 591	28 588 684
Availability Charges	10 761 318	8 622 183
Other Receivables	**37 683 972**	**32 691 141**
Unpaid Traffic Fines	16 304 654	23 291 005
Other Receivables	209 409	11 539
Deposits	18 777 058	9 388 597
Unpaid Grants	2 392 852	-
Total Gross Balance	**77 714 882**	**69 902 008**
Less: Allowance for Debt Impairment	(47 922 141)	(52 155 887)
Total Net Receivable	**29 792 740**	**17 746 121**

Rates are payable monthly within 30 days after the date of accounts. An option to pay rates annually is also available and the account must be settled on or before 30 September. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

Figures in Rand	2025	2024

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Reconciliation of Allowance for Debt Impairment

	2025	2024
Balance at the beginning of the year	52 155 887	40 447 705
Movement in the contribution to the provision	11 584 382	12 647 629
Property Rates	2 099 434	2 962 229
Availability Charges	2 141 086	1 868 508
Traffic Fines	7 343 861	7 816 892
Bad Debts Written off	(15 818 127)	(939 447)
Property Rates	(1 389 256)	(740 537)
Availability Charges	(153 010)	(198 910)
Traffic Fines	(14 275 861)	-
Balance at the end of the year	**47 922 141**	**52 155 887**

The allowance for debt impairment of property rates has been made for all balances outstanding based on the payment ratio over the last 12 months. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

The allowance for debt impairment of unpaid traffic fines has been made for all balances outstanding based on the cumulative collection rate.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2025			
Service Receivables			
Property Rates	29 269 591	(21 879 944)	7 389 647
Availability Charges	10 761 318	(10 178 197)	583 121
Other Receivables			
Unpaid Traffic Fines	16 304 654	(15 864 000)	440 654
Other Receivables	209 409	-	209 409
Deposits	18 777 058	-	18 777 058
Unpaid Grants	2 392 852	-	2 392 852
Total	**77 714 882**	**(47 922 141)**	**29 792 740**
30 June 2024			
Service Receivables			
Property Rates	28 588 684	(21 169 766)	7 418 918
Availability Charges	8 622 183	(8 190 121)	432 062
Other Receivables			
Unpaid Traffic Fines	23 291 005	(22 796 000)	495 005
Other Receivables	11 539	-	11 539
Deposits	9 388 597	-	9 388 597
Total	**69 902 008**	**(52 155 887)**	**17 746 121**

Ageing of Receivables from Non-Exchange Transactions

Property Rates

	2025	2024
Current (0 - 30 days)	3 554 510	3 639 443
31 - 60 Days	1 363 768	1 486 750
61 - 90 Days	865 921	924 073
+ 90 Days	23 485 391	22 538 418
Total	**29 269 591**	**28 588 684**

Figures in Rand	2025	2024

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Availability Charges		
Current (0 - 30 days)	488 509	418 584
31 - 60 Days	298 437	307 847
61 - 90 Days	270 664	267 443
+ 90 Days	9 703 708	7 628 309
Total	**10 761 318**	**8 622 183**
Unpaid Traffic Fines		
Current (0 - 30 days)	688 000	624 150
31 - 60 Days	676 950	476 500
61 - 90 Days	752 150	389 150
+ 90 Days	14 187 554	21 801 205
Total	**16 304 654**	**23 291 005**

5 TAXES

VAT Claimable/(Payable)	(10 992 980)	(9 102 964)
VAT Output in Suspense	(17 556 419)	(14 403 993)
VAT Input in Suspense	14 463 807	19 253 340
VAT on Allowance for Debt Impairment	19 478 029	16 178 285
Total	**5 392 438**	**11 924 669**
As previously reported		19 649 693
Correction of error restatement - note 49.1		-
Correction of error restatement - note 49.2		(7 725 024)
Restated balance		11 924 669
Disclosed as:		
Current Assets	14 463 807	19 253 340
Current Liabilities	(9 071 369)	(7 328 672)
Total	**5 392 438**	**11 924 669**

Reconciliation of VAT on Allowance for Debt Impairment

Balance at beginning of year	16 178 285	11 951 166
Debt Impairment for current year	3 299 744	4 227 119
Balance at the end of the year	**19 478 029**	**16 178 285**

6 OPERATING LEASES

6.1 OPERATING LEASE ASSETS

Operating Lease Asset	**76 306**	**79 531**
Disclosed as follows:		
Non-Current Operating Lease Asset	44 694	73 876
Current Operating Lease Asset	31 612	5 655
Total	**76 306**	**79 531**

The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.

Reconciliation of Operating Lease Asset

Balance at the beginning of the year	79 531	56 676
Movement during the year	(3 226)	22 856
Balance at the end of the year	**76 306**	**79 531**

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

Figures in Rand	2025	2024

6 OPERATING LEASES (CONTINUED)

The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.

Within 1 Year	543 311	507 948
Between 1 and 5 Years	462 729	993 045
After 5 Years	-	-
Total operating lease payments	**1 006 039**	**1 500 993**

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

The Municipality is leasing land and buildings to different lessees for periods ranging from 1 to 60 months with escalations linked to CPI or 5.5% per year ranging until 2028.

Significant lease agreements include, but are not limited to:

- Lease of various properties to the Department of Infrastructure for periods not exceeding 5 years, with the last agreement ending 30 September 2027. These agreements have an annual escalation of 5.5%.

The Municipality does not engage in any sub-lease arrangements nor did the Municipality receive any contingent rent during the year.

6.2 OTHER OPERATING LEASES

Other operating leases is derived from contracts where the Municipality acts as the lessee in the agreement.

The Municipality will incur the following lease expenditure from contracts that have defined lease payments and terms.

Within 1 Year	2 218 380	1 517 140
Between 1 and 5 Years	2 168 760	2 820 887
After 5 Years	-	-
Total operating lease payments	**4 387 140**	**4 338 028**

Operating leases consist out of the following leases:

- The Municipality entered into an agreement for the lease of various vehicles for a period of 3 years (ending between May 2027 and September 2027) with no escalation per annum.

The Municipality does not engage in any sub-lease arrangements.

The Municipality did not pay any contingent rent during the year.

7 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	8 727 794	10 536 972
Less: Allowance for Debt Impairment	(3 217 709)	(4 425 665)
Total Net Receivable	5 510 086	6 111 307
Less: Current portion of Long-term Receivables	(3 668 220)	(3 084 740)
Total	**1 841 866**	**3 026 567**

Receivables subject to repayment arrangements are debtors which are repaying their outstanding consumers accounts over a period of more than 12 months. There are no standard repayment terms, therefore no age analysis is available for these non-current receivables.

Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	4 425 665	3 249 476
Movement in the contribution to the provision	(1 207 956)	1 176 189
Balance at the end of the year	**3 217 709**	**4 425 665**

The allowance for debt impairment of arrangements has been made for all balances outstanding based on the payment ratio over the last 12 months. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

Figures in Rand	2025	2024

8 INVENTORY

	2025	2024
Consumables	2 296 529	1 009 277
Water	840 611	733 638
Total	**3 137 140**	**1 742 915**

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

No inventory were pledged as security for liabilities.

	2025	2024
Inventory written down due to losses identified during the annual stores counts	-	-
Inventory recognised as an expense during the year		
Consumables	971 404	615 795
Finished Goods	1 009 848	831 217
Water	10 956 051	9 992 901
Total	12 937 304	11 439 913

9 INVESTMENT PROPERTY

	2025	2024
Investment Property - Fair Value	**110 312 000**	**93 467 300**

The carrying value of Investment Property is reconciled as follows:

	2025	2024
Opening Fair Value	93 467 300	95 845 100
Gains arising from changes in fair value	22 271 690	1 909 400
Disposals	(5 426 990)	(4 287 200)
Closing Fair Value	110 312 000	93 467 300

The valuations of investment properties were conducted by an independent professional valuer. The properties were primarily assessed using the Market Approach. Under this approach, the main valuation technique applied was the Comparable Sales Method. This method determines value by comparing the subject property to similar properties for which reliable price information is available.

The assumptions underlying the Comparable Sales Method are based on an analysis of comparable assets of a similar type, using available price data. The primary source of this price information was the Deeds Office.

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

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

	2025	2024
Revenue derived from the rental of investment property	333 533	366 160

No significant operating expenditure was incurred on investment property during the current and prior financial year.

10 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2025				
Land and Buildings	109 749 264	(10 332 049)	(646 049)	98 771 166
Infrastructure	917 490 394	(207 103 059)	(9 614 816)	700 772 519
Community Assets	97 432 433	(20 657 692)	(163 461)	76 611 280
Other Assets	53 017 273	(23 526 900)	(155 805)	29 334 569
Leased Assets	1 200 983	(931 503)	-	269 480
Capitalised Restoration Cost	44 447 494	(32 110 102)	-	12 337 393
Total	**1 223 337 841**	**(294 661 305)**	**(10 580 132)**	**918 096 405**

Figures in Rand			2025	2024

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2024				
Land and Buildings	109 533 360	(9 798 147)	(646 049)	99 089 164
Infrastructure	847 829 681	(190 344 992)	(9 634 103)	647 850 586
Community Assets	96 604 859	(18 964 570)	(163 461)	77 476 827
Other Assets	39 440 720	(22 806 503)	(158 300)	16 475 917
Leased Assets	1 200 983	(533 284)	-	667 698
Capitalised Restoration Cost	39 113 164	(30 771 253)	-	8 341 911
Total	**1 133 722 766**	**(273 218 750)**	**(10 601 914)**	**849 902 103**

10.1 Repairs and maintenance incurred on Property, Plant and Equipment	**11 251 977**	**7 905 955**

The comparative figure has been restated from R7 220 759 to R7 905 955 due to items omitted from the note in the prior year.

Repairs and maintenance consists out of the following components:

	2025	2024
Contracted Services	2 865 558	2 171 510
- Electrical	350 764	260 543
- Engineering	634 588	166 960
- Fire Protection	116 344	68 418
- Maintenance Services	1 763 862	1 675 589
Other Expenditure	8 386 419	5 734 445
- Maintenance Materials	8 356 999	5 409 066
- Hire Charges	29 420	325 380
Total	11 251 977	7 905 955

10.2 Capital Restoration Costs

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

10.3 Carrying value of Property, Plant and Equipment pledged as security	**269 480**	**667 698**

The leased assets are financed through a finance lease agreement and are secured as set out in note 12.

10.4 Work in Progress projects taking a significant longer period to complete

There are no material projects that are taking a significantly longer period of time to complete than expected. There are also no significant projects where construction or development has been halted.

10.5 Change in estimate useful lives

During the current year the remaining useful lives of Property, Plant and Equipment were reviewed, and accordingly adjusted. The effect on the current and future periods are as follow:

	2025	2026	After 2026
Increase / (Decrease) in Depreciation and Amortisation	(155 678)	(8 014)	163 692
Increase / (Decrease) in Accumulated Surplus	155 678	8 014	(163 692)
Increase / (Decrease) in Property, Plant and Equipment	155 678	8 014	(163 692)

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.6 Reconciliation of Carrying Value

30 June 2025	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**109 533 360**	**-**	**-**	**-**	**215 904**	**109 749 264**	**10 444 196**	**533 902**	**-**	**-**	**10 978 098**	**98 771 166**
Land	68 103 112	-	-	-	-	68 103 112	-	-	-	-	-	68 103 112
Buildings	41 382 165	-	-	-	215 904	41 598 069	10 444 196	533 902	-	-	10 978 098	30 619 971
Work in Progress	48 083	-	-	-	-	48 083	-	-	-	-	-	48 083
Infrastructure	**847 829 681**	**72 971 501**	**(3 305 036)**	**-**	**(5 751)**	**917 490 394**	**199 979 095**	**18 064 549**	**-**	**(1 325 769)**	**216 717 875**	**700 772 519**
Roads and Storm Water	253 517 247	-	(566 660)	-	28 140 229	281 090 817	55 799 187	6 209 958	-	(385 270)	61 623 876	219 466 941
Electricity	70 951 079	-	(433 898)	-	4 210 798	74 727 979	31 249 039	1 682 227	-	(196 483)	32 734 782	41 993 197
Water Supply	188 405 768	-	(401 803)	-	24 283 949	212 287 915	47 566 586	4 416 205	-	(275 486)	51 707 305	160 580 610
Sanitation	275 874 977	-	(1 223 244)	-	7 626 411	282 278 144	64 830 943	5 725 603	-	(468 530)	70 088 016	212 190 128
Solid Waste	771 077	-	-	-	-	771 077	533 341	30 556	-	-	563 896	207 181
Work in Progress	58 309 532	72 971 501	(679 432)	-	(64 267 139)	66 334 462	-	-	-	-	-	66 334 462
Community Assets	**96 604 859**	**1 043 478**	**-**	**-**	**(215 904)**	**97 432 433**	**19 128 032**	**1 693 122**	**-**	**-**	**20 821 153**	**76 611 280**
Sport and Recreation Facilities	45 615 584	-	-	-	7 589 189	53 204 773	8 710 247	1 051 861	-	-	9 762 108	43 442 665
Community Facilities	43 792 214	-	-	-	298 600	44 090 814	10 417 785	641 260	-	-	11 059 045	33 031 769
Work in progress	7 197 061	1 043 478	-	-	(8 103 693)	136 846	-	-	-	-	-	136 846
Other Assets	**39 440 720**	**16 226 546**	**(2 698 816)**	**43 072**	**5 751**	**53 017 273**	**22 964 803**	**2 699 058**	**-**	**(1 981 156)**	**23 682 705**	**29 334 569**
Computer Equipment	4 472 909	626 077	(148 101)	-	-	4 950 885	2 136 056	451 577	-	(137 938)	2 449 695	2 501 190
Furniture and Office Equipment	4 862 183	43 326	(64 109)	1 872	-	4 843 272	3 331 781	267 585	-	(56 887)	3 542 479	1 300 794
Machinery and Equipment	2 704 336	1 058 382	(85 891)	41 200	5 751	3 723 778	1 715 736	217 004	-	(80 258)	1 852 482	1 871 297
Transport Assets	27 401 292	14 498 760	(2 400 715)	-	-	39 499 338	15 781 230	1 762 892	-	(1 706 073)	15 838 050	23 661 288
Leased Assets	**1 200 983**	**-**	**-**	**-**	**-**	**1 200 983**	**533 284**	**398 219**	**-**	**-**	**931 503**	**269 480**
Furniture and Office Equipment	1 200 983	-	-	-	-	1 200 983	533 284	398 219	-	-	931 503	269 480
Capitalised Restoration Cost	**39 113 164**	**5 747 375**	**(413 045)**	**-**	**-**	**44 447 494**	**30 771 253**	**1 338 849**	**-**	**-**	**32 110 102**	**12 337 393**
Landfill Site Rehabilitation	39 113 164	5 747 375	(413 045)	-	-	44 447 494	30 771 253	1 338 849	-	-	32 110 102	12 337 393
	1 133 722 766	**95 988 901**	**(6 416 898)**	**43 072**	**-**	**1 223 337 841**	**283 820 663**	**24 727 699**	**-**	**(3 306 925)**	**305 241 437**	**918 096 405**

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.6 Reconciliation of Carrying Value

30 June 2024	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**111 793 932**	**-**	**(1 468 687)**	**-**	**(791 885)**	**109 533 360**	**11 247 556**	**551 574**	**113 753**	**(1 468 687)**	**10 444 196**	**99 089 164**
Land	68 103 112	-	-	-	-	68 103 112	-	-	-	-	-	68 103 112
Buildings	42 850 852	-	(1 468 687)	-	-	41 382 165	11 247 556	551 574	113 753	(1 468 687)	10 444 196	30 937 969
Work in Progress	839 968	-	-	-	(791 885)	48 083	-	-	-	-	-	48 083
Infrastructure	**809 819 632**	**38 996 474**	**(1 172 877)**	**186 453**	**-**	**847 829 681**	**182 005 474**	**17 506 596**	**1 316 273**	**(849 247)**	**199 979 095**	**647 850 586**
Roads and Storm Water	245 486 354	-	(36 817)	-	8 067 710	253 517 247	49 955 888	5 877 908	123	(34 731)	55 799 187	197 718 060
Electricity	68 632 409	-	(20 637)	186 453	2 152 855	70 951 079	29 693 795	1 570 897	-	(15 654)	31 249 039	39 702 041
Water Supply	187 547 707	-	(421 609)	-	1 279 670	188 405 768	43 450 784	4 326 091	139 559	(349 848)	47 566 586	140 839 182
Sanitation	275 584 983	-	(693 814)	-	983 809	275 874 977	58 400 184	5 703 182	1 176 591	(449 014)	64 830 943	211 044 034
Solid Waste	771 077	-	-	-	-	771 077	504 823	28 518	-	-	533 341	237 737
Work in Progress	31 797 102	38 996 474	-	-	(12 484 044)	58 309 532	-	-	-	-	-	58 309 532
Community Assets	**86 050 785**	**10 542 525**	**(644 641)**	**-**	**656 190**	**96 604 859**	**18 228 095**	**1 494 243**	**50 335**	**(644 641)**	**19 128 032**	**77 476 827**
Sport and Recreation Facilities	38 228 784	-	(628 972)	-	8 015 771	45 615 584	8 434 533	854 351	50 335	(628 972)	8 710 247	36 905 337
Community Facilities	43 151 693	-	(15 670)	-	656 190	43 792 214	9 793 563	639 891	-	(15 670)	10 417 785	33 374 429
Work in progress	4 670 307	10 542 525	-	-	(8 015 771)	7 197 061	-	-	-	-	-	7 197 061
Other Assets	**36 815 207**	**2 626 800**	**(199 487)**	**62 505**	**135 695**	**39 440 720**	**20 814 838**	**2 232 932**	**73 017**	**(155 983)**	**22 964 803**	**16 475 917**
Computer Equipment	3 224 419	1 275 962	(89 281)	61 809	-	4 472 909	1 985 827	201 181	7 356	(58 309)	2 136 056	2 336 853
Furniture and Office Equipment	4 609 308	130 358	(13 874)	696	135 695	4 862 183	3 107 011	233 356	1 607	(10 193)	3 331 781	1 530 402
Machinery and Equipment	2 221 343	534 326	(51 333)	-	-	2 704 336	1 645 547	128 094	(7 171)	(50 734)	1 715 736	988 600
Transport Assets	26 760 137	686 155	(45 000)	-	-	27 401 292	14 076 452	1 670 301	71 225	(36 748)	15 781 230	11 620 062
Leased Assets	**1 200 983**	**-**	**-**	**-**	**-**	**1 200 983**	**133 321**	**399 963**	**-**	**-**	**533 284**	**667 698**
Furniture and Office Equipment	1 200 983	-	-	-	-	1 200 983	133 321	399 963	-	-	533 284	667 698
Capitalised Restoration Cost	**39 413 156**	**809 357**	**(1 109 349)**	**-**	**-**	**39 113 164**	**29 438 561**	**1 332 691**	**-**	**-**	**30 771 253**	**8 341 911**
Landfill Site Rehabilitation	39 413 156	809 357	(1 109 349)	-	-	39 113 164	29 438 561	1 332 691	-	-	30 771 253	8 341 911
	1 085 093 694	**52 975 156**	**(4 595 042)**	**248 957**	**-**	**1 133 722 766**	**261 867 846**	**23 517 999**	**1 553 377**	**(3 118 559)**	**283 820 663**	**849 902 103**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

11 INTANGIBLE ASSETS

	2025	2024
Intangible Assets - Carrying Value	**108 691**	**110 594**

The carrying value of intangible Assets is reconciled as follows:

	2025	2024
Opening Carrying Value	**110 594**	**112 649**
Cost	573 669	573 669
Accumulated Amortisation	(463 075)	(461 020)
Accumulated Impairment	-	-
Additions	-	-
Amortisation	(1 904)	(2 055)
Disposal	-	-
Cost	-	-
Accumulated Amortisation	-	-
Closing Carrying Value	**108 690**	**110 594**
Cost	573 669	573 669
Accumulated Amortisation	(464 978)	(463 075)
Accumulated Impairment	-	-

Computer Software have a life span of 15 years and rights (servitudes) have an indefinite lifespan because there is no foreseeable limit to the period over which the servitudes are expected to generate net cash inflows or service potential for the municipality.

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

12 LONG-TERM LIABILITIES

	2025	2024
Annuity Loans	5 679 688	8 222 094
Finance Lease Liabilities	323 216	737 673
Payables with Repayment Arrangements	-	3 897 954
Municipal Debt Relief	70 728 917	101 284 151
Sub-Total	**76 731 821**	**114 141 872**
Less: Current portion of Long-term Liabilities	**35 363 626**	**37 410 052**
Annuity Loans	1 385 614	2 542 406
Finance Lease Liabilities	323 217	414 457
Payables with Repayment Arrangements	-	3 897 954
Municipal Debt Relief	33 654 795	30 555 235
Total	**41 368 195**	**76 731 821**

Long-term Liabilities were utilised as follow:

	2025	2024
Total loans taken up	6 002 904	8 959 767
Used to finance Property, Plant and Equipment at cost	(6 002 904)	(8 959 767)
Unspent Borrowings	**-**	**-**

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

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

12 LONG-TERM LIABILITIES (CONTINUED)

12.1 Annuity Loans

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

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
Development Bank of Southern Africa (WC12007362.1)	10.12%	2031	4 201 108	5 474 490
Development Bank of Southern Africa (12007652)	10.48%	2027	1 478 580	2 747 604
Total			**5 679 688**	**8 222 094**

All annuity loans are unsecured.

Annuity loans are payable as follows:

	2025	2024
Payable within one year	1 986 964	3 307 704
Payable within two to five years	4 079 925	5 221 425
Payable after five years	1 473 152	2 318 616
Total amount payable	**7 540 041**	**10 847 745**
Less: Outstanding Future Finance Charges	(1 860 353)	(2 625 651)
Present value of annuity loans	**5 679 688**	**8 222 094**

12.2 Finance Lease Liabilities

Finance Lease Liabilities, disclosed at amortised cost, consist out of the following agreements:

Supplier	Lease Period	Maturity Date	Carrying Value of Liability	
Konica Minolta - Printers	3 years	2026/02/28	140 890	328 866
SkyMetro - Printers	3 years	2026/02/28	182 326	408 807
Total			**323 216**	**737 673**

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 10.

Leased assets remain the property of the lessor after maturity and new lease contracts are negotiated to replace lapsed contracts.

Finance Lease Liabilities are payable as follows:

	2025	2024
Payable within one year	346 888	520 332
Payable within two to five years	-	346 888
Payable after five years	-	-
Total amount payable	**346 888**	**867 221**
Less: Outstanding Future Finance Charges	(23 672)	(129 548)
Present value of finance lease liabilities	**323 216**	**737 673**

12.3 Payables with Repayment Arrangements

The Municipality entered into the following repayment arrangements:

Supplier	Rate	Maturity Date	Carrying Value of Liability	
Eskom Holdings SOC Ltd	0%	2024/10/31	-	3 897 954
Total			**-**	**3 897 954**

All payables with repayment arrangements are unsecured.

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

12 LONG-TERM LIABILITIES (CONTINUED)

Payables with Repayment Arrangements are payable as follows:

	2025	2024
Payable within one year	-	3 897 954
Payable within two to five years	-	-
Total amount payable	**-**	**3 897 954**
Less: Outstanding Future Finance Charges	-	-
Present value of payables with repayment arrangements	**-**	**3 897 954**

12.4 Municipal Debt Relief

Municipal Debt Relief, disclosed at amortised cost, consist out of the following agreements:

Supplier	Discount Rate	Maturity Date	Carrying Value of Liability	
Eskom Holdings SOC Ltd	10.16%	31 Aug 2026	70 728 917	101 284 151
Total			**70 728 917**	**101 284 151**

The Municipal Debt Relief liability is unsecured.

During the 2023/24 financial year, National Treasury approved the Municipality's application for Municipal Debt Relief. In terms of the arrangement, Eskom Holdings SOC Ltd will write-off outstanding debt amounting to R112 992 550 over a period of 3 years, given that the Municipality adheres to certain conditions. During the current year the Municipality adhered to the set conditions and accordingly one-third of the debt was written-off. As at year-end, the Municipality still complied with all of the conditions, and it is therefore anticipated that the remaining debt will be written off as follows:

	2025	2024
Within one year	37 664 183	37 664 183
Within two to five years	37 664 183	75 328 367
Total amount payable	**75 328 367**	**112 992 550**
Less: Outstanding Future Finance Charges	(4 599 450)	(11 708 398)
Present value of municipal debt relief liability	**70 728 917**	**101 284 151**

13 PAYABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Trade Payables	68 754 969	62 424 255
Retentions	7 447 314	4 807 090
Payments received in advance	4 835 926	1 817 531
Pre-paid Electricity	834 806	745 239
Sundry Creditors	11 268 667	8 482 063
Unknown Bank Deposits	1 081 037	1 647 781
Sale of Land Deposits	217 920	430 612
Accrued Interest	5 160	11 723
Total	**94 445 799**	**80 366 293**

Payables are being recognised net of any discounts received.

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

The carrying value of trade and other payables approximates its fair value.

Sundry deposits include hall, builders and housing deposits.

The following serves as security for payables:

	2025	2024
- Bank guarantee as per note 2	6 000 000	6 000 000
- Cash deposits as per note 4	18 777 058	9 388 597
Total	24 777 058	15 388 597

Figures in Rand	2025	2024

14 UNSPENT CONDITIONAL GOVERNMENT GRANTS

	2025	2024
National Government	118 459	1 144 886
Provincial Government	812 411	5 140 052
District Municipality	-	42 580
Total	**930 870**	**6 327 518**

Detail reconciliations of all grants received and grant conditions met are included in note 21. Unspent grant balances are recognised to the extent that conditions are not yet met.

No grants were withheld in the current year.

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

15 UNSPENT PUBLIC CONTRIBUTIONS

	2025	2024
Tormin Mineral Sands	-	282 843
Total	**-**	**282 843**

Detail reconciliations of all public contributions received are included in note 22. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.

Due to the short term nature of unspent public contributions, the carrying value approximates the fair value of the unspent public contribution at year-end.

16 CURRENT EMPLOYEE BENEFITS

	2025	2024
Bonuses	4 952 698	4 683 227
Staff Leave	12 087 444	10 682 924
Performance Bonuses	680 298	499 358
Pension	25 169	25 169
Current portion of Non-Current Employee Benefits - note 18	2 956 000	3 033 000
Post Retirement Medical Benefits	1 948 000	1 820 000
Long Service Awards	1 008 000	1 213 000
Total	**20 701 609**	**18 923 678**

The movement in current employee benefits are reconciled as follows:

16.1 Bonuses

	2025	2024
Opening Balance	4 683 227	4 619 770
Contribution during the year	8 792 837	8 759 348
Payments made	(8 523 367)	(8 695 892)
Balance at the end of the year	**4 952 697**	**4 683 227**

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

16.2 Staff Leave

	2025	2024
Opening Balance	10 682 924	9 917 557
Contribution during the year	2 676 626	2 084 979
Payments made	(1 272 106)	(1 319 612)
Balance at the end of the year	**12 087 444**	**10 682 924**

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

Figures in Rand	2025	2024

16 CURRENT EMPLOYEE BENEFITS (CONTINUED)

16.3 Performance Bonuses

	2025	2024
Opening Balance	499 358	334 984
Contribution during the year	667 513	499 358
Payments made	(486 573)	(334 984)
Balance at the end of the year	**680 298**	**499 358**

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.

16.4 Pension

	2025	2024
Opening Balance	25 169	25 169
Contribution during the year	-	-
Payments made	-	-
Balance at the end of the year	**25 169**	**25 169**

Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.

17 CURRENT PROVISIONS

	2025	2024
SARS Ruling - Output VAT Payable on Library Grants	-	-
Total	**-**	**-**
As previously reported		6 599 217
Correction of error restatement - note 49.2		(6 599 217)
Restated balance		-

Historically all funds received from the Department of Cultural Affairs and Sport (DCAS) relating to the library services were treated as zero rated grants and accordingly no Output VAT was declared on the said funds.

During the 2022/23 statutory audit, the Auditor-General issued a finding that the funds being received from the DCAS are for services being rendered to the Department, as the library function has not been assigned to municipalities. Given the afore-mentioned, it was concluded that the standard VAT rate of 15% be applied, resulting in Output VAT being payable to the South African Revenue Service (SARS).

During the 2023/24 financial year, the Municipality requested a Section 41B VAT class ruling from SARS, on the basis that the function has been assigned to the Municipality in accordance with the Provincial Library Service Ordinance 16 of 1981 (“1981 Ordinance”). Following the submission of the VAT class ruling application, SARS issued Binding General Ruling 74 (“BGR74”) which deals with the VAT treatment of supplies of goods or services made by municipalities to national or provincial government. While this BGR is not binding on municipalities, it is binding on SARS and reflects how they will apply the legislation in practice. In terms of SARS’ interpretation, there was no assignment of the library function to the municipalities in terms of the 1981 Ordinance and the municipalities was thus required to levy and account for output tax at the standard rate on the grant receipts. As a result of SARS issuing BGR74, SARS rejected the VAT class ruling on the basis that the application contains an issue that is the same as or substantially similar to an issue that is “the subject of a policy document or draft legislation that has been published”.

Subsequent to the rejected VAT class ruling, SARS communicated that it is in consultation with counsel on the validity of the assignment under old order legislation. It is understood that counsel has already been briefed and there has been an initial consultation. As at reporting date, no feedback has been received on these consultations or counsel’s view. Should the outcome of the consultation still be unfavourable towards the Municipality, alternative options will be explored.

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand		2025	2024

17 CURRENT PROVISIONS (CONTINUED)

The main uncertainty is what periods SARS will include in the case of an assessment. The Municipality took a conservative approach and calculated the provision based on the receipts from DCAS over a period of 7 year, i.e. from 2018/19 to 2024/25. The expected timing of any economic outflows is also an uncertainty.

Should the outcome of the formal ruling be unfavourable towards the Municipality, the Municipality will approach the Department of Cultural Affairs and Sport (DCAS) for possible reimbursement.

18 EMPLOYEE BENEFITS

	2025	2024
Post Retirement Medical Benefits	40 826 000	34 539 000
Long Service Awards	9 128 000	8 697 000
Sub-Total	**49 954 000**	**43 236 000**
Less: Current portion of Employee Benefits	**2 956 000**	**3 033 000**
Post Retirement Medical Benefits	1 948 000	1 820 000
Long Service Awards	1 008 000	1 213 000
Total	**46 998 000**	**40 203 000**

18.1 Post Retirement Medical Benefits

The Post Retirement Medical Benefit Plan is a defined benefit plan. The movement in the defined benefit obligation is reconciled as follows:

	2025	2024
Opening Balance	34 539 000	32 727 000
Contribution during the year	5 645 000	5 472 000
Current Service Cost	1 532 000	1 470 000
Interest Expense	4 113 000	4 002 000
Payments made	(1 806 278)	(1 652 340)
Actuarial Loss/(Gain)	2 448 278	(2 007 660)
Change in Financial Assumptions	1 477 000	(1 215 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	971 278	(792 660)
Total balance at year-end	40 826 000	34 539 000
Less: Current portion	(1 948 000)	(1 820 000)
Total	**38 878 000**	**32 719 000**

Based on the number of individuals entitled to a post-employment medical aid subsidy at year-end, the defined benefit obligation was estimated to be as follows:

	Number of individuals			
	2025	2024		
In-service members	141	138	17 202 000	13 501 000
In-service non-members	262	252	4 774 000	3 869 000
Continuation members	30	31	18 850 000	17 169 000
Total	**433**	**421**	**40 826 000**	**34 539 000**

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 22 July 2025.

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

18 EMPLOYEE BENEFITS (CONTINUED)

Characteristics of defined benefit plans and risks associated with them

The Municipality provides post employment medical benefits as follows:

- Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement.
- Continuation members and their eligible dependants receive a 70% subsidy.
- The post-employment subsidies are not limited to a maximum Rand value/subsidy.
- Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- **Inflation**: The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- **Longevity**: The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.
- **Volatility of open-ended, long-term defined benefit obligation:** The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.
- **Enforcement of eligibility criteria and rules**: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the defined benefit obligation for the Municipality.

Significant Actuarial Assumptions

	2025	2024
i) Financial Assumptions		
- Medical Aid Contribution Inflation Rate	7.0%	7.7%
- Discount Rate	11.2%	12.2%
- Net Discount Rate	3.9%	4.2%
ii) Demographic Assumptions		
- Post-Employment Mortality The PA(90) ultimate table, adjusted down by 1 year of age, and a 1% annual compound mortality improvement from 2010.	PA(90)	PA(90)
- Average Retirement Age	62 years	62 years
- Membership continuation	75%	75%

Sensitivity Analysis - Defined Benefit Obligation at year-end

The defined benefit obligation is based on a number of assumptions as indicated above. The extent to which the actual defined benefit obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The assumption which tends to have the greatest impact on the results is the medical aid contribution inflation rate relative to the discount rate. The impact of the aforementioned and the other significant assumptions are disclosed below:

Assumption	Eligible Employees (R)	Continuation Members (R)	Total Obligation (R)	% Change
Current defined benefit obligation	21 976 000	18 850 000	40 826 000	
Medical Aid Contribution Inflation Rate (+ 1%)	26 437 000	20 429 000	46 866 000	15%
Medical Aid Contribution Inflation Rate (- 1%)	18 421 000	17 462 000	35 883 000	-12%
Discount Rate (+ 1%)	18 570 000	17 523 000	36 093 000	-12%
Discount Rate (- 1%)	26 294 000	20 380 000	46 674 000	14%
Post-Employment Mortality (+ 1 year)	21 433 000	18 175 000	39 608 000	-3%
Post-Employment Mortality (- 1 year)	22 510 000	19 529 000	42 039 000	3%
Average Retirement Age (- 1 year)	24 354 000	18 850 000	43 204 000	6%
Membership Continuation (- 10%)	19 171 000	18 850 000	38 021 000	-7%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.

18 EMPLOYEE BENEFITS (CONTINUED)

Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the Municipality which aims to ensure that the cash position of the Municipality remains sufficient to cover all working capital requirements (which includes contributions to the relevant medical schemes).

Maturity analysis of the future undiscounted expected benefits to be paid in respect of the current eligible employees and continuation members can be illustrated as follows:

Future Year	Expected Benefit Payments R	% Contribution of Bracket
Future year 1 - 10	32 773 000	3%
Future year 11 - 20	86 616 000	8%
Future year 21 - 30	178 351 000	17%
Future year 31 - 40	252 155 000	24%
Future year 41 - 50	247 985 000	24%
Future year 51 - 60	166 560 000	16%
Future year 61 - 70	65 746 000	6%
Future year 71 - 80	11 541 000	1%
Future year 80 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	**1 041 727 000**	**100%**

18.2 Long Service Awards

The Long Service Awards plans are defined benefit plans. The movement in the defined benefit obligation is reconciled as follows:

	2025	2024
Opening Balance	8 697 000	8 328 000
Contribution during the year	1 622 000	1 633 000
Current Service Cost	707 000	721 000
Interest Expense	915 000	912 000
Payments made	(1 220 108)	(1 108 813)
Actuarial Loss/(Gain)	29 108	(155 187)
Change in Financial Assumptions	(57 000)	(99 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	86 108	(56 187)
Total balance at year-end	**9 128 000**	**8 697 000**
Less: Current portion	(1 008 000)	(1 213 000)
Total	**8 120 000**	**7 484 000**
As at year end, the following number of employees were eligible for Long Service Awards	403	390

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 22 July 2025.

Characteristics of defined benefit plans and risks associated with them

The Municipality provides a Long Service Award benefits as follows:

- The Municipality offers employees Long Service Awards for every 5 years of service completed, from 10 years of service to 45 years of service, inclusive.
- In the month that each "completed service" milestone is reached, the employee is granted a Long Service Award.
- The Long Service Award is calculated as a percentage of basic salary which is then multiplied by the number of years in service, divided by 249. The percentage calculated on the basic salary is determined by the milestone reached which ranges from 4% (10 years) to 26.4% (45 years).
- The Municipality does not pay any pro-rata Long Service Awards.

18 EMPLOYEE BENEFITS (CONTINUED)

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- **Inflation**: The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- **Termination of service:** The risk that fewer eligible employees terminate their service at the Municipality i.e. more Long Service Awards vest than expected.
- **Volatility of open-ended, long-term Defined-Benefit Obligation:** The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.
- **Enforcement of eligibility criteria and rules**: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the Defined-Benefit Obligation for the Municipality.

Significant Actuarial Assumptions

i) Financial Assumptions

	2025	2024
- General Earnings Inflation Rate	5.0%	6.4%
- Discount Rate	10.0%	11.3%
- Net Discount Rate	4.8%	4.6%

ii) Demographic Assumptions

	2025	2024
- Average Retirement Age	62 years	62 years

- Termination of Services

If an eligible employee leaves due to resignation or retrenchment, the Municipality's defined benefit obligation in respect of that employee ceases. The termination rates per annum is assumed as follows:

	2025	2024
Age: 20 - 24	9.00%	9.00%
Age: 25 - 29	8.00%	8.00%
Age: 30 - 34	6.00%	6.00%
Age: 35 - 44	5.00%	5.00%
Age: 45 - 49	4.00%	4.00%
Age: 50 - 54	3.00%	3.00%
Age: 55 +	0.00%	0.00%

Sensitivity Analysis - Defined Benefit Obligation at year-end

The defined benefit obligation is based on a number of assumptions as indicated above. The extent to which the actual defined benefit obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The impact of the significant assumptions are disclosed below:

Assumption	**Impact on Defined Benefit Obligation (R)**	**% Change**
Current Defined Benefit Obligation	9 128 000	
General Earnings Inflation Rate (+ 1%)	9 706 000	6%
General Earnings Inflation Rate (- 1%)	8 603 000	-6%
Discount Rate (+ 1%)	8 596 000	-6%
Discount Rate (- 1%)	9 722 000	7%
Average Retirement Age (+ 2 years)	10 101 000	11%
Average Retirement Age (- 2 years)	7 538 000	-17%
Rates of Termination of Services (x 2)	7 472 000	-18%
Rates of Termination of Services (x 0.5)	10 239 000	12%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.

Figures in Rand	2025	2024

18 EMPLOYEE BENEFITS (CONTINUED)

Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the Municipality which aims to ensure that the cash position of the Municipality remains sufficient to cover all working capital requirements (which includes Long Service Awards when it becomes due).

Maturity analysis of the future undiscounted expected benefits to be paid in respect of the current eligible employees can be illustrated as follows:

Future Year	**Expected Benefit Payments R**	**% Contribution of Bracket**
Future year 1 - 10	15 267 000	35%
Future year 11 - 20	17 577 000	40%
Future year 21 - 30	10 010 000	23%
Future year 31 - 40	892 000	2%
Future year 40 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	**43 746 000**	**100%**

18.3 Defined Contribution Plans

Council contributes to the following defined benefit plans:

	2025	2024
Consolidated Retirement Fund	18 295 039	17 331 159
LA Retirement Fund	45 489	43 314
Municipal Workers Retirement Fund	545 313	710 901
Total	**18 885 840**	**18 085 374**

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

19 NON-CURRENT PROVISIONS

	2025	2024
Provision for Rehabilitation of Landfill-sites	**79 536 158**	**67 229 025**

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

	2025	2024
Opening Balance	67 229 025	61 734 200
Contribution during the year	12 307 133	5 494 825
Increase/(decrease) in estimate added to /(deducted from) cost of related asset	5 334 330	(299 991)
Decrease in estimate recognised in surplus	(430 547)	(1 211 935)
Interest Cost	7 403 350	7 006 751
Total	**79 536 158**	**67 229 025**

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

The future obligations for rehabilitating the landfill sites has been calculated using a discount rate (SA Government Bond yield) of between 8.45% and 10.60% depending on the estimated decommission date.

19 NON-CURRENT PROVISIONS (CONTINUED)

The total obligation at year-end can be attributed to the following sites:

Location	Discount Rate	Site Dimension (m²)	Rehabilitation cost per m² (Rand)	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Bitterfontein	10.60%	4 658	1 468	4 520 107	3 694 693
Doringbaai	10.60%	13 297	493	4 973 485	4 214 866
Klawer	10.60%	11 895	621	5 116 590	4 253 940
Kliprand	10.60%	1 818	2 098	2 521 788	3 089 149
Lutzville	8.45%	45 805	346	15 015 576	13 678 295
Nuwerus	10.60%	3 276	1 012	2 295 523	1 901 967
Rietpoort	10.60%	796	3 429	1 804 061	1 479 912
Strandfontein	10.60%	9 607	539	3 928 531	3 319 655
Vanrhynsdorp	10.60%	31 345	1 028	16 415 389	12 554 757
Vredendal	10.60%	55 062	342	13 051 613	10 817 654
Ebenhaeser	10.60%	3 918	1 111	3 303 345	2 793 485
Koekenaap	10.60%	5 044	1 783	6 590 150	5 430 653
Total				**79 536 158**	**67 229 025**

The estimate cost, based on an average inflation rate of 5.63%, and date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Bitterfontein	2034	11 192 957	11 171 464
Doringbaai	2031	9 103 147	9 144 416
Klawer	2033	11 455 700	11 515 158
Kliprand	2034	6 244 602	4 740 406
Lutzville	2027	17 659 772	17 685 527
Nuwerus	2033	5 139 522	5 148 509
Rietpoort	2034	4 467 323	4 474 738
Strandfontein	2031	7 190 531	7 202 200
Vanrhynsdorp	2040	73 269 802	72 709 007
Vredendal	2033	29 221 681	29 282 737
Ebenhaeser	2031	6 046 231	6 060 640
Koekenaap	2033	13 934 711	13 960 343
Total		**194 925 979**	**193 095 144**

20 PROPERTY RATES

	2025	2024
Rateable Land and Buildings	52 767 191	51 774 465
Less: Rebates	(291 025)	(433 089)
Total	**52 476 166**	**51 341 376**

Property rate levied are based on the following rateable valuations:

	2025	2024
Domestic	3 638 322 000	3 639 521 500
Commercial	912 742 000	895 380 000
Church	142 687 000	142 687 000
Light Industrial	174 760 000	174 760 000
Agricultural/Rural	4 112 052 000	4 105 258 000
State	432 698 000	432 698 000
Other - Pensioners etc.	70 930 000	70 930 000
Vacant Land	207 278 900	207 278 900
Total Valuation	9 691 469 900	9 668 513 400

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

20 PROPERTY RATES (CONTINUED)

Rate that is applicable to the valuations:

	2025	2024
Residential (40% rebate on Residential - Agricultural)	0.008075 c/R	0.008075 c/R
Business and Commercial	0.013930 c/R	0.013279 c/R
Agricultural	0.001994 c/R	0.001994 c/R

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2020. Interim valuations are processed on an annual basis to include changes in property values and subdivisions.

The first R 15 000 of the valuation on properties used only for residential purposes are exempted from property rates in terms of the Property Rates Act.

Rates are levied monthly and annually. Monthly rates are payable by the end of the 25th of each month in which the amount was levied and annual rates are payable before 30 September.

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

Agricultural	-	30% discount on agriculture land
Agricultural	-	40% Rebate on Residential -Agriculture properties - residential tariff
Pensioners	-	75 % discount where income of less than R10 000 per residential erven
Pensioners	-	25 % discount where income of between R10 001 and R15 000 per residential erven

21 GOVERNMENT GRANTS AND SUBSIDIES

	2025	2024
Unconditional Grants - National Government	**81 640 000**	**76 264 000**
Equitable Share	81 640 000	76 264 000
Conditional Grants - National Government	**28 351 427**	**46 327 826**
Financial Management Grant (FMG)	1 681 541	1 771 000
Municipal Infrastructure Grant (MIG)	24 136 000	23 062 999
Expanded Public Works Programme (EPWP)	1 389 000	2 859 000
Water Services Infrastructure Grant (WSIG)	-	12 099 546
Regional Bulk Infrastructure Grant (RBIG)	-	-
Integrated National Electrification Programme (INEP)	1 144 886	6 535 281
Conditional Grants - Provincial Government	**71 907 783**	**13 313 166**
Community Development Workers (CDW)	94 000	94 000
Western Cape Financial Management Support Grant	-	295 976
Financial Management Capability Grant	1 550 000	430 926
Municipal Service Delivery and Capacity Building Grant	218 569	1 027 711
Thusong Services Centres	150 000	-
Department of Infrastructure	61 209 569	7 878 109
Transport,Education and Training SETA	275 990	288 158
Sport and Recreational Facilities	1 200 229	-
Municipal Interventions Grant	877 000	400 000
Municipal Financial Recovery Services Grant	-	999 908
Water Resilience Grant	5 482 550	1 878 845
Maintenance of Main Roads	849 876	19 534
Conditional Grants - District Municipality	**-**	**-**
West Coast District Municipality (COVID 19 Relief)	-	-
Total	**181 899 210**	**135 904 992**
As previously reported		144 565 966
Correction of error restatement - note 49.2		(8 088 543)
Correction of error restatement - note 49.2		(572 432)
Restated balance		135 904 992

Figures in Rand		2025	2024
21	**GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**		
	Disclosed as:		
	Government Grants and Subsidies - Operating	95 857 689	90 671 600
	Government Grants and Subsidies - Capital	86 041 520	45 233 392
	Total	**181 899 210**	**135 904 992**
	Grants per Vote (MFMA Sec 123 (c)):		
	Equitable share	81 640 000	76 264 000
	Vote 1 - Municipal Manager	218 569	-
	Vote 2 - Financial Services	1 681 541	-
	Vote 3 - Corporate Services	275 990	-
	Vote 4 - Community Services	61 849 718	-
	Vote 5 - Technical Services	36 233 392	-
	Vote 2 - Development & Planning	-	-
	Vote 3 - Financial Services	-	2 201 926
	Vote 4 - Technical Services	-	48 778 799
	Vote 5 - Community Services	-	7 972 109
	Vote 6 - Corporate Services	-	688 158
	Total	**181 899 210**	**135 904 992**

The movements per grant can be summarised as follows:

21.01 Equitable Share

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	81 640 000	76 264 000
Transferred to Revenue - Operating	(81 640 000)	(76 264 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

21.02 Financial Management Grant (FMG)

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 800 000	1 771 000
Transferred to Revenue - Operating	(1 492 053)	(1 669 309)
Transferred to Revenue - Capital	(189 488)	(101 691)
Closing Unspent Balance	118 459	-

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

21.03 Municipal Infrastructure Grant (MIG)

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	24 136 000	23 062 999
Transferred to Revenue - Operating	(4 179 043)	(4 082 118)
Transferred to Revenue - Capital	(19 956 957)	(18 980 881)
Closing Unspent Balance	-	-

The Municipal Infrastructure Grant was used for capital projects relating to roads, sport and recreation and waste water infrastructure as well as solid waste removal vehicles and salaries of the Project Management Unit (PMU).

Figures in Rand	2025	2024

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

21.04 Expanded Public Works Programme (EPWP)

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 389 000	2 859 000
Transferred to Revenue - Operating	(1 389 000)	(2 859 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

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

21.05 Water Services Infrastructure Grant (WSIG)

	2025	2024
Opening Unspent Balance	-	1 099 546
Grants Received / (Repaid)	-	11 000 000
Transferred to Revenue - Operating	-	(1 578 031)
Transferred to Revenue - Capital	-	(10 521 515)
Closing Unspent Balance	-	-

The Water Services Infrastructure Grant was utilised to increase accessibility to water resources and upgrading of sewerage services for all residents.

21.06 Regional Bulk Infrastructure Grant (RBIG)

	2025	2024
Opening Unspent Balance	-	20 000 000
Grants Received / (Repaid)	-	(20 000 000)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant was utilised to increase accessibility to water resources in Klawer.

21.07 Integrated National Electrification Programme (INEP)

	2025	2024
Opening Unspent Balance	1 144 886	-
Grants Received / (Repaid)	1 851 000	8 325 000
Transferred to Revenue - Operating	(149 333)	(765 689)
Transferred to Revenue - Capital	(995 553)	(5 769 592)
Other Transfers	(1 851 000)	(644 833)
Closing Unspent Balance	-	1 144 886

This grant was utilised to increase accessibility to electricity resources in Vredendal North, Lutzville and Klawer.

21.08 Community Development Workers (CDW)

	2025	2024
Opening Unspent Balance	-	5 310
Grants Received / (Repaid)	94 000	88 690
Transferred to Revenue - Operating	(94 000)	(94 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The grant was used for operating expenses relating to the Community Development Workers (CDW) programme.

21.09 Western Cape Financial Management Support Grant

	2025	2024
Opening Unspent Balance	-	295 975
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	(295 976)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The grant was used to implement standard operating procedures (SOP's) and implementation of mSCOA.

Figures in Rand	2025	2024

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

21.10 Financial Management Capability Grant

	2025	2024
Opening Unspent Balance	21 850	737 555
Grants Received / (Repaid)	1 600 000	(284 779)
Transferred to Revenue - Operating	(1 550 000)	(430 926)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	71 850	21 850

The grant was used to assist students with academic study fees and replacement of induction type meters.

21.11 Municipal Service Delivery and Capacity Building Grant

	2025	2024
Opening Unspent Balance	300 000	-
Grants Received / (Repaid)	-	1 500 000
Transferred to Revenue - Operating	(218 569)	(1 027 711)
Transferred to Revenue - Capital	-	-
Other Transfers	-	(172 289)
Closing Unspent Balance	81 431	300 000

The grant was used to assist Vredendal North home work hub and for salary of communication officer.

21.12 Thusong Services Centres

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	150 000	-
Transferred to Revenue - Operating	(150 000)	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The grant was used for operational maintenance of Thusong centres.

21.13 Department of Infrastructure

	2025	2024
Opening Unspent Balance	2 648 047	22
Grants Received / (Repaid)	56 617 193	10 526 134
Transferred to Revenue - Operating	(2 398 552)	-
Transferred to Revenue - Capital	(58 811 017)	(7 878 109)
Other Transfers	1 944 329	-
Closing Unspent Balance	-	2 648 047

The grant was used to facilitate and provide basic infrastructure and title deed transfers.

21.14 Transport,Education and Training SETA

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	275 990	288 158
Transferred to Revenue - Operating	(275 990)	(288 158)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The grant was used for training of municipal officials.

21.15 Sport and Recreational Facilities

	2025	2024
Opening Unspent Balance	-	800 000
Grants Received / (Repaid)	1 200 229	(800 000)
Transferred to Revenue - Operating	(156 751)	-
Transferred to Revenue - Capital	(1 043 478)	-
Closing Unspent Balance	-	-

The grant will be used for the construction of netball fields in Doringbaai and was used for the upgrade of Klawer sports facility.

Figures in Rand	2025	2024

21 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

21.16 Municipal Interventions Grant

	2025	2024
Opening Unspent Balance	877 000	-
Grants Received / (Repaid)	400 001	1 277 000
Transferred to Revenue - Operating	(114 391)	(52 174)
Transferred to Revenue - Capital	(762 609)	(347 826)
Closing Unspent Balance	400 001	877 000

The grant was used for the purchase of a TLB tractor and back-up generators for sewerage.

21.17 Municipal Financial Recovery Services Grant

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	-	999 908
Transferred to Revenue - Operating	-	(999 908)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The grant was used for back-up generators purchased for the supply of water.

21.18 Water Resilience Grant

	2025	2024
Opening Unspent Balance	1 293 155	-
Grants Received / (Repaid)	4 000 000	3 172 000
Transferred to Revenue - Operating	(1 200 131)	(245 067)
Transferred to Revenue - Capital	(4 282 419)	(1 633 778)
Other Transfers	448 524	-
Closing Unspent Balance	259 129	1 293 155

The grant was used for back-up generators purchased for the supply of water, Vredendal North bulk water and sewer infrastructure upgrade, telemetric control and security monitoring equipment and infrastructure and booster pump as well as salary of technical advisor.

21.19 Maintenance of Main Roads

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	849 876	19 534
Transferred to Revenue - Operating	(849 876)	(19 534)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The grant was used for maintenance of provincial roads.

21.20 West Coast District Municipality (COVID 19 Relief)

	2025	2024
Opening Unspent Balance	42 580	42 580
Grants Received / (Repaid)	(42 580)	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	42 580

The grant was used for COVID-19 related marketing and procurement of personal protective equipment.

21.21 Total Grants

	2025	2024
Opening Unspent Balance	6 327 518	22 980 988
Grants Received / (Repaid)	175 960 709	120 068 644
Transferred to Revenue - Operating	(95 857 689)	(90 671 600)
Transferred to Revenue - Capital	(86 041 520)	(45 233 392)
Other Transfers	541 853	(817 122)
Closing Unspent Balance	930 870	6 327 518

Figures in Rand	2025	2024

22 PUBLIC CONTRIBUTIONS AND DONATIONS

	2025	2024
Tormin Mineral Sands	282 843	329 572
Total	**282 843**	**329 572**
Disclosed as:		
Public Contributions and Donations - Operating	282 843	329 572
Public Contributions and Donations - Capital	-	-
Total	**282 843**	**329 572**

The movements per grant can be summarised as follows:

22.01 Tormin Mineral Sands

	2025	2024
Opening Unspent Balance	282 843	612 415
Received	-	-
Transferred to Revenue - Operating	(282 843)	(329 572)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	282 843

The contribution was used for upgrading of Doringbaai Fish Stain Facility.

23 CONTRIBUTED ASSETS

	2025	2024
Property, Plant and Equipment	43 072	248 957
Total	**43 072**	**248 957**

Contributed Assets consists out of the following:

	2025	2024
- Electricity Infrastructure	-	186 453
- Computer Equipment	-	61 809
- Furniture and Office Equipment	1 872	696
- Machinery and Equipment	41 200	-
Total	**43 072**	**248 957**

The contributed assets were donated from the following parties:

	2025	2024
- Vredendal Solar Power Park	-	29 132
- Vredendal Namaqua Eiendomme	-	157 321
- Saldanha Bay Local Municipality	-	18 792
- Insurance company replaced the assets rather than paying a refund	-	43 712
- West Coast District Municipality	41 200	-
- Dudley Mattheus	1 872	-
Total	**43 072**	**248 957**

24 AVAILABILITY CHARGES

	2025	2024
Electricity	1 836 358	1 748 151
Water	1 498 362	1 428 188
Sewerage and Sanitation	1 224 299	1 134 976
Refuse Removal	118 601	127 409
Total	**4 677 621**	**4 438 723**

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

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

25 FINES, PENALTIES AND FORFEITS

	2025	2024
Traffic Fines	9 418 444	10 266 785
Retentions	3 759	-
Overdue Book Fines	5 724	11 633
Building	5 911	-
Total	**9 433 838**	**10 278 418**

In terms of the requirements of GRAP 23 and IGRAP 1, all fines issued during the year less any cancellations or reductions identified are recognised as revenue.

26 FAIR VALUE ADJUSTMENT GAINS

	2025	2024
Actuarial Gains	-	2 162 847
Post Retirement Medical Benefits	-	2 007 660
Long Service Awards	-	155 187
Investment Property	22 271 690	1 909 400
Landfill Sites - iGRAP 2 adjustments	430 547	1 211 935
Off-Market Portion of Municipal Debt Relief	-	19 590 510
Total	**22 702 237**	**24 874 692**

The actuarial gains mainly originated as a result of an increase in the net discount rate being used by the actuaries to calculate the employee benefits.

The fair value adjustment gains on Investment Property relate to a change in the market value of properties held as Investment Properties.

Landfill Sites - iGRAP2 adjustments relate to a decrease in the landfill site's rehabilitation provision of which the decrease is in excess of the carrying value of the related asset.

The off-market portion of Municipal Debt Relief relates to the interest benefit received by the Municipality on the Municipal Debt Relief as disclosed in note 12.4. The Municipal Debt Relief is interest free for a period of three years. The interest benefit is calculated by using a market related discount rate of 10.16%.

27 DEBT FORGIVENESS

	2025	2024
Eskom Holdings SOC Ltd	33 528 391	11 710 418
Total	**33 528 391**	**11 710 418**

The amount of R33 528 391 from Eskom Holdings SOC Ltd represents the debt waived (excluding VAT) in terms of the Municipal Debt Relief as disclosed in note 12.4.

Eskom Holdings SOC Ltd permanently suppressed interest on the Municipal Debt Relief from 1 April 2023 up to the effective date, being 31 August 2023. Interest charged during the afore-mentioned period amounting to R11 710 418 was subsequently written off.

28 OTHER INCOME (NON-EXCHANGE)

	2025	2024
Incidental Cash Surpluses	36 791	9 342
Insurance Refund	666 375	167 536
Staff Recoveries	18 995	36 350
Unclaimed Money	836 474	956 922
Gains on Foreign Exchange Transactions	44 769	31 529
Total	**1 603 404**	**1 201 678**

Figures in Rand	2025	2024

29 SERVICE CHARGES

	2025	2024
Electricity	178 102 896	149 025 521
Water	43 976 956	38 277 476
Sewerage and Sanitation	35 626 936	33 037 722
Refuse Removal	42 051 080	34 782 058
Total Revenue	**299 757 867**	**255 122 776**
Less: Rebates	(5 766 659)	(5 944 166)
Electricity	(221 780)	(213 235)
Water	(1 054 888)	(945 194)
Sewerage and Sanitation	(2 356 009)	(2 535 270)
Refuse Removal	(2 133 982)	(2 250 467)
Total	**293 991 207**	**249 178 610**

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

30 RENTAL OF FACILITIES AND EQUIPMENT

	2025	2024
Halls and Sportfields	475 205	349 153
Buildings	1 403 780	1 454 869
Equipment	49 463	11 530
Total	**1 928 448**	**1 815 553**

31 INTEREST EARNED - EXTERNAL INVESTMENTS

	2025	2024
Banking Institutions	1 346 435	1 495 383
Eskom Deposits	721 974	233 323
Total	**2 068 409**	**1 728 706**

32 INTEREST EARNED - OUTSTANDING DEBTORS

	2025	2024
Outstanding Debtors	21 352 918	16 363 919
Total	**21 352 918**	**16 363 919**

Interest is charged at a rate of prime +1% on overdue accounts.

33 LICENCES AND PERMITS

	2025	2024
Hoarding (Collecting/Storing)	78 132	32 075
Trading	107 770	2 480
Road and Transport	946 033	978 813
Market Porters	11 020	7 837
Total	**1 142 955**	**1 021 206**

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

34 AGENCY SERVICES

	2025	2024
Western Cape Mobility Department	4 292 816	4 390 080
Total	**4 292 816**	**4 390 080**

The Municipality acts as an agent for the Western Cape Mobility Department and manages the issuing of vehicle licences for a commission.

Refer to note 60.2 for additional disclosure in this regard.

Figures in Rand		2025	2024
35	**LIBRARY SERVICES**		
	Department of Cultural Affairs and Sport	8 000 870	8 660 975
	Total	**8 000 870**	**8 660 975**
	As previously reported		-
	Correction of error restatement - note 49.2		8 660 975
	Restated balance		8 660 975
	Reconciliation for the year		
	Opening balance	-	616 627
	Receipts	9 201 000	9 251 000
	Output VAT on receipts allocated to Taxes	(1 200 130)	(1 206 652)
	Revenue Recognised	(8 000 870)	(8 660 975)
	Closing balance	-	-
36	**OTHER INCOME (EXCHANGE)**		
	Sales of Goods and Rendering of Services	4 133 785	4 208 104
	Advertisements	9 504	18 709
	Application Fees for Town Planning	96 670	107 059
	Building Plan Approval and Clause Levy	533 979	320 587
	Camping Fees	2 990 443	3 190 266
	Cemetery and Burial	229 269	274 215
	Clearance Certificates	107 164	109 834
	Photocopies and Faxes	24 858	24 717
	Sub-division, Rezoning and Consolidation Fees	36 026	54 930
	Tender documents	105 185	102 458
	Sundry Income	687	5 329
	Operational Revenue	609 370	1 463 721
	Roadworthy Certificates	384 462	506 099
	Commission	161 882	163 981
	Development Charges	20 148	143 504
	Sundry Income	42 877	650 137
	Total	**4 743 155**	**5 671 825**
37	**EMPLOYEE RELATED COSTS**		
	Basic Salaries and Wages	119 463 521	113 735 514
	Pension and UIF Contributions	19 596 157	18 871 108
	Medical Aid Contributions	5 648 653	5 192 311
	Overtime	5 822 726	6 379 204
	Motor Vehicle Allowances	9 429 521	8 255 550
	Cell Phone Allowances	388 901	327 092
	Housing Allowances	934 549	512 671
	Other benefits and allowances	5 799 551	6 250 674
	Bargaining Council	64 769	60 007
	Group Life Insurance	1 908 670	2 666 159
	Standby Allowances	3 826 112	3 524 508
	Contributions to Employee Benefits	14 375 977	13 534 685
	Bonuses	8 792 837	8 759 348
	Staff Leave	2 676 626	2 084 979
	Performance Bonus	667 513	499 358
	Long Service Awards	707 000	721 000
	Post Retirement Medical Benefits	1 532 000	1 470 000
	Workmens Compensation Fund	990 613	958 617
	Total	**182 450 169**	**174 017 426**

Figures in Rand	2025	2024

37 EMPLOYEE RELATED COSTS (CONTINUED)

37.01 Remuneration of Management Personnel

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

Municipal Manager - Mr LJ Phillips (1 November 2023 - current)

	2025	2024
Basic Salary	1 054 838	656 572
Pension and UIF Contributions	2 125	1 417
Medical Aid Contributions	26 539	16 706
Performance Bonus	198 892	-
Motor Vehicle Allowance	394 436	220 559
Cell Phone Allowance	120 000	80 000
Other benefits and allowances	143	90 134
Total	1 796 974	1 065 388

Chief Financial Officer - Mr ER Alfred (4 May 2020 - current)

	2025	2024
Basic Salary	766 655	763 364
Pension and UIF Contributions	2 125	2 125
Performance Bonus	188 509	167 492
Motor Vehicle Allowance	351 908	325 560
Cell Phone Allowance	40 800	40 800
Other benefits and allowances	246 143	356 922
Total	1 596 140	1 656 263

Director: Community Development Services - Mr LJ Phillips (1 January 2007 - 10 December 2023)

	2025	2024
Basic Salary	-	354 081
Pension and UIF Contributions	-	708
Medical Aid Contributions	-	7 932
Performance Bonus	-	167 492
Motor Vehicle Allowance	-	52 040
Cell Phone Allowance	-	13 600
Other benefits and allowances	-	382 179
Total	-	978 033

Director: Community Services - Mr RF Saul (1 November 2023 - Current)

	2025	2024
Basic Salary	794 901	546 734
Pension and UIF Contributions	2 125	1 417
Performance Bonus	99 172	-
Motor Vehicle Allowance	285 723	147 772
Cell Phone Allowance	60 000	25 000
Other benefits and allowances	143	59 442
Total	1 242 065	780 366

Interim Director: Infrastructure Services - Mr AA Jacobs (3 March 2025 - Current)

	2025	2024
Basic Salary	447 768	-
Pension and UIF Contributions	708	-
Other benefits and allowances	48	-
Total	448 524	-

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

37 EMPLOYEE RELATED COSTS (CONTINUED)

37.02 Employee acting in management positions

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

Employee	Acting Position	Number of days in acting position 2025	Number of days in acting position 2024	2025	2024
RF Saul	Municipal Manager	-	12	-	18 437
LJ Phillips	Municipal Manager	-	86	-	90 058
D Wessels	Director: Development & Planning	-	84.87	-	69 162
LM Burger	Director: Community Services	15	-	12 750	-
ER Alfred	Director: Corporate Services	-	62	-	81 140
RF Saul	Director: Community Services and Director: Corporate Services	-	86	-	73 433
Total				12 750	332 230

RF Saul acted as both Director: Community Services and Director: Corporate Services simultaneously for a period of 86 days during 2024.

38 REMUNERATION OF COUNCILLORS

	2025	2024
Cllr HJ van der Hoven	1 022 605	1 002 843
Cllr A Sindaymba	827 486	807 312
Cllr AFK Job	827 486	812 029
Cllr WH Nell	-	8 475
Cllr XP Tshetu	353 438	254 773
Cllr CA le Fleur	355 726	348 833
Cllr S Tshali	2 288	97 689
Cllr SP Cornelissen	778 708	764 327
Cllr AJ Pool	355 726	350 699
Cllr DA Witbooi	443 223	436 042
Cllr C White	778 708	764 327
Cllr TJ Muller	355 726	350 699
Cllr J Koopman	96 416	434 483
Cllr SJ Tshabalala	355 726	350 699
Cllr CJ Boks	713 332	764 397
Cllr M Bottom	355 726	348 833
Cllr C Van Der Westruis	391 376	341 562
Cllr MB Ruiter	199 617	-
Total	**8 213 312**	**8 238 021**

	Basic Salary	Allowances	Total
2025			
Executive Mayor	803 429	219 176	1 022 605
Deputy Executive Mayor	780 482	47 004	827 486
Speaker	686 923	140 563	827 486
Executive Committee Members	2 133 653	137 095	2 270 748
All Other Councillors	2 727 191	537 797	3 264 987
Total	**7 131 678**	**1 081 634**	**8 213 312**
2024			
Executive Mayor	781 901	220 942	1 002 843
Deputy Executive Mayor	763 259	48 770	812 029
Speaker	663 095	144 217	807 312
Executive Committee Members	2 146 741	146 310	2 293 051
All Other Councillors	2 770 672	552 114	3 322 787
Total	**7 125 668**	**1 112 354**	**8 238 021**

Figures in Rand	2025	2024

38 REMUNERATION OF COUNCILLORS (CONTINUED)

In-kind Benefits

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

Councillors may utilize municipal transportation when engaged in official duties.

39 DEBT IMPAIRMENT

	2025	2024
Receivables from Exchange Transactions	55 716 010	42 263 954
Receivables from Non-Exchange Transactions	11 584 382	12 647 629
Long-term Receivables	(1 207 956)	1 176 189
Total Debt Impairment	**66 092 435**	**56 087 773**
Movement in VAT included in debt impairment	(3 299 744)	(4 227 119)
Total	**62 792 691**	**51 860 653**

40 DEPRECIATION AND AMORTISATION

	2025	2024
Property, Plant and Equipment	24 727 699	23 517 999
Intangible Assets	1 904	2 055
Total	**24 729 603**	**23 520 054**

41 IMPAIRMENTS

	2025	2024
Property, Plant and Equipment	-	1 553 377
Total	**-**	**1 553 377**

Impairment was identified on items that are in poor conditions which are subject to refurbishment in order restore them to a functional condition.

42 FINANCE CHARGES

	2025	2024
Cash	2 542 760	9 558 379
Long-term Liabilities	847 544	1 222 426
Bank Overdraft	1 175 724	1 628 714
Overdue Accounts	-	6 316 286
South African Revenue Service	519 492	390 954
Non-cash	19 540 299	19 802 863
Post Retirement Medical Benefits	4 113 000	4 002 000
Long Service Awards	915 000	912 000
Rehabilitation of Landfill Sites	7 403 350	7 006 751
Municipal Debt Relief	7 108 949	7 882 111
Total	**22 083 058**	**29 361 241**
As previously reported		28 970 288
Correction of error restatement - note 49.2		390 954
Restated balance		29 361 241

Finance charges on overdue accounts mainly relate to interest which was charged by Eskom on overdue accounts. Eskom interest amounting to R11 710 418 was written-off in the 2023/24 financial year upon the approval of the Municipal Debt Relief application.

Finance charges on the Municipal Debt Relief relate to the unwinding of the interest free loan at a rate of 10.16%

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

43 BULK PURCHASES

Electricity	149 729 878	132 569 826
Water	9 349 392	8 997 886
Total	**159 079 269**	**141 567 713**

Bulk Purchases are the cost of commodities not generated by the Municipality, which the Municipality distributes in the municipal area for re-sale to consumers. Electricity is purchased from Eskom and water is purchased from Lower Olifants River Water User Association.

44 CONTRACTED SERVICES

Accounting and Auditing	690 870	1 378 464
Audit Committee	39 414	21 811
Business and Financial Management	1 614 429	2 491 085
Commissions and Committees	228 076	253 040
Electrical	408 275	517 913
Engineering	925 743	166 960
Fire Protection	116 344	68 418
Fire Services	431 806	544 415
Geodetic, Control and Surveys	254 472	-
Geoinformatic Services	94 995	-
Graves Contractors	95 400	20 000
Internal Auditors	599 950	828 500
Laboratory Services	379 824	397 446
Land and Quantity Surveyors	1 340 000	-
Maintenance Services	1 763 862	1 675 589
Quality Control	102 654	-
Removal of Hazardous Waste	133 199	-
Security Services	555 147	229 562
System Support	170 000	-
Traffic Fines Management	161 574	189 110
Valuer and Assessors	1 130 500	42 913
Other Contracted Services	135 297	80 093
Total	**11 371 833**	**8 905 319**

45 TRANSFERS AND GRANTS

Life Guards	164 957	96 730
Development Programmes	245 951	292 914
Poverty Relief	17 322	-
Tourism	1 669 985	1 478 939
Bursaries (Non-employees)	-	93 036
Social Relief	34 753	40 768
Total	**2 132 968**	**2 002 388**

Figures in Rand	2025	2024

46 OTHER EXPENDITURE

	2025	2024
Advertising, Publicity and Marketing	323 771	394 550
Audit Fees	2 378 254	2 865 479
Bank Charges, Facility and Card Fees	1 714 526	898 142
Bursaries (Employees)	140 856	-
Cleaning Materials	194 565	86 576
Commission	3 891 217	3 098 237
Prepaid Electricity Vendors	3 884 551	3 090 646
Other Third Party Vendors	6 666	7 591
Communication	561 092	717 199
Telephone, Fax, Telegraph and Telex	551 130	692 328
Postage, Stamps and Franking Machines	9 963	15 913
Licences (Radio and Television)	-	8 959
Dumping Fees (District Council)	128 899	-
Eskom Connection Fees	1 897 980	-
External Computer Service	3 307 065	3 446 628
Fuel	6 291 720	7 602 001
Full Time Union Representative	179 402	171 928
Hire Charges	2 480 983	2 936 671
Insurance Underwriting	1 313 863	1 991 995
Licences	262 732	275 481
Maintenance Materials	8 356 999	5 409 066
Management Fee	18 388	30 777
Electricity - Internal usage	4 747 265	4 018 866
Printing, Publications and Books	1 606 112	1 391 939
Professional Bodies, Membership and Subscription	1 988 791	1 980 872
Registration Fees	240 167	99 659
Skills Development Fund Levy	1 510 250	1 445 738
System Access and Information Fees	48 416	29 155
Travel and Subsistence	492 092	490 470
Uniform and Protective Clothing	1 405 122	893 696
Vehicle Tracking	92 130	118 339
Ward Committees	96 223	35 350
Water Purification	1 606 659	1 436 100
Sundries and Other Consumables	849 881	388 687
Total	**48 125 422**	**42 253 600**
As previously reported		42 132 935
Correction of error restatement - note 49.2		120 665
Restated balance		42 253 600

47 GAIN/LOSS ON DISPOSAL OF NON-MONETARY ASSETS

	2025	2024
Proceeds	4 739 417	3 981 699
Less: Carrying value of Investment Property disposed	(5 426 990)	(4 287 200)
Less: Carrying value of Property, Plant and Equipment disposed	(2 696 927)	(367 134)
Less: Carrying value of Intangible Assets	-	-
Total	**(3 384 500)**	**(672 635)**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

48 FAIR VALUE ADJUSTMENT LOSSES

	2025	2024
Actuarial Losses	2 477 386	-
Post Retirement Medical Benefits	2 448 278	-
Long Service Awards	29 108	-
Total	**2 477 386**	**-**

The actuarial losses mainly originated as a result of an decrease in the net discount rate being used by the actuaries to calculate the employee benefits.

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERRORS

49.1 Taxes

In the past, the both Taxes receivables and Taxes payables were aggreated and disclosed as a current asset on the face of the Statement of Financial Position. In the current year, the Municipality resolved to seperately disclose the receivables and payables respectively as an asset and liability on the face of the Statement of Financial Position.

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

- Taxes (Current Assets) - note 5	Understated	7 328 672
- Taxes (Current Liabilities) - note 5	Understated	7 328 672

49.2 Classification of Library Services

During the 2023/24 statutory audit, the Auditor-General issued a finding that the funds being received from the Department of Cultural Affairs and Sport (DCAS) are for services being rendered to the Department, as the library function has not been assigned to municipalities. Given the afore-mentioned, it was further concluded by the Auditors General that all revenue in relation to library services were incorrectly classified as non-exchange revenue, and should have been classified as exchange revenue in terms of GRAP 9. In addition, it was further concluded that the VAT on the funds received from DCAS be reclassified from being a provision, to a payable and included as part of Taxes. The afore-mentioned payable is based on funds received for the last 6 years, of which penalties and interest is calculated for a period of 4 years and included as part of the payable.

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

- Taxes - note 5	Overstated	(7 725 024)
- Current Provisions - note 17	Overstated	(6 599 217)
- Government Grants and Subsidies - Operating - note 21	Overstated	(8 088 543)
- Government Grants and Subsidies - Capital - note 21	Overstated	(572 432)
- Library Services - note 35	Understated	8 660 975
- Finance Charges - note 42	Understated	390 954
- Other Expenditure - note 46	Understated	120 665
- Accumulated Surplus - note 49.3	Overstated	(614 188)

49.3 Accumulated Surplus

Classification of Library Services - note 49.2	(614 188)
Total	**(614 188)**

49.4 Cash Flow Statement

The following errors were noted:

- The effect of the restatement as per note 49.2 resulted in Other Revenue and Receipts being understated and Government Grants being overstated by R9 251 000.
- A calculation error was noted in the Cash Flow Statement, which resulted that both Government Grants and Suppliers and Employee were understated by R644 833.

The effect on the Cash Flow Statement as a result of the above-mentioned were as follows:

- Other Revenue and Receipts	Understated	9 251 000
- Government Grants	Overstated	(8 606 167)
- Suppliers and employees	Understated	(644 833)

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

Figures in Rand		2025	2024
50	**NET CASH FROM OPERATING ACTIVITIES**		
	Net Surplus for the year	117 327 348	45 207 272
	Adjusted for:		
	Non-cash revenue included in Net Surplus	(56 270 474)	(36 856 923)
	Contributed Assets	(43 072)	(248 957)
	Fair Value Adjustment Gains	(22 702 237)	(24 874 692)
	Actuarial Gains	-	(2 162 847)
	Investment Property	(22 271 690)	(1 909 400)
	Landfill Sites - iGRAP 2 Adjustments	(430 547)	(1 211 935)
	Off-Market Portion of Municipal Debt Relief	-	(19 590 510)
	Debt Forgiveness	(33 528 391)	(11 710 418)
	Rental of Facilities and Equipment - decrease in operating lease asset	3 226	(22 856)
	Non-cash expenditure included in Net Surplus	127 300 454	110 944 268
	Employee Related Costs - Contributions towards	14 375 977	13 534 685
	Post Retirement Medical Benefits	1 532 000	1 470 000
	Long Service Awards	707 000	721 000
	Bonuses	8 792 837	8 759 348
	Staff Leave	2 676 626	2 084 979
	Performance Bonuses	667 513	499 358
	Debt Impairment	62 792 691	51 860 653
	Depreciation and Amortisation	24 729 603	23 520 054
	Impairments	-	1 553 377
	Finance Charges	19 540 299	19 802 863
	Post Retirement Medical Benefits	4 113 000	4 002 000
	Long Service Awards	915 000	912 000
	Rehabilitation of Landfill Sites	7 403 350	7 006 751
	Municipal Debt Relief	7 108 949	7 882 111
	Loss on disposal of Non-Monetary Assets	3 384 500	672 635
	Fair Value Adjustment Losses	2 477 386	-
	Cash expenditure not included in Net Surplus	(13 308 431)	(13 111 640)
	Post Retirement Medical Benefits	(1 806 278)	(1 652 340)
	Long Service Awards	(1 220 108)	(1 108 813)
	Bonuses	(8 523 367)	(8 695 892)
	Staff Leave	(1 272 106)	(1 319 612)
	Performance Bonus	(486 573)	(334 984)
	Pension	-	-
	Operating Surplus before changes in working capital	175 048 896	106 182 977
	Movement in working capital	(74 643 298)	(70 477 335)
	Receivables from Exchange Transactions	(61 625 493)	(49 714 888)
	Receivables from Non-Exchange Transactions	(23 631 001)	(19 820 628)
	Inventory	(1 394 225)	(856 064)
	Long-term Receivables	1 809 177	(3 961 241)
	Long-term Liabilities (Repayment Arrangements)	(3 897 954)	(97 721 586)
	Long-term Liabilities (Municipal Debt Relief)	(4 135 792)	112 992 550
	Payables from exchange transactions	14 079 506	(3 208 937)
	Unspent Conditional Government Grants	(5 396 648)	(16 653 470)
	Unspent Public Contributions	(282 843)	(329 572)
	Taxes	9 831 975	8 796 501
	Cash Flow from Operating Activities	**100 405 599**	**35 705 642**

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

Figures in Rand	2025	2024

51 CASH AND CASH EQUIVALENTS (FOR CASH FLOW STATEMENT PURPOSES)

Cash and Cash Equivalents comprise out of the following:

	2025	2024
Bank Accounts	14 367 424	2 420 797
Cash Floats	5 860	5 860
Total	**14 373 284**	**2 426 657**

Refer to note 2 for more details relating to cash and cash equivalents.

52 BUDGET COMPARISONS

52.1 Comparable Basis

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

The following items are affected by these classification differences:

Statement of Financial Position

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

Eskom Deposits are budgeted as part of "Other Current Assets", but for GRAP purposes it is included under "Receivables from Non-Exchange Transactions".

Statement of Financial Performance

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

Reconciliation of adjustments to Actuals	**Notes**	**Actuals per Statement of Financial Performance R**	**Reclassification due to mSCOA versus GRAP classification R**	**Actuals per Budget Comparison R**
REVENUE				
Exchange Revenue		**337 520 777**	**(11 509 929)**	**326 010 848**
Service Charges - Electricity	**29**	177 881 116	-	177 881 116
Service Charges - Water	**29**	42 922 067	-	42 922 067
Service Charges - Waste Water Management	**29**	33 270 927	-	33 270 927
Service Charges - Waste Management	**29**	39 917 098	-	39 917 098
Sale of Goods and Rendering of Services	**36**	4 133 785	-	4 133 785
Agency Services	**34**	4 292 816	-	4 292 816
Interest Earned from Receivables (Exchange)	**32**	21 352 918	(4 002 872)	17 350 046
Interest Earned from Current and Non Current Assets	**31**	2 068 409	-	2 068 409
Rental from Fixed Assets	**30**	1 928 448	-	1 928 448
Licences and Permits	**33**	1 142 955	(1 064 823)	78 132
Operational Revenue	**35 & 36**	8 610 239	(6 442 234)	2 168 005
Non-Exchange Revenue		**220 562 189**	**11 498 712**	**232 060 902**
Property Rates	**20**	52 476 166	-	52 476 166
Fines, Penalties and Forfeits	**25**	9 433 838	-	9 433 838
Licences or Permits		-	1 064 823	1 064 823
Transfers and Subsidies - Operational	**21 & 22**	96 140 532	7 989 652	104 130 186
Interest Earned from Receivables (Non-Exchange)		-	4 002 872	4 002 872
Operational Revenue (Non-Exchange)	**24 & 28**	6 281 025	(1 603 404)	4 677 621
Other Gains	**26 & 27**	56 230 628	44 769	56 275 396
Total Revenue (excluding capital transfers)		**558 082 966**	**(11 217)**	**558 071 750**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

52 BUDGET COMPARISONS (CONTINUED)

Reconciliation of adjustments to Actuals	Notes	Actuals per Statement of Financial Performance R	Reclassification due to mSCOA versus GRAP classification R	Actuals per Budget Comparison R
EXPENDITURE				
Employee Related Costs	**37**	182 450 169	(990 613)	181 459 555
Remuneration of Councillors	**38**	8 213 312	-	8 213 312
Bulk Purchases - Electricity	**43**	159 079 269	(9 349 392)	149 729 878
Inventory Consumed		-	19 963 181	19 963 181
Debt Impairment	**39**	62 792 691	-	62 792 691
Depreciation and Amortisation	**40 & 41**	24 729 603	-	24 729 603
Interest	**42**	22 083 058	-	22 083 058
Contracted Services	**44**	11 371 833	-	11 371 833
Transfers and Subsidies	**45**	2 132 968	-	2 132 968
Operational Costs	**46**	48 125 422	(9 623 175)	38 502 247
Losses on Disposal of Assets	**47**	3 384 500	-	3 384 500
Other Losses	**48**	2 477 386	-	2 477 386
Total Expenditure		**526 840 211**	**-**	**526 840 211**
Surplus/(Deficit)		**31 242 755**	**(11 217)**	**31 231 539**
Transfers and Subsidies - Capital (monetary allocations)	**21**	86 041 520	11 217	86 052 738
Transfers and Subsidies - Capital (in-kind)	**23**	43 072	-	43 072
Surplus/(Deficit) for the year		**117 327 348**	**-**	**117 327 349**

The items reclassified were as follows:

Item	GRAP Classification	Budget Classification	Amount
Revenue			
Outstanding Debtors	Interest Earned - Outstanding Debtors	Interest Earned from Receivables (Non-Exchange)	4 002 872
Trading	Licences and Permits	Licences or Permits	107 770
Road and Transport	Licences and Permits	Licences or Permits	946 033
Market Porters	Licences and Permits	Licences or Permits	11 020
Insurance Refund	Other Income (Non-Exchange)	Operational Revenue	666 375
Unclaimed Money	Other Income (Non-Exchange)	Operational Revenue	836 474
Incidental Cash Surpluses	Other Income (Non-Exchange)	Operational Revenue	36 791
Staff Recoveries	Other Income (Non-Exchange)	Operational Revenue	18 995
Gains on Foreign Exchange Transactions	Other Income (Non-Exchange)	Other Gains	44 769
Department of Cultural Affairs and Sport	Library Services	Transfers and Subsidies - Operational	7 989 652
Department of Cultural Affairs and Sport	Library Services	Transfers and Subsidies - Capital (monetary allocations)	11 217
Expenditure			
Workmens Compensation Fund	Employee Related Cost	Operational Costs	990 613
Water	Bulk Purchases	Inventory Consumed	9 349 392
Water Purification	Other Expenditure	Inventory Consumed	1 606 659
Cleaning Materials	Other Expenditure	Inventory Consumed	194 565
Maintenance Materials	Other Expenditure	Inventory Consumed	8 356 999
Printing, Publications and Books	Other Expenditure	Inventory Consumed	99 596
Sundries and Other Consumables	Other Expenditure	Inventory Consumed	355 969

52 BUDGET COMPARISONS (CONTINUED)

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis in all material aspects, except for following:

- Library Services are budgeted under "Transfers and Subsidies", but for GRAP purposes are disclosed as "Other Revenue and Receipts".
- Interest on Outstanding Debtors are budgeted under "Interest", but for GRAP purposes are disclosed as "Service Charges and Interest on Outstanding Debtors".

The actuals of the cash flow statement were adjusted as follow in order to be on a comparable basis:

Item as per Cash Flow Statement (GRAP / Budget)	As per GRAP Cash Flow Statement	Adjustment	As per Budget Cash Flow Statement
Service Charges and Interest / Service Charges	261 155 278	(2 878 556)	258 276 723
Other Revenue and Receipts / Other Revenue	27 150 803	(8 000 870)	19 149 933
Government Grants / Transfers and Subsidies	175 960 709	8 000 870	183 961 579
Investment Income / Interest	1 346 435	2 878 556	4 224 991

52.2 Statement of Financial Position

Adjustments to Original Budget

Items in the State of Financial Position were adjusted to take into account adjustments made to the operating and capital budget and also to align balances with the actual audit outcomes of 2023/24.

Actual Amounts vs Final Budget

Cash and Cash Equivalents	More cash was available at year-end due to general savings on operating expenditure. Also more unpaid creditors at year-end than anticipated.
Trade and Other Receivables from Exchange Transactions Receivables from Non-Exchange Transactions	Budget was based on a collection rate of 81.9%, whereas the actual collection rate achieved is calculated at 82.8%. The afore-mentioned resulted in a lower provision for impairment rate, which ultimately resulted in the actuals of the net receivables being more than the anticipated budget.
VAT (Current Assets and Liabilities)	Net actuals of VAT is less than budget, due to the Output VAT on library funding which was reallocated from Provisions to Taxes.
Investment Property	Actuals more than budget mainly due to fair value adjustment gains not sufficiently budgeted for.
Property, Plant and Equipment	Actuals more than budget due to the increase in the rehabilitation of the landfill site provision of which the increase in the estimate was added to the cost of the related asset.
Current Financial Liabilities	During the budget process both the short-term and long-term portion of the Municipal Debt Relief liability was incorrectly calculated.
Trade and Other Payables from Exchange Transactions	Actuals more than budget due to more unpaid creditors at year-end than anticipated.
Provisions (Current)	Actuals is less than budget, due to the Output VAT on library funding which was reallocated from Provisions to Taxes.
Provisions (Non-current)	Actuals are more than budget, due to an increase in the rehabilitation of the landfill site provision which is based on an annual report compiled by an independent qualified engineer.
Long-term Portion of Trade Payables	During the budget process both the short-term and long-term portion of the Municipal Debt Relief liability was incorrectly calculated.
Accumulated Surplus	Actuals are more than budget as a result of the items listed under the "Statement of Financial Performance" section.

Figures in Rand	2025	2024

52 BUDGET COMPARISONS (CONTINUED)

52.3 Statement of Financial Performance

Adjustments to Original Budget

Service Charges - Electricity	Included in the cost reflective tariff structure approved by NERSA, was the introduction of the time-of-use tariff. As this was a new tariff, no history was available to determine an accurate revenue forecast. Subsequently, the budget was decreased in line with the actual results for the first part of the year.
Transfers and Subsidies - Operational	Budget was increased to make provision for approved roll-over applications.
Other Gains	Increased to make provision for actuarial gains, fair value adjustments to investment property and iGRAP 2 adjustments on landfill sites which was not included in the original budget. The afore-mentioned budget increases were based on the audited actual results of 2023/24.
Employee Related Costs	Decreased due to vacant posts not filled during the course of the year.
Bulk Purchases - Electricity	Original budget was based on the loadshedding levels experienced during 2023/24. During 2024/25 loadshedding was suspended, resulting in an increase in electricity usage and ultimately an increase in bulk purchases.
Inventory Consumed	Budget was increased due to additional grant funding received for the Maintenance of Main Roads.
Debt Impairment	Initial budget for debt impairment was deemed insufficient and accordingly adjusted to be in line with the audited collection rate of 2023/24.
Interest	Budget was increased to make provision for the non-cash interest associated with the unwinding of the interest free loan relating to the Municipal Debt Relief program, which was not included in the original budget.
Transfers and Subsidies - Capital (monetary allocations)	Budget was increased due to additional grant funding received from the Department of Infrastructure for the installation of bulk services.

Actual Amounts vs Final Budget

Service Charges - Electricity	A new electricity tariff structure was implemented during the current year. As this was a new tariff structure, no history was available to determine an accurate revenue forecast, resulting in the actuals being less than the anticipated budget.
Transfers and Subsidies - Operational	Actuals less than budget as the full allocation for the Maintenance of Main Roads grant allocation was not transferred to the Municipality before 30 June 2025, mainly due to the fact that funding is paid on a claim basis which is usually a protracted process.
Other Gains	Actuals more than budget mainly due to fair value adjustment gains on Investment Property not sufficiently budgeted for.
Inventory Consumed	Actuals less than budget as the budget relating to the Maintenance of Main Roads could not be fully utilised during the financial year as the full allocation was not transferred to the Municipality before 30 June 2025. Consequently, expenditure relating to the Maintenance of Main Roads had to be curtailed to align with the actual funds received.
Contracted Services	Due to financial constraints, the Municipality restricted all non-essential procurement.
Operational Costs	Actuals were less than budget due to general savings.

52 BUDGET COMPARISONS (CONTINUED)

52.4 Cash Flow Statement

Adjustments to Original Budget

Net Cash From/(Used) Operating Activities	Service Charges decreased mainly due to the decrease in electricity revenue as discussed under the "Statement of Financial Performance" section. Government Grants increased due to additional grant funding received from the Department of Infrastructure for the installation of bulk services. Suppliers and Employees increased mainly due to the bulk electricity purchases as discussed under the "Statement of Financial Performance" section.
Net Cash from/(used) Investing Activities	Increased mainly due to additional funding from the Department of Infrastructure for the installation of bulk services.
Net Cash from/(used) Financing Activities	No material variances noted.

Actual Amounts vs Final Budget

Net Cash From/(Used) Operating Activities	Service Charges receipts were less than budget mainly due to the electricity revenue as discussed under the "Statement of Financial Performance" section. Other Revenue receipts were less than budget as development charges revenue did not materialise. Transfer and Subsidies receipts were less than budget as the full allocation for the Maintenance of Main Roads grant allocation was not transferred as discussed under the "Statement of Financial Performance" section. Interest receipts were less than budget as the budget was based on a collection rate of 81.9%, whereas the actual collection rate achieved is calculated at 13.5%. Payments to Suppliers and Employees were less than budget, mainly due to the underspending of the operating budget as discussed under the "Statement of Financial Performance" section. In addition, more unpaid creditors also resulted in the payments being less than budget.
Net Cash from/(used) Investing Activities	No material variances noted.
Net Cash from/(used) Financing Activities	No material variances noted.

53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

53.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

	2025	2024
Opening balance	-	-
Unauthorised expenditure current year - operating	183 830	-
Unauthorised expenditure current year - capital	161 035	-
Approved by Council	-	-
Unauthorised expenditure awaiting further action	**344 865**	**-**

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

Figures in Rand	2025	2024

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

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

	2025 (Actual) R	2025 (Final Budget) R	2025 (Unauthorised) R	2024 (Unauthorised) R
Expenditure - Operating				
Vote 1 - Municipal Manager	22 519 124	22 335 294	183 830	-
Vote 2 - Financial Services	71 603 358	76 681 897	-	-
Vote 3 - Corporate Services	29 188 553	30 406 600	-	-
Vote 4 - Community Services	80 828 273	85 226 194	-	-
Vote 5 - Technical Services	322 700 902	339 766 069	-	-
Total	**526 840 211**	**554 416 054**	**183 830**	**-**

The overspending is attributable to Actuarial Losses which is a non-cash item.

Expenditure - Capital				
Vote 1 - Municipal Manager	-	1 800	-	-
Vote 2 - Financial Services	189 488	197 000	-	-
Vote 3 - Corporate Services	414 850	425 000	-	-
Vote 4 - Community Services	1 095 896	1 103 633	-	-
Vote 5 - Technical Services	88 584 364	88 423 329	161 035	-
Total	**90 284 598**	**90 150 762**	**161 035**	**-**

53.2 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

	2025	2024
Opening balance	59 789 691	85 186 609
Irregular expenditure incurred in the current year	129 001 827	55 920 533
Irregular expenditure identified in the current year relating to the prior year	-	3 904 640
Approved by Council	(59 789 691)	(85 186 609)
Amount Recoverable	-	(35 483)
Irregular expenditure awaiting further action	**129 001 827**	**59 789 691**

Details of irregular expenditure incurred in the current year

	2025	2024
(a) Open ended contract awarded without following a competitive bidding process	122 397 032	46 770 684
(b) Incorrect interpretation and application of SCM Reg 32	-	2 564 989
(c) Operating expenditure incurred contrary to legislative SCM requirements	6 604 794	9 710 714
(d) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	-	778 787
Total irregular expenditure identified in current year	**129 001 827**	**59 825 173**

Details of irregular expenditure awaiting further action:

	2025	2024
(b) Open ended contract awarded without following a competitive bidding process	122 397 032	46 770 684
(c) Incorrect interpretation and application of SCM Reg 32	-	2 564 989
(d) Operating expenditure incurred contrary to legislative SCM requirements	6 604 794	9 675 231
(d) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	-	778 787
Total irregular expenditure awaiting further action	**129 001 827**	**59 789 691**

Matters will be referred to Municipal Public Accounts Committee (MPAC).

Figures in Rand	2025	2024

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

Incidents/cases identified in the current year include:

	2025	2024
(b) Open ended contract awarded without following a competitive bidding process	-	-
(c) Incorrect interpretation and application of SCM regulation 32	-	-
(d) Operating expenditure incurred contrary to legislative SCM requirements	-	7
(d) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	-	58

Amount recoverable

	2025	2024
(d) Operating expenditure incurred contrary to legislative SCM requirements	-	35 483
Total amount recoverable	**-**	**35 483**

53.3 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

	2025	2024
Opening balance	132 948	14 683 505
Fruitless and wasteful expenditure incurred	-	6 316 286
Fruitless and wasteful expenditure recovered / debt waived by supplier	-	(6 183 338)
Approved by Council	(132 948)	(14 683 505)
Fruitless and wasteful expenditure awaiting further action	**-**	**132 948**

Details of fruitless and wasteful expenditure incurred

	2025	2024
(a) Interest paid on overdue accounts of Eskom	-	6 198 673
(b) Interest paid on overdue accounts of suppliers	-	117 613
Total	**-**	**6 316 286**

Details of fruitless and wasteful expenditure awaiting further action:

	2025	2024
(a) Interest paid on overdue accounts of Eskom	-	15 335
(b) Interest paid on overdue accounts of suppliers	-	117 613
Total	**-**	**132 948**

Disciplinary steps or criminal proceedings undertaken on above-mentioned fruitless and wasteful expenditure incurred:

(a) This matter will be referred to Municipal Public Accounts Committee (MPAC).
(b) This matter will be referred to Municipal Public Accounts Committee (MPAC).

54 MATERIAL LOSSES

54.1 Water distribution losses

	2025	2024
Kilo litres disinfected/purified/purchased	4 580 064	5 080 907
Kilo litres sold and free basic services	(2 683 368)	(2 478 358)
Kilo litres lost during distribution	1 896 696	2 602 549
Percentage lost during distribution	41.41%	51.22%

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

54.2 Electricity distribution losses

	2025	2024
Units purchased (Kwh)	68 902 124	67 438 231
Units sold, free basic services and standard friction losses	(58 660 335)	(57 975 709)
Units lost during distribution (Kwh)	10 241 789	9 462 522
Percentage lost during distribution	14.86%	14.03%

Distribution losses are largely due to internal usage (street lighting etc. which are not metered) and electricity theft on pre-paid meters. Fines were issued for first time offenders.

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

Figures in Rand		2025	2024
55	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
55.1	**SALGA Contributions [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Expenditure incurred	1 966 392	1 975 972
	Payments	(1 966 392)	(1 975 972)
	Outstanding balance	-	-
55.2	**Audit Fees [MFMA 125 (1)(c)]**		
	Opening balance	-	-
	Expenditure incurred	2 734 992	3 295 300
	Audit Fees	2 378 254	2 865 479
	VAT	356 738	429 822
	Payments	(2 734 992)	(3 295 300)
	Outstanding Balance	-	-
55.3	**VAT [MFMA 125 (1)(c)]**		
	Opening balance	(1 377 940)	(1 516 842)
	Net amount claimed/(declared) during the year	(4 105 041)	1 624 679
	Net amount paid/(received) during the year	4 054 660	(1 485 776)
	Outstanding Balance Receivable/(Payable)	**(1 428 320)**	**(1 377 940)**

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

		2025	2024
55.4	**PAYE, SDL and UIF [MFMA 125 (1)(c)]**		
	Opening balance	2 225 520	2 159 444
	Payroll deductions and Council Contributions during the year	29 275 088	27 504 780
	Payments	(28 995 330)	(27 438 704)
	Outstanding Balance	**2 505 278**	**2 225 520**
55.5	**Pension and Medical Aid Contributions [MFMA 125 (1)(c)]**		
	Opening balance	3 226 155	3 138 011
	Payroll deductions and Council Contributions during the year	26 345 944	24 928 052
	Payments made to pension and medical fund	(26 033 846)	(24 839 907)
	Outstanding Balance	**3 538 253**	**3 226 155**
55.6	**Councillors Arrear Accounts [MFMA 124 (1)(b)]**		

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

	2025	2024
X Tshetu	10 948	13 706
Total	**10 948**	**13 706**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

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

55.7 Deviations from Supply Chain Management Regulations

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

	2025	2024
Section 36(1)(a)(i) - Emergencies	1 089 396	3 462 549
Section 36(1)(a)(ii) - Single provider	-	-
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical to follow official procurement process	2 754 867	4 175 507
Total	**3 844 264**	**7 638 056**

Deviations from Supply Chain Management Regulations can be allocated as follow:

	2025	2024
Municipal Manager	-	234 058
Financial Services	1 636 938	1 404 833
Corporate Services	174 188	121 340
Community Development Services	18 639	82 984
Infrastructure Services	2 014 500	5 794 839
Total	**3 844 264**	**7 638 056**

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

56 CAPITAL COMMITMENTS

Approved and contracted for

	2025	2024
Infrastructure	12 849 118	7 902 907
Community Assets	-	1 043 478
Total	**12 849 118**	**8 946 386**

This expenditure will be financed from:

	2025	2024
Government Grants	12 849 118	8 946 386

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

The comparative figures was adjusted from R9 750 444 to R8 946 386 due to an invalid commitment included in the register.

57 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

57.1 Credit Risk

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

The following financial assets are exposed to credit risk:

	2025	2024
Cash and Cash Equivalents	14 367 424	2 420 797
Receivables from exchange transactions	34 663 589	28 754 106
Receivables from non-exchange transactions	583 121	432 062
Long-term Receivables	5 510 086	6 111 307
Total	**55 124 219**	**37 718 272**

<u>Cash and Cash Equivalents</u>

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

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

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

57 FINANCIAL RISK MANAGEMENT (CONTINUED)

Receivables

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

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

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

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

Also refer to note 7 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers.

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

	2025	2024
Electricity	4 696 486	3 839 830
Water	3 475 687	2 600 029
Refuse	4 192 853	3 126 611
Sewerage	3 320 576	2 752 346
Other	2 101 017	1 190 918
Availability Charges	343 815	262 195
Total	**18 130 434**	**13 771 930**

Past due receivables are aged as follow:

	2025	2024
Past Due (31 - 60 Days)	5 102 422	5 066 657
Past Due (61 - 90 Days)	2 168 174	1 994 267
Past Due (90 Days +)	10 859 837	6 711 006
Total	**18 130 434**	**13 771 930**

57.2 Currency risk (Market Risk)

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

The Municipality procured goods and services denominated in a foreign currency, but the Rand value was determined at the time of procurement and the risk was low at the time of payment. It was for the payment of Microsoft licences and the supplier was the only provider of the product.

57.3 Interest rate risk (Market Risk)

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

The following balances are exposed to interest rate fluctuations:

	2025	2024
Cash and Cash Equivalents (excluding cash on hand)	14 367 424	2 420 797
Long-term Liabilities (including current portion)	(5 679 688)	(8 222 094)
Net balance exposed	**8 687 736**	**(5 801 297)**

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

	2025	2024
0.5% (2024 - 0.5 %) increase in interest rates	43 439	(29 006)
0.5% (2024 - 0.5%) decrease in interest rates	(43 439)	29 006

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

57 FINANCIAL RISK MANAGEMENT (CONTINUED)

57.4 Liquidity risk

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

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

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2025				
Annuity Loans	1 986 964	4 079 925	1 473 152	7 540 041
Finance Lease Liabilities	346 888	-	-	346 888
Municipal Debt Relief	37 664 183	37 664 183	-	75 328 367
Payables from Exchange Transactions	88 557 147	-	-	88 557 147
Total	**128 555 183**	**41 744 108**	**1 473 152**	**171 772 443**
30 JUNE 2024				
Annuity Loans	3 307 704	5 221 425	2 318 616	10 847 745
Finance Lease Liabilities	520 332	346 888	-	867 221
Payables with Repayment Arrangements	3 897 954	-	-	3 897 954
Municipal Debt Relief	37 664 183	75 328 367	-	112 992 550
Payables from Exchange Transactions	77 372 912	-	-	77 372 912
Total	**122 763 086**	**80 896 680**	**2 318 616**	**205 978 381**

57.5 Other price risk (Market Risk)

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

The Municipality is not exposed to any other price risk.

58 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

	2025	2024
Cash and Cash Equivalents	14 367 424	2 420 797
Bank Accounts	14 367 424	2 420 797
Receivables from Exchange Transactions	34 663 589	28 754 106
Electricity	15 051 000	12 559 805
Water	5 472 811	5 206 990
Refuse	6 547 236	5 060 927
Sewerage	5 088 051	4 430 676
Other	2 504 490	1 495 708
Receivables from Non-Exchange Transactions	583 121	432 062
Availability Charges	583 121	432 062
Long-term Receivables	5 510 086	6 111 307
Receivables with repayment arrangements	5 510 086	6 111 307
Total	**55 124 219**	**37 718 272**

Figures in Rand	2025	2024

58 FINANCIAL INSTRUMENTS (CONTINUED)

Financial Liabilities

	2025	2024
Long-Term Liabilities	76 731 821	114 141 872
Annuity Loans	5 679 688	8 222 094
Finance Lease Liabilities	323 216	737 673
Payables with Repayment Arrangements	-	3 897 954
Municipal Debt Relief	70 728 917	101 284 151
Payables from exchange transactions	88 557 147	77 372 912
Trade Payables	68 754 969	62 424 255
Retentions	7 447 314	4 807 090
Sundry Creditors	11 268 667	8 482 063
Unknown Bank Deposits	1 081 037	1 647 781
Accrued Interest	5 160	11 723
Total	**165 288 968**	**191 514 784**

59 STATUTORY RECEIVABLES

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

	2025	2024
Receivables from Non-Exchange Transactions	7 830 301	7 913 923
Rates	7 389 647	7 418 918
Fines	440 654	495 005
Total	**7 830 301**	**7 913 923**

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

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 20 for property rates levied for the year and basis for interest and rate used on outstanding balances.

Traffic Fines are issued in terms of the Criminal Procedure Act, 1977. Refer to note 25 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

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

Property Rates

	2025	2024
- Past due at the reporting date, and which have been impaired	21 347 335	20 583 663
- Past due that have not been impaired	4 367 746	4 365 578

60 PRINCIPAL-AGENT ARRANGEMENTS

60.1 Principal in Principal-Agent Arrangements (non-material)

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

Compensation paid for agency activities

	2025	2024
Commission - note 46	3 884 551	3 090 646

60.2 Agent in Principal-Agent Arrangements

Western Cape Mobility Department

The Municipality is the agent in the principal-agent arrangement with the Western Cape Mobility Department, and collects licencing fees on behalf of the Department. The Municipality can retain a portion of the fees collected and the net amount is due to the Department. The amount retained is recorded as agency fees income in the Statement of Financial Performance. The amounts due to the Department at year end is included in the balances reported as Trade and Other Payables from Exchange Transactions in the Statement of Financial Position.

Figures in Rand	2025	2024

60 PRINCIPAL-AGENT ARRANGEMENTS (CONTINUED)

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

Reconciliation of agency funds received and remittance

	2025	2024
Collections payable to the Department at beginning of year	3 988 539	1 887 713
Revenue collected from third parties on behalf of Department	19 737 967	19 897 504
Collections paid over to the Department	(21 770 951)	(17 796 678)
Collections payable to the Department at year-end	1 955 556	3 988 539

Department of Infrastructure

The Municipality is the Agent in the principal-agent arrangement with the Department of Infrastructure and the beneficiaries of the developed low-cost housing. The Municipality benefits from the arrangement through contributed infrastructure assets developed as part of the housing development. Certificates of completion are issued to the Municipality by the consulting engineers when pre-determined milestones are achieved. The Department then pays the funds into the Municipality's account, whereafter the funds are redistributed to the contractor. Income received is recognised as Contributed Property, Plant and Equipment income in the Statement of Financial Performance when the housing project is complete. No other revenue is received or expenditure is incurred in terms of this arrangement.

In determining whether the Municipality is the agent or if not, by default the principal, in the arrangement is evaluated in terms of the specific criteria set out in the Standards of GRAP. The Municipality does not have the power to determine significant terms and conditions of the transaction, does not have the ability to use all, or substantially all of the resources resulting from the transaction for its own benefit and is not exposed to variability in the result of the transaction.

No resources are held on behalf of the Department.

Reconciliation of agency funds received and remittance

	2025	2024
Balance at beginning of year	-	-
Payments received from the Department	66 757 506	36 917 478
Expenditure incurred on behalf of the Department	(66 757 506)	(36 917 478)
Balance at year-end	-	-

Other third parties

The Municipality is also the agent in the principal-agent arrangements with various third parties for authorised salary deductions from officials. The Municipality receives commission on the total funds deducted on a monthly basis. The amount received is recorded as Other Income (Exchange) in the Statement of Financial Performance.

Reconciliation of agency funds received and remittance

	2025	2024
Deductions payable at beginning of year	534 035	589 800
Deductions collections from officials	6 737 807	6 937 890
Deductions paid over to third parties	(6 674 413)	(6 993 655)
Deductions payable at year-end	597 429	534 035

Compensation received for agency activities

The Municipality received the following compensation for acting as an agent:

	2025	2024
Agency fees - note 34	4 292 816	4 390 080
Commission - note 36	161 882	163 981
Total	4 454 699	4 554 061

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

Figures in Rand	2025	2024

61 EVENTS AFTER REPORTING DATE

The following events after reporting date are noted:

- Council Approved an overdraft of R25 million from 1 July 2025 in terms of Section 45 (1)(a) of MFMA.
- Disposals of Property, Plant and Equipment which are already accounted for as on 30 June 2025, were approved by Council on 28 August 2025.
- In terms of the Local Government Municipal Structures Act, 1998 a vacancy was declared by the Municipal Manager for Ward 7 and the MEC for Local Government proclaimed a by-election for 20 August 2025. Richard van Huyssteen was duly elected ward councillor effective from 20 August 2025.

62 IN-KIND DONATIONS AND ASSISTANCE

The Municipality received donations as disclosed in note 23.

63 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

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

64 CONTINGENT LIABILITIES

The Municipality were not exposed to any contingent liabilities at year end.

65 RELATED PARTIES

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

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

65.1 Related Party Loans

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

65.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 37 and 38.

65.3 Current Employee Benefits

The Municipality has the following accrued leave obligation towards management personnel at year-end:

L Phillips	- Municipal Manager	161 464	110 999
ER Alfred	- Chief Financial Officer	220 360	178 451
RF Saul	- Head: Community Services	64 698	29 951
Total		**446 521**	**319 400**

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

Figures in Rand	2025	2024

66 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS

Section 45 of the Municipal Supply Chain Management regulations requires the disclosure of particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. The following transactions are disclosed in this regard:

Company Name	Related Party	Service Capacity	Relationship	Amount	Amount
Sunfox	A Michinon	Senior Clerk / Cashier	Daughter	24 031	23 732
Wanspot	B Kriek	Matzikama Municipal Officer	Spouse	838 000	-
TMT Services and Supplies	Monique du Toit	Not specified	Spouse	96 614	-
Actom	Tanya Lubbe	Teacher: Laerskool Dr Daniel Malan	Spouse	384 420	-
Ian Dickie	Dean Samuels	Warrant Officer: SAPS	Spouse	186 903	-
Duchame	L Mbekeni	Department Development and Land Reform	Not specified	680 996	-
Neoteric Trading Services	Aziz Abdul Jacobs	Technical Adviser: Matzikama Municipality	Spouse	323 749	-
BFI Traders and Services N7	J Ovis	Manager Community Service	Father	-	13 124
BFI Traders and Services N7	C Ovis	Public Participation clerk	Father		
Total				**2 534 713**	**36 855**

67 FINANCIAL SUSTAINABILITY

67.1 Financial Indicators

The following financial indicators were assessed:

	2025	2024
Cash available for working capital requirements (positive balance)	12 014 094	-
Current Ratio (norm - at least 2:1)	0.62 : 1	0.48 : 1
Cash coverage ratio (norm - 3 months or more)	0.39 months	0 months
Creditors days (norm - 30 days or less)	154 days	223 days
Debtors collection rate (95% or more)	82.8%	81.8%
Operating surplus / (deficit)	31 242 755	(275 076)

When analysing the results of the ratio's, it can be concluded that Municipality's financial position has shown improvement.

The extremely high cost associated with the delivery of basic services and infrastructure needs to communities due to the vast distances between several towns coupled with the social-economic profile (high unemployment rate) of the local communities resulted in a serious risk for Matzikama Municipality's going concern.

Taking the above in mind the Municipality will therefore balance service delivery and operations based on revenue collections and ensure that grant funding is spent within the prescribed timeframes as agreed with National Treasury.

67.2 Other Indicators

Contingent Liabilities are disclosed in note 64. The Municipality has no financial exposure relating to contingent liabilities and therefore does pose any threat to the going concern assumption.

The Municipality is not aware of any events after reporting date which may pose a threat to the going concern assumption.

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

67 FINANCIAL SUSTAINABILITY (CONTINUED)

67.3 Future Budget

When analysing the 2025/26 MTREF (Medium Term Revenue and Expenditure Framework) budget which was approved by Council in 2024/25, the projected financial indicators are as follow:

	2025/26	2026/27	2027/28
Cash available for working capital requirements (positive balance)	1 267 729	86 779 065	140 780 290
Current Ratio (norm - at least 2:1)	1.23 : 1	1.72 : 1	2.23 : 1
Cash coverage ratio (norm - 3 months or more)	0.03 months	1.99 months	2.99 months
Creditors days (norm - 30 days or less)	82 days	85 days	78 days
Debtors collection rate (95% or more)	88.8%	88.8%	88.8%
Operating surplus / (deficit)	40 133 798	36 570 487	(2 215 868)

Although the above-mentioned ratio's are still below the required norms, there is a projected improvement.

67.4 Going concern assessment

The above-mentioned indicators may indicate that the going concern assumption of the Municipality may be in serious doubt, as the Municipality is grant dependant. The amounts promulgated in the DORA have a serious impact on the level of services that the Municipality can render and it may well raise doubt about the future financial sustainability of the Municipality and may cause serious health and other risks regarding service delivery to the communities within the jurisdiction of this municipality.

The definition of a going concern is that there is no reason to believe that an institution will have to close down or be liquidated within 12 months after the reporting date. The financial statements for this Municipality have been prepared, as indicated in the accounting policy, on a going concern assumption as allocations of equitable share have been promulgated in the Division of Revenue Act for the three financial years following after the reporting date.

68 B-BBEE PERFORMANCE

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

69 NON-LIVING RESOURCES

Other than land, the Municipality identified aquifers in the Matzikama municipal area as the only non-living resources of which the water is being extracted with the use of boreholes in the following towns:

- Bitterfontein
- Klawer

70 SEGMENT REPORTING

70.1 General Information

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

70 SEGMENT REPORTING (CONTINUED)

The Municipality has more than 10 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follows:

No	Reportable Segment	Goods and/or services delivered
1	Governance and administration	Supply of overall governance and administrative services to the segments below
2	Community Services	Sportfields, halls, parks, housing, cemeteries and library services
3	Tourism	Promote tourism in area
4	Public Safety	Traffic control, fire fighting and animal control
5	Town Planning and Building Control	Town planning and building control
6	Roads and Stormwater	Construction and maintenance of roads and storm water
7	Electricity Services	Supply of electricity services
8	Water Services	Supply of water services
9	Sewerage and Sanitation Services	Supply of sewerage services
10	Refuse Services	Refuse removal

70.2 Reporting on segment assets and liabilities

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

70.3 Geographic Segment Reporting

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

70.4 Measurement of specific segment information

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

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

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

MATZIKAMA LOCAL MUNICIPALITY

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

70 SEGMENT REPORTING (CONTINUED)

70.5 Specific Segment Reporting

	Governance and administration	Community Services	Tourism	Public Safety	Town Planning and Building Control	Roads and Stormwater	Electricity Services	Water Services	Sewerage and Sanitation Services	Refuse Services	Total
	R	R	R	R	R	R	R	R	R	R	R
2025											
REVENUE											
External Revenue from Non-Exchange Transactions	**161 352 860**	**62 138 285**	**-**	**9 459 644**	**5 911**	**25 189 376**	**38 867 475**	**7 859 785**	**1 224 299**	**549 148**	**306 646 783**
Property Rates	52 476 166	-	-	-	-	-	-	-	-	-	52 476 166
Government Grants and Subsidies - Operating	84 812 112	1 995 223	-	-	-	5 232 419	2 503 414	1 314 523	-	-	95 857 690
Public Contributions and Donations - Operating	-	282 843	-	-	-	-	-	-	-	-	282 843
Government Grants and Subsidies - Capital	189 488	59 854 495	-	-	-	19 956 957	995 553	5 045 028	-	-	86 041 520
Contributed Assets	-	-	-	41 200	-	-	-	1 872	-	-	43 072
Availability Charges	-	-	-	-	-	-	1 836 358	1 498 362	1 224 299	118 601	4 677 621
Fines, Penalties and Forfeits	-	5 724	-	9 418 444	5 911	-	3 759	-	-	-	9 433 838
Fair Value Adjustment Gains	22 271 690	-	-	-	-	-	-	-	-	430 547	22 702 237
Debt Forgiveness	-	-	-	-	-	-	33 528 391	-	-	-	33 528 391
Other Income (Non-Exchange)	1 603 404	-	-	-	-	-	-	-	-	-	1 603 404
External Revenue from Exchange Transactions	**7 012 571**	**11 745 691**	**-**	**5 630 264**	**712 218**	**24 408**	**180 021 431**	**48 054 367**	**38 652 493**	**45 667 334**	**337 520 777**
Service Charges	-	-	-	-	-	-	177 881 116	42 922 067	33 270 927	39 917 098	293 991 207
Rental of Facilities and Equipment	1 403 780	523 898	-	-	-	770	-	-	-	-	1 928 448
Interest Earned - external investments	2 068 409	-	-	-	-	-	-	-	-	-	2 068 409
Interest Earned - outstanding debtors	3 046 780	-	-	-	-	-	2 140 315	5 132 299	5 361 418	5 672 105	21 352 918
Licences and Permits	-	-	-	946 033	107 770	11 020	-	-	-	78 132	1 142 955
Agency Services	-	-	-	4 292 816	-	-	-	-	-	-	4 292 816
Library Services	-	8 000 870	-	-	-	-	-	-	-	-	8 000 870
Other Income (Exchange)	493 603	3 220 923	-	391 415	604 448	12 618	-	-	20 148	-	4 743 155
TOTAL REVENUE	**168 365 432**	**73 883 976**	**-**	**15 089 908**	**718 128**	**25 213 783**	**218 888 906**	**55 914 152**	**39 876 792**	**46 216 482**	**644 167 560**
EXPENDITURE											
Employee Related Costs	61 310 238	34 872 671	956 621	12 723 902	4 616 475	19 409 046	13 133 368	12 589 192	4 813 869	18 024 787	182 450 169
Remuneration of Councillors	8 213 312	-	-	-	-	-	-	-	-	-	8 213 312
Debt Impairment	19 768 711	-	-	7 343 861	-	-	4 096 316	10 295 073	9 738 717	11 550 013	62 792 691
Depreciation and Amortisation	1 098 185	2 292 407	-	-	770	7 805 190	1 724 368	4 571 265	5 898 569	1 338 849	24 729 603
Finance Charges	13 931 477	-	-	-	-	233 208	-	-	515 024	7 403 350	22 083 058
Bulk Purchases	-	-	-	-	-	-	149 729 878	9 349 392	-	-	159 079 269
Contracted Services	5 643 072	1 725 954	-	593 380	1 099	184 756	703 865	1 057 860	574 930	886 918	11 371 833
Transfers and Grants	-	428 230	1 669 985	-	-	-	-	-	-	34 753	2 132 968
Other Expenditure	16 930 247	2 028 653	2 127	851 019	171 337	7 635 170	9 411 569	6 078 973	3 217 172	1 799 154	48 125 422
Loss on disposal of Non-Monetary Assets	-	-	-	-	-	3 384 500	-	-	-	-	3 384 500
Fair Value Adjustment Losses	2 477 386	-	-	-	-	-	-	-	-	-	2 477 386
Total Expenditure	**129 372 627**	**41 347 916**	**2 628 733**	**21 512 163**	**4 789 681**	**38 651 870**	**178 799 364**	**43 941 754**	**24 758 279**	**41 037 824**	**526 840 211**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**38 992 804**	**32 536 061**	**(2 628 733)**	**(6 422 255)**	**(4 071 553)**	**(13 438 086)**	**40 089 542**	**11 972 398**	**15 118 513**	**5 178 658**	**117 327 349**
Less: Government Grants and Subsidies - Capital	(189 488)	(59 854 495)	-	-	-	(19 956 957)	(995 553)	(5 045 028)	-	-	(86 041 520)
Less: Contributed Assets	-	-	-	(41 200)	-	-	-	(1 872)	-	-	(43 072)
NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**38 803 316**	**(27 318 434)**	**(2 628 733)**	**(6 463 455)**	**(4 071 553)**	**(33 395 043)**	**39 093 989**	**6 925 498**	**15 118 513**	**5 178 658**	**31 242 756**
CAPITAL EXPENDITURE FOR THE YEAR	**604 338**	**1 356 819**	**-**	**41 200**	**32 109**	**23 294 878**	**5 798 752**	**18 061 659**	**27 775 122**	**13 319 720**	**90 284 598**

70 SEGMENT REPORTING (CONTINUED)

70.5 Specific Segment Reporting

2024	Governance and administration R	Community Services R	Tourism R	Public Safety R	Town Planning and Building Control R	Roads and Stormwater R	Electricity Services R	Water Services R	Sewerage and Sanitation Services R	Refuse Services R	Total R
REVENUE											
External Revenue from Non-Exchange Transactions	**168 367 804**	**8 313 314**	**-**	**10 266 785**	**-**	**25 734 258**	**9 765 767**	**15 406 579**	**1 134 976**	**1 339 343**	**240 328 827**
Property Rates	51 341 376	-	-	-	-	-	-	-	-	-	51 341 376
Government Grants and Subsidies - Operating	79 939 553	94 000	-	-	-	6 753 377	2 061 572	1 823 098	-	-	90 671 600
Public Contributions and Donations - Operating	-	329 572	-	-	-	-	-	-	-	-	329 572
Government Grants and Subsidies - Capital	449 517	7 878 109	-	-	-	18 980 881	5 769 592	12 155 293	-	-	45 233 392
Contributed Assets	62 505	-	-	-	-	-	186 453	-	-	-	248 957
Availability Charges	-	-	-	-	-	-	1 748 151	1 428 188	1 134 976	127 409	4 438 723
Fines, Penalties and Forfeits	-	11 633	-	10 266 785	-	-	-	-	-	-	10 278 418
Fair Value Adjustment Gains	23 662 757	-	-	-	-	-	-	-	-	1 211 935	24 874 692
Debt Forgiveness	11 710 418	-	-	-	-	-	-	-	-	-	11 710 418
Other Income (Non-Exchange)	1 201 678	-	-	-	-	-	-	-	-	-	1 201 678
External Revenue from Exchange Transactions	**8 228 099**	**12 489 503**	**-**	**5 887 288**	**502 377**	**14 876**	**149 728 015**	**40 758 467**	**34 437 065**	**36 785 184**	**288 830 875**
Service Charges	-	-	-	-	-	-	148 812 286	37 332 282	30 502 452	32 531 590	249 178 610
Rental of Facilities and Equipment	1 453 969	360 714	-	-	-	870	-	-	-	-	1 815 553
Interest Earned - external investments	1 728 706	-	-	-	-	-	-	-	-	-	1 728 706
Interest Earned - outstanding debtors	4 009 378	-	-	-	-	-	915 729	3 426 186	3 791 108	4 221 519	16 363 919
Licences and Permits	-	-	-	978 813	2 480	7 837	-	-	-	32 075	1 021 206
Agency Services	-	-	-	4 390 080	-	-	-	-	-	-	4 390 080
Library Services	-	8 660 975	-	-	-	-	-	-	-	-	8 660 975
Other Income (Exchange)	1 036 045	3 467 814	-	518 394	499 897	6 170	-	-	143 504	-	5 671 825
TOTAL REVENUE	**176 595 904**	**20 802 817**	**-**	**16 154 073**	**502 377**	**25 749 134**	**159 493 782**	**56 165 046**	**35 572 041**	**38 124 528**	**529 159 701**
EXPENDITURE											
Employee Related Costs	57 465 266	34 357 098	862 129	11 149 810	4 500 735	20 033 429	12 052 416	11 598 915	4 622 624	17 375 004	174 017 426
Remuneration of Councillors	8 238 021	-	-	-	-	-	-	-	-	-	8 238 021
Debt Impairment	8 758 109	-	-	7 816 892	-	-	1 787 050	10 321 316	11 395 286	11 782 000	51 860 653
Depreciation and Amortisation	914 109	2 071 296	-	-	807	7 482 964	1 582 840	4 342 891	5 792 456	1 332 691	23 520 054
Impairments	237 104	-	-	-	-	123	-	139 559	1 176 591	-	1 553 377
Finance Charges	21 306 508	-	-	-	-	363 617	7 875	-	644 685	7 038 556	29 361 241
Bulk Purchases	-	-	-	-	-	-	132 569 826	8 997 886	-	-	141 567 713
Contracted Services	5 396 052	159 419	-	750 482	49 105	-	521 357	779 248	499 413	750 244	8 905 319
Transfers and Grants	93 036	389 645	1 478 939	-	-	-	-	-	-	40 768	2 002 388
Other Expenditure	16 316 619	1 571 986	1 075	728 580	138 772	5 788 371	7 370 167	5 166 228	3 184 148	1 987 654	42 253 600
Loss on disposal of Non-Monetary Assets	-	-	-	-	-	672 635	-	-	-	-	672 635
Total Expenditure	**118 724 825**	**38 549 445**	**2 342 143**	**20 445 763**	**4 689 418**	**34 341 139**	**155 891 532**	**41 346 043**	**27 315 204**	**40 306 917**	**483 952 429**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**57 871 078**	**(17 746 627)**	**(2 342 143)**	**(4 291 691)**	**(4 187 041)**	**(8 592 005)**	**3 602 251**	**14 819 003**	**8 256 837**	**(2 182 389)**	**45 207 272**
Less: Government Grants and Subsidies - Capital	(449 517)	(7 878 109)	-	-	-	(18 980 881)	(5 769 592)	(12 155 293)	-	-	(45 233 392)
Less: Contributed Assets	(62 505)	-	-	-	-	-	(186 453)	-	-	-	(248 957)
NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**57 359 056**	**(25 624 736)**	**(2 342 143)**	**(4 291 691)**	**(4 187 041)**	**(27 572 885)**	**(2 353 794)**	**2 663 710**	**8 256 837**	**(2 182 389)**	**(275 076)**
CAPITAL EXPENDITURE FOR THE YEAR	**1 059 680**	**10 776 426**	**-**	**25 913**	**8 737**	**18 881 871**	**7 316 121**	**13 362 199**	**983 809**	**-**	**52 414 756**

MATZIKAMA LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2025

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2024	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2025
ANNUITY LOANS							
Development Bank of Southern Africa	WC12007362.1	10.12%	2031	5 474 490	-	(1 273 382)	4 201 108
Development Bank of Southern Africa	12007652	10.48%	2027	2 747 604	-	(1 269 024)	1 478 580
Total Annuity Loans				**8 222 094**	**-**	**(2 542 406)**	**5 679 688**
FINANCE LEASE LIABILITIES - PRINTERS							
Konica Minolta - Printers	4434638	14.19%	2026/02/28	328 866	-	(187 976)	140 890
SkyMetro - Printers	SLA	23.00%	2026/02/28	408 807	-	(226 481)	182 326
Total Finance Lease Liabilities - Printers				**737 673**	**-**	**(414 457)**	**323 216**
Total Long-Term Liabilities				**8 959 767**	**-**	**(2 956 863)**	**6 002 904**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

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

NATIONAL GOVERNMENT	OPENING BALANCE R	GRANTS RECEIVED R	GRANTS REPAID R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	OTHER TRANSFERS R	CLOSING BALANCE R
Equitable Share	-	81 640 000	-	(81 640 000)	-	-	-
Financial Management Grant (FMG)	-	1 800 000	-	(1 492 053)	(189 488)	-	118 459
Municipal Infrastructure Grant (MIG)	-	24 136 000	-	(4 179 043)	(19 956 957)	-	-
Expanded Public Works Programme (EPWP)	-	1 389 000	-	(1 389 000)	-	-	-
Integrated National Electrification Programme (INEP)	1 144 886	1 851 000	-	(149 333)	(995 553)	(1 851 000)	-
Total	**1 144 886**	**110 816 000**	**-**	**(88 849 429)**	**(21 141 998)**	**(1 851 000)**	**118 459**
PROVINCIAL GOVERNMENT							
Community Development Workers (CDW)	-	94 000	-	(94 000)	-	-	-
Financial Management Capability Grant	21 850	1 600 000	-	(1 550 000)	-	-	71 850
Municipal Service Delivery and Capacity Building Grant	300 000	-	-	(218 569)	-	-	81 431
Thusong Services Centres	-	150 000	-	(150 000)	-	-	-
Department of Infrastructure	2 648 047	56 617 193	-	(2 398 552)	(58 811 017)	1 944 329	-
Transport,Education and Training SETA	-	275 990	-	(275 990)	-	-	-
Sport And Recreational Facilities	-	1 200 229	-	(156 751)	(1 043 478)	-	-
Municipal Interventions Grant	877 000	400 001	-	(114 391)	(762 609)	-	400 001
Water Resilience Grant	1 293 155	4 000 000	-	(1 200 131)	(4 282 419)	448 524	259 129
Maintenance of Main Roads	-	849 876	-	(849 876)	-	-	-
Total	**5 140 052**	**65 187 289**	**-**	**(7 008 261)**	**(64 899 523)**	**2 392 853**	**812 411**
DISTRICT MUNICIPALITY							
West Coast District Municipality (COVID 19 Relief)	42 580	-	(42 580)	-	-	-	-
Total	**42 580**	**-**	**(42 580)**	**-**	**-**	**-**	**-**
ALL SPHERES OF GOVERNMENT	**6 327 518**	**176 003 289**	**(42 580)**	**(95 857 689)**	**(86 041 520)**	**541 853**	**930 870**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
FINANCIAL PERFORMANCE						
Property rates	52 886 678	(391 412)	52 495 266	52 476 166	(19 100)	51 341 376
Service charges	312 229 492	(2 913 401)	309 316 091	293 991 207	(15 324 884)	249 178 610
Investment revenue	1 558 466	315 000	1 873 466	2 068 409	194 943	1 728 706
Transfers and subsidies - operational	105 677 221	6 614 912	112 292 133	104 130 186	(8 161 947)	99 089 715
Other own revenue	90 041 476	4 130 519	94 171 995	105 405 782	11 233 787	70 056 095
Total Operating Revenue (excluding capital transfers)	**562 393 333**	**7 755 618**	**570 148 951**	**558 071 750**	**(12 077 201)**	**471 394 502**
Employee costs	193 283 268	(7 942 921)	185 340 347	181 459 555	(3 880 792)	173 058 810
Remuneration of councillors	8 353 111	(74 423)	8 278 688	8 213 312	(65 376)	8 238 021
Depreciation & asset impairment	86 545 179	6 362 000	92 907 179	87 522 294	(5 384 885)	76 934 085
Finance charges	15 825 519	5 824 275	21 649 794	22 083 058	433 264	29 361 241
Inventory consumed and bulk purchases	159 810 168	17 546 251	177 356 419	169 693 058	(7 663 361)	148 792 250
Transfers and subsidies	2 230 272	212 801	2 443 073	2 132 968	(310 105)	2 002 388
Other expenditure	68 520 676	(2 080 122)	66 440 554	55 735 966	(10 704 588)	45 565 633
Total Expenditure	**534 568 193**	**19 847 861**	**554 416 054**	**526 840 211**	**(27 575 843)**	**483 952 429**
Surplus/(Deficit)	**27 825 140**	**(12 092 243)**	**15 732 897**	**31 231 539**	**15 498 642**	**(12 557 926)**
Transfers and subsidies - capital (monetary allocations)	44 319 441	41 246 936	85 566 377	86 052 738	486 361	45 805 823
Transfers and subsidies - capital (in-kind - all)	-	51 500	51 500	43 072	(8 428)	11 959 376
Surplus/(Deficit) for the year	**72 144 581**	**29 206 193**	**101 350 774**	**117 327 349**	**15 976 575**	**45 207 272**
CAPITAL EXPENDITURE & FUNDS SOURCES						
Capital expenditure	**49 100 614**	**41 050 148**	**90 150 762**	**90 284 598**	**133 836**	**52 414 756**
Transfers recognised - capital	44 319 441	41 298 436	85 617 877	86 095 810	477 933	45 389 780
Borrowing	-	-	-	-	-	-
Internally generated funds	4 781 173	(248 288)	4 532 885	4 188 788	(344 097)	7 024 976
Total sources of capital funds	**49 100 614**	**41 050 148**	**90 150 762**	**90 284 598**	**133 836**	**52 414 756**
CASH FLOWS						
Net cash from (used) operating	63 101 136	29 562 283	92 663 419	100 405 599	7 742 180	35 705 642
Net cash from (used) investing	(46 381 326)	(40 017 436)	(86 398 762)	(85 502 108)	896 654	(48 184 100)
Net cash from (used) financing	(2 123 234)	(833 630)	(2 956 863)	(2 956 864)	(1)	(3 604 008)
Net Cash Movement for the year	14 596 576	(11 288 783)	3 307 794	11 946 627	8 638 833	(16 082 466)
Cash/cash equivalents at beginning of year	957 387	1 469 271	2 426 657	2 426 657	-	18 509 123
Cash/cash equivalents at the year end	**15 553 963**	**(9 819 512)**	**5 734 451**	**14 373 284**	**8 638 833**	**2 426 657**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	2 855 000	2 855 000	218 569	(2 636 431)	2 162 847
Finance and administration	149 054 115	(1 312 818)	147 741 297	166 889 632	19 148 335	173 197 478
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	10 142 916	324 443	10 467 359	9 179 131	(1 288 228)	9 682 663
Sport and recreation	5 249 185	(832 170)	4 417 015	4 299 357	(117 658)	3 241 695
Public safety	11 797 136	(1 859 969)	9 937 167	9 466 597	(470 570)	10 279 080
Housing	18 299 129	42 116 689	60 415 818	60 405 489	(10 329)	7 878 459
Economic and environmental services						
Planning and development	1 778 747	219 944	1 998 691	1 975 359	(23 332)	1 737 955
Road transport	37 414 295	(253 651)	37 160 644	30 837 094	(6 323 550)	31 624 127
Trading services						
Energy sources	236 783 068	(4 199 471)	232 583 597	218 888 906	(13 694 691)	159 493 782
Water management	53 005 630	4 259 133	57 264 763	55 914 152	(1 350 611)	56 165 046
Waste water management	41 229 663	2 695 508	43 925 171	39 876 792	(4 048 379)	35 572 041
Waste management	41 958 890	5 041 416	47 000 306	46 216 482	(783 824)	38 124 528
Total Revenue - Standard	**606 712 774**	**49 054 054**	**655 766 828**	**644 167 560**	**(11 599 268)**	**529 159 701**
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	16 926 429	139 511	17 065 940	18 029 709	963 769	15 189 234
Finance and administration	96 088 561	14 617 193	110 705 754	104 079 655	(6 626 099)	95 513 606
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	30 155 965	(626 892)	29 529 073	29 033 263	(495 810)	28 897 777
Sport and recreation	10 405 192	(377 536)	10 027 656	9 536 696	(490 960)	7 980 483
Public safety	24 757 925	(1 476 824)	23 281 101	21 512 163	(1 768 938)	20 445 763
Housing	2 503 769	1 077 346	3 581 115	2 777 957	(803 158)	1 671 184
Health	-	-	-	-	-	-
Economic and environmental services						
Planning and development	14 354 072	(378 692)	13 975 380	12 052 944	(1 922 436)	12 711 404
Road transport	45 372 909	428 103	45 801 012	38 651 870	(7 149 142)	34 341 139
Trading services						
Energy sources	166 713 264	9 760 276	176 473 540	178 799 364	2 325 824	155 891 532
Water management	47 554 935	(451 235)	47 103 700	43 941 754	(3 161 946)	41 346 043
Waste water management	29 308 364	(511 901)	28 796 463	24 758 279	(4 038 184)	27 315 204
Waste management	47 398 404	(2 262 645)	45 135 759	41 037 824	(4 097 935)	40 306 917
Other	3 028 404	(88 843)	2 939 561	2 628 733	(310 828)	2 342 143
Total Expenditure - Standard	**534 568 193**	**19 847 861**	**554 416 054**	**526 840 211**	**(27 575 843)**	**483 952 429**
Surplus/(Deficit) for the year	**72 144 581**	**29 206 193**	**101 350 774**	**117 327 349**	**15 976 575**	**45 207 272**

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Municipal Manager	-	2 855 000	2 855 000	218 569	(2 636 431)	2 162 847
Vote 2 - Financial Services	147 988 949	(960 818)	147 028 131	166 591 505	19 563 374	-
Vote 3 - Corporate Services	314 748	-	314 748	296 408	(18 340)	-
Vote 4 - Community Services	52 382 331	38 772 993	91 155 324	88 973 884	(2 181 440)	-
Vote 5 - Technical Services	406 026 746	8 386 879	414 413 625	388 087 195	(26 326 430)	-
Vote 2 - Development & Planning	-	-	-	-	-	502 969
Vote 3 - Financial Services	-	-	-	-	-	172 434 898
Vote 4 - Technical Services	-	-	-	-	-	278 214 989
Vote 5 - Community Services	-	-	-	-	-	75 081 418
Vote 6 - Corporate Services	-	-	-	-	-	762 580
Total Revenue by Vote	**606 712 774**	**49 054 054**	**655 766 828**	**644 167 560**	**(11 599 268)**	**529 159 701**
EXPENDITURE						
Vote 1 - Municipal Manager	22 332 596	2 698	22 335 294	22 519 124	183 830	16 855 379
Vote 2 - Financial Services	60 234 930	16 446 967	76 681 897	71 603 358	(5 078 539)	-
Vote 3 - Corporate Services	33 245 796	(2 839 196)	30 406 600	29 188 553	(1 218 047)	-
Vote 4 - Community Services	85 088 527	137 667	85 226 194	80 828 273	(4 397 921)	-
Vote 5 - Technical Services	333 666 344	6 099 725	339 766 069	322 700 902	(17 065 167)	-
Vote 2 - Development & Planning	-	-	-	-	-	13 883 197
Vote 3 - Financial Services	-	-	-	-	-	66 074 143
Vote 4 - Technical Services	-	-	-	-	-	263 651 004
Vote 5 - Community Services	-	-	-	-	-	96 457 752
Vote 6 - Corporate Services	-	-	-	-	-	27 030 954
Total Expenditure by Vote	**534 568 193**	**19 847 861**	**554 416 054**	**526 840 211**	**(27 575 843)**	**483 952 429**
Surplus/(Deficit) for the year	**72 144 581**	**29 206 193**	**101 350 774**	**117 327 349**	**15 976 575**	**45 207 272**

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Exchange Revenue						
Service Charges - Electricity	198 474 474	(6 900 002)	191 574 472	177 881 116	(13 693 356)	148 812 286
Service Charges - Water	44 250 733	279 656	44 530 389	42 922 067	(1 608 322)	37 332 282
Service Charges - Waste Water Management	31 885 263	1 434 452	33 319 715	33 270 927	(48 788)	30 502 452
Service Charges - Waste Management	37 619 022	2 272 493	39 891 515	39 917 098	25 583	32 531 590
Sale of Goods and Rendering of Services	5 215 114	(756 106)	4 459 008	4 133 785	(325 223)	4 208 104
Agency Services	5 255 009	(899 000)	4 356 009	4 292 816	(63 193)	4 390 080
Interest Earned from Receivables (Exchange)	12 879 644	4 309 864	17 189 508	17 350 046	160 538	12 822 099
Interest Earned from Current and Non Current Assets	1 558 466	315 000	1 873 466	2 068 409	194 943	1 728 706
Rental from Fixed Assets	2 144 943	(109 400)	2 035 543	1 928 448	(107 095)	1 815 553
Licences and Permits	43 908	34 467	78 375	78 132	(243)	32 075
Operational Revenue	8 416 423	(1 340 138)	7 076 285	2 168 005	(4 908 280)	2 633 870
Non-Exchange Revenue						
Property Rates	52 886 678	(391 412)	52 495 266	52 476 166	(19 100)	51 341 376
Fines, Penalties and Forfeits	11 811 927	(1 909 469)	9 902 458	9 433 838	(468 620)	10 278 418
Licences or permits	1 066 561	53 000	1 119 561	1 064 823	(54 738)	989 130
Transfers and Subsidies - Operational	105 677 221	6 614 912	112 292 133	104 130 186	(8 161 947)	99 089 715
Interest Earned from Receivables (Non-Exchange)	3 489 964	515 295	4 005 259	4 002 872	(2 387)	3 541 821
Operational Revenue (Non-Exchange)	4 789 380	(133 382)	4 655 998	4 677 621	21 623	4 438 723
Gains on disposal of Assets	1 400 000	(928 000)	472 000	-	(472 000)	-
Other Gains	33 528 603	5 293 388	38 821 991	56 275 396	17 453 405	24 906 220
Total Revenue (excl capital transfers)	**562 393 333**	**7 755 618**	**570 148 951**	**558 071 750**	**(12 077 201)**	**471 394 502**
EXPENDITURE BY TYPE						
Employee Related Costs	193 283 268	(7 942 921)	185 340 347	181 459 555	(3 880 792)	173 058 810
Remuneration of Councillors	8 353 111	(74 423)	8 278 688	8 213 312	(65 376)	8 238 021
Bulk Purchases - Electricity	134 216 381	12 211 000	146 427 381	149 729 878	3 302 497	132 569 826
Inventory Consumed	25 593 787	5 335 251	30 929 038	19 963 181	(10 965 857)	16 222 424
Debt Impairment	56 468 000	6 862 000	63 330 000	62 792 691	(537 309)	51 860 653
Depreciation and Amortisation	30 077 179	(500 000)	29 577 179	24 729 603	(4 847 576)	25 073 432
Interest	15 825 519	5 824 275	21 649 794	22 083 058	433 264	29 361 241
Contracted Services	17 258 019	(25 021)	17 232 998	11 371 833	(5 861 165)	8 905 319
Transfers and Subsidies	2 230 272	212 801	2 443 073	2 132 968	(310 105)	2 002 388
Operational Costs	51 262 657	(4 646 136)	46 616 521	38 502 247	(8 114 274)	35 987 083
Losses on Disposal of Assets	-	672 635	672 635	3 384 500	2 711 865	672 635
Other Losses	-	1 918 400	1 918 400	2 477 386	558 986	596
Total Expenditure	**534 568 193**	**19 847 861**	**554 416 054**	**526 840 211**	**(27 575 843)**	**483 952 429**
Surplus/(Deficit)	**27 825 140**	**(12 092 243)**	**15 732 897**	**31 231 539**	**15 498 642**	**(12 557 926)**
Transfers and Subsidies - Capital (monetary allocations)	44 319 441	41 246 936	85 566 377	86 052 738	486 361	45 805 823
Transfers and Subsidies - Capital (in-kind)	-	51 500	51 500	43 072	(8 428)	11 959 376
Surplus/(Deficit) for the year	**72 144 581**	**29 206 193**	**101 350 774**	**117 327 349**	**15 976 575**	**45 207 272**

MATZIKAMA LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Municipal Manager	-	-	-	-	-	-
Vote 2 - Financial Services	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-
Vote 5 - Technical Services	38 920 310	41 134 098	80 054 408	80 635 207	580 799	-
Vote 2 - Development & Planning	-	-	-	-	-	-
Vote 3 - Financial Services	-	-	-	-	-	-
Vote 4 - Technical Services	-	-	-	-	-	5 851 429
Vote 5 - Community Services	-	-	-	-	-	10 052 421
Vote 6 - Corporate Services	-	-	-	-	-	-
Total Multi-year expenditure	**38 920 310**	**41 134 098**	**80 054 408**	**80 635 207**	**580 799**	**15 903 849**
Single-year expenditure						
Vote 1 - Municipal Manager	31 800	(30 000)	1 800	-	(1 800)	-
Vote 2 - Financial Services	212 000	(15 000)	197 000	189 488	(7 512)	-
Vote 3 - Corporate Services	470 000	(45 000)	425 000	414 850	(10 150)	-
Vote 4 - Community Services	1 043 478	60 155	1 103 633	1 095 896	(7 737)	-
Vote 5 - Technical Services	8 423 026	(54 105)	8 368 921	7 949 158	(419 763)	-
Vote 2 - Development & Planning	-	-	-	-	-	8 737
Vote 3 - Financial Services	-	-	-	-	-	133 732
Vote 4 - Technical Services	-	-	-	-	-	34 780 835
Vote 5 - Community Services	-	-	-	-	-	724 005
Vote 6 - Corporate Services	-	-	-	-	-	863 598
Total Single-year expenditure	**10 180 304**	**(83 950)**	**10 096 354**	**9 649 391**	**(446 963)**	**36 510 907**
Total Capital Expenditure by Vote	**49 100 614**	**41 050 148**	**90 150 762**	**90 284 598**	**133 836**	**52 414 756**

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025

MATZIKAMA LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CAPITAL EXPENDITURE (CONTINUED)						
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	-	-	-	-	-
Finance and administration	682 000	(60 000)	622 000	604 338	(17 662)	1 059 680
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	-	10 455	10 455	11 217	762	634 241
Sport and recreation	1 358 478	30 200	1 388 678	1 345 602	(43 076)	10 142 185
Public safety	-	49 500	49 500	41 200	(8 300)	-
Housing	-	-	-	-	-	-
Economic and environmental services						
Planning and development	100 000	(40 000)	60 000	32 109	(27 891)	8 737
Road transport	33 336 384	(9 408 455)	23 927 929	23 294 878	(633 051)	18 907 784
Trading services						
Energy sources	2 652 565	3 086 244	5 738 809	5 798 752	59 943	7 316 121
Water management	2 328 082	15 267 230	17 595 312	18 061 659	466 347	13 362 199
Waste water management	2 554 348	24 882 210	27 436 558	27 775 122	338 564	983 809
Waste management	6 086 957	7 232 764	13 319 721	13 319 720	(1)	-
Other	1 800	-	1 800	-	(1 800)	-
Total Capital Expenditure - Standard	**49 100 614**	**41 050 148**	**90 150 762**	**90 284 598**	**133 836**	**52 414 756**
FUNDING SOURCES						
National Government	21 830 871	(688 360)	21 142 511	21 141 998	(513)	34 708 679
Provincial Government	22 488 570	41 935 296	64 423 866	64 910 740	486 874	10 432 144
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	51 500	51 500	43 072	(8 428)	248 957
Transfers recognised - capital	44 319 441	41 298 436	85 617 877	86 095 810	477 933	45 389 780
Borrowing	-	-	-	-	-	-
Internally generated funds	4 781 173	(248 288)	4 532 885	4 188 788	(344 097)	7 024 976
Total Capital Funding	**49 100 614**	**41 050 148**	**90 150 762**	**90 284 598**	**133 836**	**52 414 756**

MATZIKAMA LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties & collection charges	46 011 410	(340 528)	45 670 881	50 406 004	4 735 122	48 374 142
Service charges	271 643 925	(5 239 569)	266 404 356	258 276 723	(8 127 634)	216 134 754
Other revenue	28 606 793	(3 137 182)	25 469 611	19 149 933	(6 319 678)	15 704 468
Government - operating	105 677 221	4 901 201	110 578 422	97 908 841	(12 669 581)	82 307 169
Government - capital	44 319 441	36 299 558	80 618 999	86 052 738	5 433 739	45 805 823
Interest	14 654 152	3 760 127	18 414 280	4 224 991	(14 189 289)	4 166 613
Payments						
Suppliers and employees	(442 425 767)	(7 330 197)	(449 755 964)	(411 450 831)	38 305 133	(371 789 036)
Finance charges	(3 155 768)	861 674	(2 294 094)	(2 029 831)	264 263	(2 995 904)
Transfers and grants	(2 230 272)	(212 801)	(2 443 073)	(2 132 968)	310 105	(2 002 388)
NET CASH FROM OPERATING ACTIVITIES	**63 101 136**	**29 562 283**	**92 663 419**	**100 405 599**	**7 742 180**	**35 705 642**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	2 719 288	981 212	3 700 500	4 739 417	1 038 917	3 981 699
Payments		-				
Capital assets	(49 100 614)	(40 998 648)	(90 099 262)	(90 241 525)	(142 263)	(52 165 799)
NET CASH USED IN INVESTING ACTIVITIES	**(46 381 326)**	**(40 017 436)**	**(86 398 762)**	**(85 502 108)**	**896 654**	**(48 184 100)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	-	-	-	-	-	-
Payments						
Repayment of borrowing	(2 123 234)	(833 630)	(2 956 863)	(2 956 864)	(1)	(3 604 008)
NET CASH FROM FINANCING ACTIVITIES	**(2 123 234)**	**(833 630)**	**(2 956 863)**	**(2 956 864)**	**(1)**	**(3 604 008)**
NET INCREASE/ (DECREASE) IN CASH HELD	**14 596 576**	**(11 288 783)**	**3 307 794**	**11 946 627**	**8 638 833**	**(16 082 466)**
Cash/cash equivalents at the year begin:	957 387	1 469 271	2 426 657	2 426 657	-	18 509 123
Cash/cash equivalents at the year end:	15 553 963	(9 819 512)	5 734 451	14 373 284	8 638 833	2 426 657

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

10 December 2025