# CEDERBERG LOCAL MUNICIPALITY

# AUDITED ANNUAL FINANCIAL STATEMENTS

# 30 JUNE 2025

# CEDERBERG LOCAL MUNICIPALITY

## INDEX

# CEDERBERG LOCAL MUNICIPALITY

## GENERAL INFORMATION

**NATURE OF BUSINESS**

Cederberg 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 Cederberg Local Municipality includes the following areas:

| | |
|---|---|
| Algeria | Graafwater |
| Clanwilliam | Leipoltville |
| Lamberts Bay | Elands Bay |
| Citrusdal | |

**MEMBERS OF THE COUNCIL**

| | |
|---|---|
| Ward 1 | Cllr AM Scheepers |
| Ward 2 | Cllr Y Blaauw |
| Ward 3 | Cllr M Heins |
| Ward 4 | Cllr PJ Strauss |
| Ward 5 | Cllr JP Hayes |
| Ward 6 | Cllr AG Mouton |
| Proportional | Cllr RR Richards |
| Proportional | Cllr WJ Farmer |
| Proportional | Cllr J Engelbrecht |
| Proportional | Cllr JH van Heerden |
| Proportional | Cllr MG Bergh |

**MEMBERS OF THE MAYORAL COMMITTEE**

Cllr AM Scheepers (Executive Mayor)
Cllr RR Richards (Deputy Executive Mayor)
Cllr M Heins (Speaker)
Cllr AG Mouton
Cllr JH van Heerden

**MUNICIPAL MANAGER**

Mr GF Matthyse

**CHIEF FINANCIAL OFFICER**

Mr J Booysen (permanently appointed from 01 October 2024)

**AUDIT COMMITTEE**

Omar Valley (Chairperson)
Charles Beukes
Omphile Sehunelo

**REGISTERED OFFICE**

2A Voortrekker Road
Clanwilliam
8135

**POSTAL ADDRESS**

Private Bag x2
Clanwilliam
8135

**AUDITORS**

Office of the Auditor General (WC)

**PRINCIPLE BANKERS**

Standard Bank of South Africa Limited

**ATTORNEYS**

Sithole Mokomane Attorneys
Bright Rikhotso
Lizel Venter
Turner Ntshingana Kirsten Ravens
Enderstein Malumbete
Cheadle Thompson and Haysom
Wesley Pretorius and Associates

**RELEVANT LEGISLATION**

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Cost Containment Regulations 2019
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on a Standard Chart of Accounts, 2014
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
National Environmental Management Act
Occupational Health and Safety Act
Preferential Procurement Policy Framework Act, 2000
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

# CEDERBERG LOCAL MUNICIPALITY

## APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

**ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL**

I am responsible for the preparation of these annual financial statements year ended 30 June 2025, which are set out on pages 1 to 95 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.

Mr GF Matthyse
Municipal Manager

30 August 2025
Date

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

| | Notes | 2025<br>R<br>(Actual) | 2024<br>R<br>(Restated) |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | **169 101 743** | **122 322 323** |
| Cash and Cash Equivalents | **2** | 104 598 019 | 61 258 215 |
| Receivables from Exchange Transactions | **3** | 37 657 350 | 32 408 431 |
| Receivables from Non-Exchange Transactions | **4** | 16 526 006 | 16 011 936 |
| Taxes | **5** | 7 654 157 | 10 174 506 |
| Operating Lease Assets | **6** | - | - |
| Current Portion of Long-term Receivables | **7** | 1 337 330 | 1 296 291 |
| Inventory | **8** | 1 328 882 | 1 172 943 |
| **Non-Current Assets** | | **704 732 296** | **682 727 150** |
| Long-term Receivables | **7** | 1 336 522 | 1 599 532 |
| Investment Property | **10** | 73 790 079 | 74 264 903 |
| Property, Plant and Equipment | **11** | 629 106 780 | 606 156 289 |
| Intangible Assets | **12** | 498 915 | 706 426 |
| **Total Assets** | | **873 834 039** | **805 049 474** |
| **LIABILITIES** | | | |
| **Current Liabilities** | | **114 916 298** | **114 961 870** |
| Current Portion of Long-term Liabilities | **13** | 12 917 693 | 13 264 684 |
| Consumer Deposits | **14** | 3 225 813 | 2 997 700 |
| Payables from Exchange Transactions | **15** | 46 165 997 | 52 541 374 |
| Unspent Conditional Government Grants | **16** | 13 181 503 | 13 475 191 |
| Taxes | **5** | 22 603 103 | 18 070 743 |
| Operating Lease Liabilities | **6** | - | - |
| Current Employee Benefits | **17** | 16 822 188 | 14 612 178 |
| Current Provisions | **18** | - | - |
| **Non-Current Liabilities** | | **126 729 384** | **123 165 588** |
| Long-term Liabilities | **13** | 13 705 945 | 26 623 639 |
| Employee Benefits | **19** | 42 282 000 | 35 509 000 |
| Non-Current Provisions | **20** | 70 741 439 | 61 032 949 |
| **Total Liabilities** | | **241 645 682** | **238 127 458** |
| **NET ASSETS** | | **632 188 357** | **566 922 016** |
| **COMMUNITY WEALTH** | | | |
| Accumulated Surplus | | 632 188 357 | 566 922 016 |
| | | **632 188 357** | **566 922 016** |

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2025

| | Notes | 2025<br>R<br>(Actual) | 2024<br>R<br>(Restated) |
|---|---|---|---|
| **REVENUE** | | | |
| **REVENUE FROM NON-EXCHANGE TRANSACTIONS** | | **271 384 872** | **228 399 671** |
| **Taxation Revenue** | | **74 996 749** | **73 692 932** |
| Property Rates | **21** | 74 996 749 | 73 692 932 |
| **Transfer Revenue** | | **123 088 638** | **102 901 291** |
| Government Grants and Subsidies - Operating | **22** | 85 307 652 | 76 631 713 |
| Government Grants and Subsidies - Capital | **22** | 37 780 985 | 26 269 578 |
| **Other Revenue** | | **73 299 486** | **51 805 449** |
| Availability Charges | **23** | 3 863 433 | 3 629 486 |
| Insurance Refund | **24** | 177 097 | 112 012 |
| Fines, Penalties and Forfeits | **25** | 56 369 637 | 32 934 099 |
| Fair Value Adjustment Gains | **26** | 701 198 | 9 579 622 |
| Debt Forgiveness | **27** | 12 188 121 | 5 550 229 |
| **REVENUE FROM EXCHANGE TRANSACTIONS** | | **255 000 082** | **223 641 820** |
| **Operating Activities** | | **255 000 082** | **223 641 820** |
| Service Charges | **28** | 215 961 999 | 190 638 712 |
| Rental of Facilities and Equipment | **29** | 1 070 306 | 969 797 |
| Interest Earned - External Investments | **30** | 9 619 304 | 5 190 675 |
| Interest Earned - Outstanding Debtors | **31** | 11 861 522 | 12 325 085 |
| Agency Services | **32** | 4 012 431 | 4 299 701 |
| Library Services | **33** | 5 307 663 | 4 912 914 |
| Other Income | **34** | 5 739 042 | 5 304 935 |
| Gain on disposal of Non-Monetary Assets | **46** | 1 427 815 | - |
| **CONSTRUCTION CONTRACTS** | **35** | **15 070 495** | **29 585 087** |
| **TOTAL REVENUE** | | **541 455 450** | **481 626 578** |
| **EXPENDITURE** | | | |
| Employee Related Costs | **36** | 139 180 684 | 131 576 928 |
| Remuneration of Councillors | **37** | 6 355 048 | 6 081 304 |
| Debt Impairment | **38** | 66 019 121 | 50 383 603 |
| Depreciation and Amortisation | **39** | 27 491 731 | 26 567 447 |
| Impairment | **40** | 6 201 456 | 15 639 907 |
| Finance Charges | **41** | 15 149 680 | 16 029 892 |
| Bulk Purchases | **42** | 125 074 705 | 106 125 126 |
| Contracted Services | **43** | 40 502 309 | 55 518 311 |
| Transfers and Grants | **44** | 164 462 | 198 026 |
| Other Expenditure | **45** | 47 060 987 | 36 843 775 |
| Loss on disposal of Non-Monetary Assets | **46** | - | 650 890 |
| Fair Value Adjustment Losses | **47** | 2 988 926 | - |
| **TOTAL EXPENDITURE** | | **476 189 111** | **445 615 209** |
| **NET SURPLUS FOR THE YEAR** | | **65 266 339** | **36 011 368** |

# CEDERBERG 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** | **538 136 705** | **568 694 322** |
| Correction of error restatement - note 48.6 | (7 226 058) | (7 226 058) |
| **Balance on 30 June 2023 - Restated** | **530 910 647** | **530 910 647** |
| Net Surplus for the year | 36 011 369 | 36 011 369 |
| **Balance on 30 June 2024 - Restated** | **566 922 016** | **566 922 016** |
| Net Surplus for the year | 65 266 341 | 65 266 341 |
| **Balance on 30 June 2025** | **632 188 357** | **632 188 357** |

# CEDERBERG LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2025

| | Notes | 2025<br>R<br>(Actual) | 2024<br>R<br>(Restated) |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| **Receipts** | | | |
| Property Rates | | 71 201 990 | 66 481 290 |
| Service Charges | | 207 250 369 | 177 380 685 |
| Other Revenue and Receipts | | 40 819 997 | 58 550 405 |
| Government Grants | | 122 128 008 | 107 263 509 |
| Interest | | 12 536 998 | 8 494 207 |
| **Payments** | | | |
| Suppliers and employees | | (354 108 873) | (336 780 563) |
| Finance charges | | (228 344) | (497 399) |
| Transfers and Grants | | (164 462) | (198 026) |
| **NET CASH FROM OPERATING ACTIVITIES** | **49** | **99 435 682** | **80 694 109** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| **Receipts** | | | |
| Proceeds from sale of Property, Plant and Equipment | | 3 347 752 | 697 217 |
| **Payments** | | | |
| Purchase of Property, Plant and Equipment | | (57 474 924) | (46 970 037) |
| **NET CASH USED INVESTING ACTIVITIES** | | **(54 127 171)** | **(46 272 819)** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| **Payments** | | | |
| Loans repaid | | (1 968 707) | (1 940 624) |
| **NET CASH USED FINANCING ACTIVITIES** | | **(1 968 707)** | **(1 940 624)** |
| **NET INCREASE IN CASH HELD** | | **43 339 804** | **32 480 666** |
| Cash and Cash Equivalents at the beginning of the year | | 61 258 215 | 28 777 549 |
| Cash and Cash Equivalents at the end of the year | | 104 598 019 | 61 258 215 |

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
29 November 2025

# CEDERBERG 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 | 10 155 041 | 37 613 081 | 47 768 122 | 104 598 019 | 56 829 897 |
| Trade and Other Receivables from Exchange Transactions | 27 243 521 | 8 097 895 | 35 341 417 | 37 657 350 | 2 315 933 |
| Receivables from Non-Exchange Transactions | 8 678 557 | 8 917 233 | 17 595 791 | 16 526 006 | (1 069 784) |
| Current Portion of Non-Current Receivables | 363 463 | 932 828 | 1 296 291 | 1 337 330 | 41 038 |
| Inventory | 1 046 596 | 126 347 | 1 172 943 | 1 328 882 | 155 939 |
| VAT | 6 695 701 | 1 334 280 | 8 029 981 | 7 654 157 | (375 824) |
| Other Current Assets | 112 | (112) | - | - | - |
| **Total Current Assets** | **54 182 992** | **57 021 553** | **111 204 545** | **169 101 743** | **57 897 199** |
| **Non Current Assets** | | | | | |
| Investment Property | 74 207 391 | 4 512 | 74 211 903 | 73 790 079 | (421 824) |
| Property, Plant and Equipment | 787 280 784 | (142 276 470) | 645 004 314 | 629 106 780 | (15 897 535) |
| Intangible Assets | 444 707 | 6 719 | 451 426 | 498 915 | 47 489 |
| Trade and Other Receivables from Exchange Transactions | 71 945 | 1 527 587 | 1 599 532 | 1 336 522 | (263 010) |
| **Total Non Current Assets** | **862 004 828** | **(140 737 651)** | **721 267 176** | **704 732 296** | **(16 534 881)** |
| **TOTAL ASSETS** | **916 187 820** | **(83 716 099)** | **832 471 721** | **873 834 039** | **41 362 318** |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Financial Liabilities | 474 442 | 12 443 252 | 12 917 694 | 12 917 693 | - |
| Consumer Deposits | 3 237 715 | (70 015) | 3 167 700 | 3 225 813 | 58 113 |
| Trade and Other Payables from Exchange Transactions | 23 141 404 | 28 392 022 | 51 533 427 | 46 165 997 | (5 367 429) |
| Trade and Other Payables from Non-Exchange Transactions | - | (698 447) | (698 447) | 13 181 503 | 13 879 950 |
| Provisions | 13 515 983 | 4 960 773 | 18 476 756 | 16 822 188 | (1 654 568) |
| VAT | - | - | - | 22 603 103 | 22 603 103 |
| **Total Current Liabilities** | **40 369 544** | **45 027 586** | **85 397 130** | **114 916 298** | **29 519 169** |
| **Non Current Liabilities** | | | | | |
| Provision | 108 120 181 | (1 882 232) | 106 237 949 | 113 023 439 | 6 785 490 |
| Long-term Portion of Trade Payables | 27 848 171 | (14 142 226) | 13 705 945 | 13 705 946 | - |
| **Total Non Current Liabilities** | **135 968 352** | **(16 024 458)** | **119 943 894** | **126 729 385** | **6 785 490** |
| **TOTAL LIABILITIES** | **176 337 896** | **29 003 128** | **205 341 024** | **241 645 682** | **36 304 658** |
| **NET ASSETS** | **739 849 924** | **(112 719 227)** | **627 130 697** | **632 188 357** | **5 057 659** |
| **COMMUNITY WEALTH/EQUITY** | | | | | |
| Accumulated Surplus | 739 849 924 | (112 719 227) | 627 130 697 | 632 188 357 | 5 057 659 |
| **TOTAL COMMUNITY WEALTH/EQUITY** | **739 849 924** | **(112 719 227)** | **627 130 697** | **632 188 357** | **5 057 659** |

Refer to note 51.2 for explanations of material variances.

Material variances are considered to be any variances greater than R 4.5 million.

# CEDERBERG 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 | 135 874 000 | 13 757 000 | 149 631 000 | - | 149 631 000 | 152 838 248 | 3 207 248 |
| Service charges - Water | 33 443 000 | (666 000) | 32 777 000 | - | 32 777 000 | 32 696 026 | (80 974) |
| Service charges - Waste Water Management | 15 305 000 | (641 000) | 14 664 000 | - | 14 664 000 | 15 823 494 | 1 159 494 |
| Service charges - Waste Management | 14 436 000 | (723 000) | 13 713 000 | - | 13 713 000 | 14 604 231 | 891 231 |
| Sale of Goods and Rendering of Services | 4 925 599 | (314 575) | 4 611 024 | - | 4 611 024 | 5 318 382 | 707 358 |
| Agency services | 4 464 524 | (469 301) | 3 995 223 | - | 3 995 223 | 4 012 431 | 17 208 |
| Interest Earned from Receivables (Exchange) | 6 698 000 | 788 000 | 7 486 000 | - | 7 486 000 | 7 361 932 | (124 068) |
| Interest Earned from Current and Non Current Assets | 1 150 000 | 8 340 280 | 9 490 280 | - | 9 490 280 | 9 619 304 | 129 024 |
| Rental from Fixed Assets | 783 960 | (35 556) | 748 404 | - | 748 404 | 1 070 306 | 321 902 |
| Licences and Permits | 12 150 | (10 150) | 2 000 | - | 2 000 | 2 370 | 370 |
| Operational Revenue (Exchange) | 526 586 | (190 634) | 335 952 | - | 335 952 | 595 387 | 259 435 |
| **Non-Exchange Revenue** | | | | | | | |
| Property Rates | 75 998 000 | (1 269 000) | 74 729 000 | - | 74 729 000 | 74 996 749 | 267 749 |
| Surcharges and Taxes | 1 000 | - | 1 000 | - | 1 000 | - | (1 000) |
| Fines, Penalties and Forfeits | 34 907 068 | 26 431 880 | 61 338 948 | - | 61 338 948 | 56 369 637 | (4 969 311) |
| Transfers and Subsidies - Operational | 94 461 651 | 21 756 093 | 116 217 744 | - | 116 217 744 | 105 685 811 | (10 531 933) |
| Interest Earned from Receivables (Non-Exchange) | 4 353 000 | 156 000 | 4 509 000 | - | 4 509 000 | 4 499 590 | (9 410) |
| Operational Revenue (Non-Exchange) | 4 601 000 | (644 000) | 3 957 000 | - | 3 957 000 | 3 863 433 | (93 567) |
| Gains on Disposal of Assets | - | 400 000 | 400 000 | - | 400 000 | 1 427 815 | 1 027 815 |
| Other Gains | 19 548 121 | (5 299 000) | 14 249 121 | - | 14 249 121 | 12 889 319 | (1 359 802) |
| **Total Revenue (excluding capital transfers)** | **451 488 659** | **61 367 037** | **512 855 696** | **-** | **512 855 696** | **503 674 464** | **(9 181 232)** |
| **EXPENDITURE** | | | | | | | |
| Employee Related Costs | 149 110 026 | (6 426 732) | 142 683 294 | - | 142 683 294 | 138 386 347 | (4 296 947) |
| Remuneration of Councillors | 6 501 600 | 4 400 | 6 506 000 | - | 6 506 000 | 6 355 048 | (150 952) |
| Bulk Purchases - Electricity | 113 900 000 | 12 950 000 | 126 850 000 | - | 126 850 000 | 124 217 401 | (2 632 599) |
| Inventory Consumed | 11 172 005 | 3 210 767 | 14 382 772 | (78 200) | 14 304 572 | 13 313 746 | (990 826) |
| Debt Impairment | 54 087 640 | 25 269 360 | 79 357 000 | - | 79 357 000 | 66 019 121 | (13 337 879) |
| Depreciation and Amortisation | 31 438 000 | 1 530 000 | 32 968 000 | - | 32 968 000 | 33 693 188 | 725 188 |
| Interest | 11 926 000 | 866 110 | 12 792 110 | - | 12 792 110 | 15 149 680 | 2 357 570 |
| Contracted Services | 27 731 918 | 23 645 252 | 51 377 170 | 78 200 | 51 455 370 | 40 502 309 | (10 953 061) |
| Transfers and Subsidies | 220 000 | - | 220 000 | - | 220 000 | 164 462 | (55 538) |
| Operational Costs | 37 711 966 | 5 104 304 | 42 816 270 | - | 42 816 270 | 35 398 882 | (7 417 388) |
| Losses on Disposal of Assets | - | 400 000 | 400 000 | - | 400 000 | - | (400 000) |
| Other Losses | 7 360 000 | (5 300 000) | 2 060 000 | - | 2 060 000 | 2 988 926 | 928 926 |
| **Total Expenditure** | **451 159 155** | **61 253 461** | **512 412 616** | **-** | **512 412 616** | **476 189 111** | **(36 223 505)** |
| **Surplus/(Deficit)** | **329 504** | **113 576** | **443 080** | **-** | **443 080** | **27 485 353** | **27 042 273** |
| Transfers and Subsidies - Capital (monetary allocations) | 60 734 349 | (12 615 140) | 48 119 209 | - | 48 119 209 | 37 780 985 | (10 338 224) |
| **Surplus/(Deficit) for the year** | **61 063 853** | **(12 501 564)** | **48 562 289** | **-** | **48 562 289** | **65 266 339** | **16 704 050** |

Refer to note 51.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 51.3 for explanations of material variances.

Material variances are considered to be any variances greater than R 4.5 million.

# CEDERBERG 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 | 69 603 284 | (2 720 829) | 66 882 455 | 71 201 990 | 4 319 535 |
| Service Charges | 193 978 752 | 4 215 463 | 198 194 215 | 207 250 369 | 9 056 154 |
| Other Revenue | 13 611 247 | 6 314 304 | 19 925 551 | 23 595 100 | 3 669 549 |
| Transfers and Subsidies | 155 196 000 | (7 983 985) | 147 212 015 | 139 124 792 | (8 087 222) |
| Interest | 5 002 994 | 8 109 776 | 13 112 770 | 12 536 998 | (575 772) |
| **Payments** | | | | | |
| Suppliers and Employees | (345 941 515) | (39 042 991) | (384 984 506) | (354 108 873) | 30 875 633 |
| Finance Charges | (290 000) | - | (290 000) | (228 344) | 61 656 |
| Transfers and Subsidies | (220 000) | - | (220 000) | (164 462) | 55 538 |
| **Net Cash from/(used) Operating Activities** | **90 940 762** | **(31 108 263)** | **59 832 500** | **99 207 569** | **39 375 069** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | | | |
| **Receipts** | | | | | |
| Proceeds on Disposal of PPE | - | 400 000 | 400 000 | 3 347 752 | 2 947 752 |
| **Payments** | | | | | |
| Capital Assets | (80 568 025) | 8 644 140 | (71 923 885) | (57 474 924) | 14 448 961 |
| **Net Cash from/(used) Investing Activities** | **(80 568 025)** | **9 044 140** | **(71 523 885)** | **(54 127 171)** | **17 396 714** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | | | |
| **Receipts** | | | | | |
| Increase/(Decrease) in Consumer Deposits | 221 372 | (51 372) | 170 000 | 228 113 | 58 113 |
| **Payments** | | | | | |
| Repayment of Borrowing | (1 968 708) | - | (1 968 708) | (1 968 707) | 1 |
| **Net Cash from/(used) Financing Activities** | **(1 747 336)** | **(51 372)** | **(1 798 708)** | **(1 740 594)** | **58 114** |
| **NET INCREASE/(DECREASE) IN CASH HELD** | **8 625 401** | **(22 115 495)** | **(13 490 093)** | **43 339 804** | **56 829 897** |
| Cash and Cash Equivalents at the year begin | 1 529 640 | 59 728 575 | 61 258 215 | 61 258 215 | - |
| Cash and Cash Equivalents at the year end | 10 155 041 | 37 613 081 | 47 768 122 | 104 598 019 | 56 829 897 |

Refer to note 51.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 51.4 for explanations of material variances.

Material variances are considered to be any variances greater than R 4.5 million.

### 1 ACCOUNTING POLICIES

### 1.01 BASIS OF PREPARATION

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

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

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

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

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

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

### 1.02 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 66 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.

## 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 – Cost Model

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

### 1.09.3 Depreciation – Cost Model

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for 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 |
|---|---|
| Buildings | 100 |

### 1.09.4 Impairment

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

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

**1.09.5 Derecognition**

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

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

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

**1.10 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** | | **Finance lease assets** | |
| Land | Infinite | Furniture and Office Equipment | 3 - 11 |
| Buildings | 9 - 101 | | |
| Work in progress | N/A | **Community** | |
| | | Community Facilities | 16 - 101 |
| **Infrastructure** | | Sport and Recreational Facilities | 20 - 101 |
| Electrical | 5 - 100 | Work in progress | N/A |
| Roads | 7 - 100 | | |
| Sanitation | 10 - 100 | **Other** | |
| Storm Water | 20 - 100 | Computer Equipment | 5 - 17 |
| Water Supply | 10 - 100 | Furniture and Office Equipment | 5 - 31 |
| Work in progress | N/A | Machinery and Equipment | 5 - 36 |
| | | Transport Assets | 8 - 26 |

### 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 | 6 - 16 |

### 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.

**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 weighted average method.

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

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

## 1.14 EMPLOYEE BENEFITS

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

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

**1.14.1 Post-Retirement Benefits**

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

*1.14.1.1 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 CONSUMER DEPOSITS**

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

**1.24 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS**

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

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

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

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

**1.25 REVENUE**

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

**1.25.1 Revenue from Non-Exchange Transactions**

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

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

*1.25.1.1 Taxation Revenue*

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

*1.25.1.2 Transfer Revenue*

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

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

*1.25.1.3 Availability Charges*

Availability charges are based on the approved tariffs of the Municipality. These charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity, 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.

*1.25.1.4 Fines*

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

*1.25.1.5 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.

*1.25.1.6 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.

*1.25.1.7 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.

*1.25.1.8 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.

*1.25.1.9 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.

*1.25.1.10 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.

*1.25.1.11 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.

**1.25.2 Revenue from Exchange Transactions**

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

*1.25.2.1 Service Charges*

Service Charges are levied in terms of approved tariffs.

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

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

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

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

*1.25.2.2 Interest earned*

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

*1.25.2.3 Rental income*

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

*1.25.2.4 Income from Agency Services*

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

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

*1.25.2.5 Other Tariffs*

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

*1.25.2.6 Sale of goods*

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

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

*1.25.2.7 Deferred payment*

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

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

**1.25.3 Construction Contracts**

Contractor is an entity that performs construction work pursuant to a construction contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The Municipality participates as a non-accredited municipality in the National Housing Programme. The Municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the provincial Department of Infrastructure. The Municipality assesses the terms and conditions of each contract concluded with the provincial Department of Infrastructure to establish whether the contract is a construction contract or not.

The Accounting Standards Board (ASB) issued a *Guideline on accounting for arrangements undertaken in terms of the National Housing Programme.* The guideline makes a distinction between a project manager and a project developer.

Where the Municipality is appointed as the project manager, it will assist with the process of appointing a contractor to construct houses on behalf of the provincial Department of Infrastructure. The responsibility of appointment and payment of the contractors ultimately vest with the provincial Department of Infrastructure.

Where the Municipality is appointed as the project developer, it will take on the responsibility for the construction of the houses. As project developer the Municipality will appoint contractors and will make payments for work completed on meeting milestones agreed between itself and the contractor.

In general, where the Municipality is appointed as the project manager, it will act as an agent for the provincial Department of Infrastructure. Where the Municipality is appointed as the project developer, it is considered that the Municipality has entered into a construction contract with the provincial Department of Infrastructure.

The binding agreements entered into with the provincial Department of Infrastructure are non-commercial fixed price contracts. The objective of the arrangements is to construct low cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the Department through a housing grant or subsidy.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for the work performed to date bear to the estimate total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs shall be recognised as an expense in the period in which they are incurred.

### 1.26 BORROWING COSTS

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

### 1.27 UNAUTHORISED EXPENDITURE

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

### 1.28 IRREGULAR EXPENDITURE

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

### 1.29 FRUITLESS AND WASTEFUL EXPENDITURE

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

### 1.30 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

### 1.31 CAPITAL COMMITMENTS

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

### 1.32 EVENTS AFTER REPORTING DATE

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

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

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

### 1.33 RELATED PARTIES

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

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

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

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

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

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

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

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

### 1.34 ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

## 1.35 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.

## 1.36 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.

### 1.37 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:

#### 1.37.1 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.

#### 1.37.2 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.

#### 1.37.3 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.

**1.37.4 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.

**1.37.5 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.

**1.37.6 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.

**1.37.7 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.

**1.37.8 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.

**1.37.9 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.

**1.37.10 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.

**1.37.11 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.

| Figures in Rand | 2025 | 2024 |
|---|---|---|

## 2 CASH AND CASH EQUIVALENTS

| | 2025 | 2024 |
|---|---|---|
| Bank Accounts | 11 296 513 | 10 017 842 |
| Investment Deposits | 93 295 280 | 51 234 148 |
| Cash Floats | 6 226 | 6 226 |
| **Total** | **104 598 019** | **61 258 215** |

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 |
|---|---|---|
| Department of Infrastructure - note 15 | 26 530 | 26 530 |
| Integrated National Electrification Programme (INEP) - note 15 | - | 2 997 000 |
| Department of Cultural Affairs and Sport - note 15 | 241 842 | 626 216 |
| Unspent Conditional Government Grants - note 16 | 13 181 503 | 13 475 191 |
| Cash available for working capital requirements | 91 148 144 | 44 133 277 |
| Total | **104 598 019** | **61 258 215** |

| | 2025 | 2024 |
|---|---|---|
| Overdraft facilities available during the financial year with Standard Bank of South Africa Limited | 9 000 000 | 9 000 000 |
| Guarantee in favour of Eskom registered with Standard Bank | 2 900 000 | 2 900 000 |

### 2.1 Bank Accounts

| | 2025 | 2024 |
|---|---|---|
| Standard Bank of South Africa Limited - Account number 082163324 (Main Current Account) | 11 010 851 | 9 645 704 |
| Standard Bank of South Africa Limited - Account number 072194480 (Traffic Account) | - | - |
| Standard Bank of South Africa Limited - Account number 072194774 (Service Account) | - | - |
| Standard Bank of South Africa Limited - Account number 032630263 (Current Account for debit orders) | 285 559 | 372 099 |
| Standard Bank of South Africa Limited - Account number 032630263 (Credit Card for Petty Cash) | 103 | 39 |
| **Total** | **11 296 513** | **10 017 842** |

Bank accounts consists out of the following accounts:

| | 2025 | 2024 |
|---|---|---|
| ***Standard Bank of South Africa Limited - Account number 082163324 (Main Current Account)*** | | |
| Cash book balance at beginning of year | 9 645 704 | 6 263 437 |
| Cash book balance at end of year | 11 010 851 | 9 645 704 |
| Bank statement balance at beginning of year | 9 448 911 | 5 742 493 |
| Bank statement balance at end of year | 10 187 769 | 9 448 911 |
| ***Standard Bank of South Africa Limited - Account number 072194480 (Traffic Account)*** | | |
| Cash book balance at beginning of year | - | - |
| Cash book balance at end of year | - | - |
| Bank statement balance at beginning of year | - | - |
| Bank statement balance at end of year | - | - |
| ***Standard Bank of South Africa Limited - Account number 072194774 (Service Account)*** | | |
| Cash book balance at beginning of year | - | - |
| Cash book balance at end of year | - | - |
| Bank statement balance at beginning of year | - | - |
| Bank statement balance at end of year | - | - |
| ***Standard Bank of South Africa Limited - Account number 032630263 (Current Account for debit orders)*** | | |
| Cash book balance at beginning of year | 372 099 | 53 173 |
| Cash book balance at end of year | 285 559 | 372 099 |
| Bank statement balance at beginning of year | 372 099 | 53 173 |
| Bank statement balance at end of year | 285 559 | 372 099 |
| ***Standard Bank of South Africa Limited - Account number 032630263 (Credit Card for Petty Cash)*** | | |
| Cash book balance at beginning of year | 39 | 9 |
| Cash book balance at end of year | 103 | 39 |
| Bank statement balance at beginning of year | 39 | 9 |
| Bank statement balance at end of year | 103 | 39 |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**2.2 Investment Deposits**

| | 2025 | 2024 |
|---|---|---|
| Standard Bank of South Africa Limited - Moneymarket Call Account (088893065-001) | 461 552 | 34 626 279 |
| Standard Bank of South Africa Limited - Moneymarket Call Account (088893065-003) | 127 974 | 16 607 869 |
| Standard Bank of South Africa Limited - 48-hour Notice Deposit (088893065-004) | 92 705 754 | - |
| **Total** | **93 295 280** | **51 234 148** |

**3 RECEIVABLES FROM EXCHANGE TRANSACTIONS**

| | 2025 | 2024 |
|---|---|---|
| **Service Receivables** | **108 045 998** | **100 303 993** |
| Electricity | 24 569 423 | 22 786 330 |
| Water | 26 397 143 | 26 952 628 |
| Refuse | 13 491 498 | 11 764 049 |
| Sewerage | 18 679 024 | 16 807 599 |
| Interest | 23 479 234 | 21 326 515 |
| Other | 1 429 675 | 666 872 |
| **Other Receivables** | **458 436** | **564 681** |
| Accrued Interest | 68 104 | 564 681 |
| Prepaid Expenditure | 390 332 | - |
| **Total Gross Balance** | **108 504 434** | **100 868 674** |
| Less: Allowance for Debt Impairment | (70 847 084) | (68 460 242) |
| **Total Net Receivable** | **37 657 350** | **32 408 431** |

Other Service Receivables consist out of sundry services and rentals.

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 | 68 460 242 | 69 626 763 |
| Movement in the contribution to the provision | 17 845 055 | 15 047 024 |
| Electricity | (331 887) | 1 117 687 |
| Water | 3 375 263 | (209 970) |
| Refuse | 2 777 238 | 2 703 284 |
| Sewerage | 3 370 660 | 4 016 729 |
| Interest | 8 230 271 | 7 510 515 |
| Other | 423 509 | (91 222) |
| Bad Debts Written off | (15 458 213) | (16 213 545) |
| Electricity | (1 304 765) | (1 410 284) |
| Water | (3 442 484) | (4 990 058) |
| Refuse | (1 487 406) | (2 692 683) |
| Sewerage | (2 033 483) | (4 811 627) |
| Interest | (7 197 780) | (2 177 828) |
| Other | 7 705 | (131 065) |
| Balance at the end of the year | **70 847 084** | **68 460 242** |

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.

| *Figures in Rand* | | 2025 | 2024 |
|---|---|---|---|

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

| | Gross Balance R | Allowance for Debt Impairment R | Net Receivable R |
|---|---|---|---|
| **30 June 2025** | | | |
| **Service Receivables** | | | |
| Electricity | 24 569 423 | (4 873 799) | 19 695 624 |
| Water | 26 397 143 | (19 230 054) | 7 167 090 |
| Refuse | 13 491 498 | (10 289 160) | 3 202 338 |
| Sewerage | 18 679 024 | (14 692 899) | 3 986 125 |
| Interest | 23 479 234 | (20 852 432) | 2 626 803 |
| Other | 1 429 675 | (908 740) | 520 935 |
| **Other Receivables** | | | |
| Accrued Interest | 68 104 | - | 68 104 |
| Prepaid Expenditure | 390 332 | - | 390 332 |
| **Total** | **108 504 434** | **(70 847 084)** | **37 657 350** |
| **30 June 2024** | | | |
| **Service Receivables** | | | |
| Electricity | 22 786 330 | (6 510 451) | 16 275 879 |
| Water | 26 952 628 | (19 297 275) | 7 655 353 |
| Refuse | 11 764 049 | (8 999 328) | 2 764 720 |
| Sewerage | 16 807 599 | (13 355 722) | 3 451 877 |
| Interest | 21 326 515 | (19 819 940) | 1 506 575 |
| Other | 666 872 | (477 526) | 189 346 |
| **Other Receivables** | | | |
| Accrued Interest | 564 681 | - | 564 681 |
| **Total** | **100 868 674** | **(68 460 242)** | **32 408 431** |

**Ageing of Receivables from Exchange Transactions**

| | 2025 | 2024 |
|---|---|---|
| **Electricity** | | |
| 0 - 30 Days (Current) | 16 804 186 | 13 493 718 |
| 1 to 3 months | 3 919 893 | 3 160 479 |
| 4 months to 1 year | 2 279 919 | 2 043 832 |
| Over 1 year | 1 565 425 | 4 088 301 |
| **Total** | **24 569 423** | **22 786 330** |
| **Water** | | |
| 0 - 30 Days (Current) | 4 248 313 | 4 047 639 |
| 1 to 3 months | 3 127 232 | 3 845 433 |
| 4 months to 1 year | 5 853 501 | 5 737 108 |
| Over 1 year | 13 168 096 | 13 322 448 |
| **Total** | **26 397 143** | **26 952 628** |
| **Refuse** | | |
| 0 - 30 Days (Current) | 1 447 058 | 1 326 813 |
| 1 to 3 months | 1 707 931 | 1 935 403 |
| 4 months to 1 year | 3 433 841 | 3 250 392 |
| Over 1 year | 6 902 668 | 5 251 440 |
| **Total** | **13 491 498** | **11 764 049** |
| **Sewerage** | | |
| 0 - 30 Days (Current) | 1 944 489 | 1 634 084 |
| 1 to 3 months | 2 076 519 | 2 568 083 |
| 4 months to 1 year | 4 474 304 | 4 528 165 |
| Over 1 year | 10 183 712 | 8 077 267 |
| **Total** | **18 679 024** | **16 807 599** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

## 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

| | | |
|---|---|---|
| **Interest** | | |
| 0 - 30 Days (Current) | 1 621 108 | 1 151 171 |
| 1 to 3 months | 2 806 127 | 3 294 721 |
| 4 months to 1 year | 6 802 348 | 7 518 292 |
| Over 1 year | 12 249 651 | 9 362 331 |
| **Total** | **23 479 234** | **21 326 515** |
| **Other** | | |
| 0 - 30 Days (Current) | 443 615 | 97 246 |
| 1 to 3 months | 106 237 | 70 945 |
| 4 months to 1 year | 195 287 | 92 411 |
| Over 1 year | 684 536 | 406 272 |
| **Total** | **1 429 675** | **666 872** |
| **Summary Ageing of all Receivables from Exchange Transactions** | | |
| 0 - 30 Days (Current) | 26 508 770 | 21 750 671 |
| 1 to 3 months | 13 743 939 | 14 875 064 |
| 4 months to 1 year | 23 039 201 | 23 170 200 |
| Over 1 year | 44 754 087 | 40 508 059 |
| **Total** | **108 045 998** | **100 303 993** |

## 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

| | | |
|---|---|---|
| **Service Receivables** | 57 310 461 | 54 245 527 |
| Property Rates | 48 056 787 | 44 923 400 |
| Availability Charges | 9 253 674 | 9 322 127 |
| **Other Receivables** | 76 623 934 | 31 697 057 |
| Unpaid Traffic Fines | 74 068 854 | 28 901 714 |
| Other Receivables | 297 429 | 539 633 |
| Deposits | 1 638 301 | 1 557 263 |
| Unpaid Grants | 619 350 | 698 446 |
| **Total Gross Balance** | **133 934 395** | **85 942 584** |
| Less: Allowance for Debt Impairment | (117 408 389) | (69 930 648) |
| **Total Net Receivable** | **16 526 006** | **16 011 936** |

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

**Reconciliation of Allowance for Debt Impairment**

| | | |
|---|---|---|
| Balance at the beginning of the year | 69 930 648 | 54 567 760 |
| Movement in the contribution to the provision | 48 501 138 | 33 913 795 |
| Property Rates | 3 163 492 | 4 649 806 |
| Availability Charges | (132 394) | 1 435 230 |
| Traffic Fines | 45 470 040 | 27 486 464 |
| Other Receivables | - | 342 294 |
| Bad Debts Written off | (1 023 397) | (18 550 907) |
| Property Rates | (661 372) | (1 041 148) |
| Availability Charges | (127 364) | (49 569) |
| Traffic Fines | - | (16 893 298) |
| Other Receivables | (234 661) | (566 892) |
| Balance at the end of the year | **117 408 389** | **69 930 648** |

### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

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. All unpaid traffic fines older than 1 year are impaired in full.

| | Gross Balance<br>R | Allowance for Debt Impairment<br>R | Net Receivable<br>R |
|---|---|---|---|
| **30 June 2025** | | | |
| **Service Receivables** | | | |
| Property Rates | 48 056 787 | (36 300 066) | 11 756 722 |
| Availability Charges | 9 253 674 | (8 431 419) | 822 255 |
| **Other Receivables** | | | |
| Unpaid Traffic Fines | 74 068 854 | (72 410 054) | 1 658 800 |
| Other Receivables | 297 429 | (266 850) | 30 579 |
| Deposits | 1 638 301 | - | 1 638 301 |
| Unpaid Grants | 619 350 | - | 619 350 |
| **Total** | **133 934 395** | **(117 408 389)** | **16 526 006** |
| **30 June 2024** | | | |
| **Service Receivables** | | | |
| Property Rates | 44 923 400 | (33 797 946) | 11 125 455 |
| Availability Charges | 9 322 127 | (8 691 177) | 630 950 |
| **Other Receivables** | | | |
| Unpaid Traffic Fines | 28 901 714 | (26 940 014) | 1 961 700 |
| Other Receivables | 539 633 | (501 511) | 38 123 |
| Deposits | 1 557 263 | - | 1 557 263 |
| Unpaid Grants | 698 446 | - | 698 446 |
| **Total** | **85 942 584** | **(69 930 648)** | **16 011 936** |

**Ageing of Receivables from Non-Exchange Transactions**

| | 2025 | 2024 |
|---|---|---|
| **Property Rates** | | |
| 0 - 30 Days (Current) | 5 461 604 | 5 185 484 |
| 1 to 3 months | 4 872 400 | 4 969 764 |
| 4 months to 1 year | 9 616 433 | 10 062 142 |
| Over 1 year | 28 106 350 | 24 706 011 |
| **Total** | **48 056 787** | **44 923 400** |
| **Availability Charges** | | |
| 0 - 30 Days (Current) | 375 027 | 331 860 |
| 1 to 3 months | 628 585 | 655 230 |
| 4 months to 1 year | 1 370 527 | 1 418 796 |
| Over 1 year | 6 879 535 | 6 916 242 |
| **Total** | **9 253 674** | **9 322 127** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

## 5 TAXES

| | | |
|---|---|---|
| VAT Claimable/(Payable) | (18 764 104) | (14 890 872) |
| VAT Input in Suspense | 7 654 157 | 10 174 506 |
| VAT Output in Suspense - net | (3 838 999) | (3 179 871) |
| VAT Output in Suspense | (11 008 187) | (9 878 661) |
| Less: VAT on Allowance for Debt Impairment | 7 169 187 | 6 698 790 |
| **Total** | **(14 948 947)** | **(7 896 237)** |
| As previously reported | | 9 765 945 |
| Correction of error restatement - note 48.1 | | - |
| Correction of error restatement - note 48.3 | | (253 481) |
| Correction of error restatement - note 48.4 | | (3 579 853) |
| Correction of error restatement - note 48.5 | | (13 828 848) |
| Restated balance | | (7 896 237) |
| **Disclosed as:** | | |
| Current Assets | 7 654 157 | 10 174 506 |
| Current Liabilities | (22 603 103) | (18 070 743) |
| **Total** | **(14 948 947)** | **(7 896 237)** |

**Reconciliation of VAT on Allowance for Debt Impairment**

| | | |
|---|---|---|
| Balance at beginning of year | 6 698 790 | 7 590 312 |
| Debt Impairment for current year | 470 397 | (891 522) |
| Balance at the end of the year | **7 169 187** | **6 698 790** |

## 6 OPERATING LEASES

### 6.1 OPERATING LEASE ASSETS

| | | |
|---|---|---|
| Operating Lease Asset | - | - |

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 | - | 112 |
| Movement during the year | - | (112) |
| Balance at the end of the year | - | - |

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

| | | |
|---|---|---|
| Within 1 Year | - | - |
| Between 1 and 5 Years | - | - |
| After 5 Years | - | - |
| Total operating lease payments | - | - |

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

The leases are in respect of land and buildings being leased. Escalation of 6% are applicable on the leases. The renewal option after lapsing of the contracts are available.

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

### 6.2 OPERATING LEASE LIABILITIES

| | | |
|---|---|---|
| Operating Lease Liability | - | - |

The operating lease liability is derived from contracts where the Municipality acts as the lessee in the agreement.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 6 OPERATING LEASES (CONTINUED)

**Reconciliation of Operating Lease Liability**

| | | |
|---|---|---|
| Balance at the beginning of the year | - | 774 |
| Movement during the year | - | (774) |
| Balance at the end of the year | - | - |

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

| | | |
|---|---|---|
| Within 1 Year | - | 420 000 |
| Between 1 and 5 Years | - | - |
| After 5 Years | - | - |
| Total operating lease payments | **-** | **420 000** |

The leases are in respect of land and buildings being leased. Escalations between 4% and 10% are applicable on the leases. The renewal option after lapsing of the contracts are available.

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 | 3 476 221 | 3 554 867 |
| Less: Allowance for Debt Impairment | (802 370) | (659 044) |
| **Total Net Receivable** | **2 673 851** | **2 895 823** |
| Less: Current portion of Long-term Receivables | **1 337 330** | **1 296 291** |
| Receivables with repayment arrangements | 1 337 330 | 1 296 291 |
| **Total** | **1 336 522** | **1 599 532** |

Debtors amounting to R3 476 221 (2024 - R3 554 867) have arranged to settle their account over an re-negotiated period. Total payments to the value of R1 758 983 (2024 - R1 972 528) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

**Reconciliation of Allowance for Debt Impairment**

| | | |
|---|---|---|
| Balance at the beginning of the year | 659 044 | 127 781 |
| Movement in the contribution to the provision | 143 326 | 531 263 |
| Balance at the end of the year | **802 370** | **659 044** |

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.

### 8 INVENTORY

| | | |
|---|---|---|
| Maintenance Materials - at cost | 1 251 609 | 1 086 556 |
| Water – at cost | 77 273 | 86 387 |
| **Total** | **1 328 882** | **1 172 943** |

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

No inventory were pledged as security for liabilities.

| | | |
|---|---|---|
| Inventory written down due to losses identified during the annual stores counts | - | - |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 9 INVENTORY (CONTINUED)

Inventory recognised as an expense during the year

| | 2025 | 2024 |
|---|---|---|
| Maintenance Materials | 3 126 375 | 1 883 671 |
| Water - by nature of expense | 12 729 679 | 10 971 150 |
| Bulk Purchases | 857 304 | 622 471 |
| Contracted Services | 634 123 | 326 249 |
| Depreciation and Amortisation | 1 150 571 | 1 340 863 |
| Employee Related Costs | 4 008 805 | 3 816 719 |
| Internal Charges | 5 436 000 | 4 608 496 |
| Other Expenditure | 642 875 | 256 352 |
| **Total** | **15 856 054** | **12 854 822** |

### 10 INVESTMENT PROPERTY

| | 2025 | 2024 |
|---|---|---|
| Investment Property - Carrying Value | **73 790 079** | **74 264 903** |

The carrying value of Investment Property is reconciled as follows:

| | 2025 | 2024 |
|---|---|---|
| **Opening Carrying Value** | **74 264 903** | **74 324 391** |
| Cost | 75 100 782 | 75 107 877 |
| Accumulated Depreciation | (835 879) | (783 486) |
| Accumulated Impairment | - | - |
| Depreciation for the year | (52 241) | (52 393) |
| Disposals | (422 583) | (7 095) |
| Cost | (477 820) | (7 095) |
| Accumulated Depreciation | 55 237 | - |
| **Closing Carrying Value** | **73 790 079** | **74 264 903** |
| Cost | 74 622 962 | 75 100 782 |
| Accumulated Depreciation | (832 883) | (835 879) |
| Accumulated Impairment | - | - |

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.

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

| | 2025 | 2024 |
|---|---|---|
| **Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)** | **2 023 600** | **2 023 600** |

The Municipality has assessed that it controls the above-mentioned land of which it is not the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly included in the jurisdictional area of the Municipality. The title deeds of the said erven have not been transferred to the Municipality.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 11 PROPERTY, PLANT AND EQUIPMENT

| | Cost<br>R | Accumulated Depreciation<br>R | Accumulated Impairment<br>R | Carrying Value<br>R |
|---|---|---|---|---|
| **30 June 2025** | | | | |
| Land and Buildings | 51 125 787 | (19 258 000) | (3 680 040) | 28 187 747 |
| Infrastructure | 915 427 167 | (378 273 586) | (54 994 261) | 482 159 320 |
| Community Assets | 84 934 404 | (9 360 502) | - | 75 573 902 |
| Other Assets | 66 142 743 | (22 956 933) | - | 43 185 810 |
| **Total** | **1 117 630 101** | **(429 849 021)** | **(58 674 301)** | **629 106 780** |
| **30 June 2024** | | | | |
| Land and Buildings | 47 166 981 | (17 148 077) | (1 647 682) | 28 371 223 |
| Infrastructure | 876 402 738 | (357 317 430) | (50 825 162) | 468 260 146 |
| Leased Assets | 943 824 | (392 613) | - | 551 210 |
| Community Assets | 80 051 024 | (8 463 950) | - | 71 587 073 |
| Other Assets | 59 125 727 | (21 739 091) | - | 37 386 636 |
| **Total** | **1 063 690 294** | **(405 061 160)** | **(52 472 844)** | **606 156 289** |
| As previously reported | | | | 606 140 429 |
| Correction of error restatement - note 48.2 | | | | 15 860 |
| Restated balance | | | | 606 156 289 |

| | | 2025 | 2024 |
|---|---|---|---|
| **11.1 Repairs and maintenance incurred on Property, Plant and Equipment** | | **12 874 780** | **10 393 270** |
| Repairs and maintenance consists out of the following components: | | | |
| Contracted Services | - Maintenance Services | 6 427 431 | 6 119 598 |
| Other Expenditure | - Maintenance Materials and Tools | 6 447 348 | 4 273 672 |
| Total | | 12 874 780 | 10 393 270 |

| | 2025 | 2024 |
|---|---|---|
| **11.2 Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)** | **658 700** | **658 700** |

The Municipality has assessed that it controls the above-mentioned land of which it is not the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly included in the jurisdictional area of the Municipality. The title deeds of the said erven have not been transferred to the Municipality.

| | 2025 | 2024 |
|---|---|---|
| **11.3 Capital Restorations Costs** | **7 717 112** | **7 657 770** |

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. Included in Land is "Capitalised Restoration Cost", which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, and relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality. The above-mentioned balances represent the carrying value of the "Capitalised Restoration Cost" which are included in the carrying value of Land as at 30 June.

| | 2025 | 2024 |
|---|---|---|
| **11.4 Carrying value of Property, Plant and Equipment pledged as security** | **-** | **551 210** |

The leased assets are financed through a finance lease agreement and are secured as set out in note 13.

**11.5 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 | (306 784) | 400 136 | (93 352) |
| Increase / (Decrease) in Accumulated Surplus | 306 784 | (400 136) | 93 352 |
| Increase / (Decrease) in Property, Plant and Equipment | 306 784 | (400 136) | 93 352 |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|
| **11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)** | | |
| **11.6 Work in Progress projects taking a significant longer period to complete** | | |
| (a) *Lamberts Bay Desalination Plant* | 77 787 911 | 77 787 911 |
| A service provider was appointed during the second half of 2024 to conclude the termination of the existing contract, to design the alternative brine outfall and to proceed with the amended environmental impact assessment (EIA) processes and approvals needed to complete the project. A revised business plan was submitted to the Department of Water and Sanitation for RBIG funding approval. The aim is to complete the project within the next 18 months, pending all the funding and EIA approvals. | | |
| (b) *Clanwilliam Water Treatment Works* | 4 021 319 | 4 021 319 |
| The project is registered with the Regional Bulk Infrastructure Grant (RBIG) of the Department of Water and Sanitation (DWS). The Implementation Readiness Study (IRS) which is a requirement for RBIG projects was approved by the RBIG committee and is awaiting Council approval. However, counter-funding in the region of R 32 million is required from the Municipality as its non-social component contribution towards the project. The Municipality applied for waiver application again in August 2023. National Treasury approved a partial waiver on the co-funding in February 2024. The Municipality however needs to update the technical report for the Clanwilliam water treatment works, as the pumpstation which form part of initial application will be done by DWS as part of the dam project. | | |
| (c) *Upgrade sidewalks and build new sidewalks in Denne Street* | 119 281 | 119 281 |
| This project is about 70% completed and will be completed once internal funding becomes available. | | |
| (d) *Upgrading of sport fields - Lamberts Bay* | 95 641 | 95 641 |
| Project will be completed once internal funds become available. | | |
| (f) *Construction Of Multi-Purpose Centre (Phase 1) Graafwater* | 6 762 949 | 1 879 569 |
| Contract terminated due to non compliance of contractual requirements. New contractor has been appointed and construction is in progress. Project completion date is estimated to be 22 July 2026. | | |
| **Total** | **88 787 100** | **83 903 720** |

The accumulated impairment recognised on the above-mentioned Work in Progress are as follows:

| | 2025 | 2024 |
|---|---|---|
| (a) *Lamberts Bay Desalination Plant* | 54 994 261 | 50 825 162 |
| **Total** | **54 994 261** | **50 825 162** |

**11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**11.7 Reconciliation of Carrying Value**

| 30 June 2025 | Cost | | | | | | Accumulated Depreciation and Impairment | | | | | | Carrying Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening Balance | Additions | Disposals and Write-offs | iGRAP 2 Movements | Transfers | Closing Balance | Opening Balance | Depreciation Charge | Impairment (Reversal) | Transfers | Disposals and Write-offs | Closing Balance | |
| | R | R | R | R | R | R | R | R | R | | R | R | R |
| **Land and Buildings** | **47 166 981** | **188 935** | **(360 000)** | **4 129 871** | **-** | **51 125 787** | **18 795 758** | **2 171 109** | **2 032 358** | **-** | **(61 185)** | **22 938 040** | **28 187 747** |
| Land | 35 544 917 | - | - | 4 129 871 | - | 39 674 788 | 17 041 602 | 2 038 171 | 2 032 358 | - | - | 21 112 132 | 18 562 656 |
| Buildings | 11 622 064 | 90 935 | (360 000) | - | 98 000 | 11 450 999 | 1 754 156 | 132 937 | - | - | (61 185) | 1 825 908 | 9 625 091 |
| Work in progress | - | 98 000 | - | - | (98 000) | - | - | - | - | - | - | - | - |
| **Infrastructure** | **876 402 738** | **39 024 429** | **-** | **-** | **-** | **915 427 167** | **408 142 592** | **20 956 156** | **4 169 098** | **-** | **-** | **433 267 847** | **482 159 320** |
| Electrical | 169 207 434 | - | - | - | 6 883 426 | 176 090 860 | 102 796 759 | 4 012 910 | - | - | - | 106 809 669 | 69 281 192 |
| Roads | 182 443 507 | - | - | - | 2 353 386 | 184 796 893 | 92 210 777 | 5 379 554 | - | - | - | 97 590 331 | 87 206 561 |
| Sanitation | 216 412 159 | - | - | - | 21 794 199 | 238 206 359 | 63 505 109 | 6 401 307 | - | - | - | 69 906 416 | 168 299 942 |
| Storm Water | 32 838 386 | - | - | - | 88 215 | 32 926 601 | 8 429 316 | 652 140 | - | - | - | 9 081 456 | 23 845 145 |
| Water Supply | 179 633 044 | - | - | - | 2 056 673 | 181 689 716 | 90 375 467 | 4 510 246 | - | - | - | 94 885 713 | 86 804 003 |
| Work in progress | 95 868 208 | 39 024 429 | - | - | (33 175 899) | 101 716 738 | 50 825 162 | - | 4 169 098 | - | - | 54 994 261 | 46 722 477 |
| **Leased Assets** | **943 824** | **-** | **(943 824)** | **-** | **-** | **-** | **392 613** | **156 873** | **-** | **-** | **(549 486)** | **-** | **-** |
| Furniture and Office Equipment | 943 824 | - | (943 824) | - | - | - | 392 613 | 156 873 | - | - | (549 486) | - | - |
| **Community Assets** | **80 051 024** | **4 883 380** | **-** | **-** | **-** | **84 934 404** | **8 463 950** | **896 551** | **-** | **-** | **-** | **9 360 502** | **75 573 902** |
| Community Facilities | 15 886 163 | - | - | - | - | 15 886 163 | 1 526 318 | 133 909 | - | - | - | 1 660 226 | 14 225 937 |
| Sport and Recreational Facilities | 62 189 651 | - | - | - | - | 62 189 651 | 6 937 632 | 762 643 | - | - | - | 7 700 275 | 54 489 376 |
| Work in progress | 1 975 210 | 4 883 380 | - | - | - | 6 858 590 | - | - | - | - | - | - | 6 858 590 |
| **Other Assets** | **59 125 727** | **9 654 666** | **(2 637 650)** | **-** | **-** | **66 142 743** | **21 739 091** | **3 051 328** | **-** | **-** | **(1 833 485)** | **22 956 933** | **43 185 810** |
| Computer Equipment | 3 949 912 | 897 226 | (91 676) | - | - | 4 755 463 | 1 953 164 | 293 978 | - | - | (80 851) | 2 166 290 | 2 589 173 |
| Furniture and Office Equipment | 9 697 179 | 350 543 | (1 141 891) | - | - | 8 905 832 | 6 347 223 | 556 801 | - | - | (606 492) | 6 297 532 | 2 608 299 |
| Machinery and Equipment | 12 989 763 | 889 646 | (491 265) | - | - | 13 388 144 | 7 296 436 | 626 798 | - | - | (354 315) | 7 568 919 | 5 819 225 |
| Transport Assets | 32 488 873 | 7 517 251 | (912 819) | - | - | 39 093 305 | 6 142 267 | 1 573 751 | - | - | (791 826) | 6 924 192 | 32 169 113 |
| | **1 063 690 294** | **53 751 410** | **(3 941 474)** | **4 129 871** | **-** | **1 117 630 101** | **457 534 005** | **27 232 017** | **6 201 456** | **-** | **(2 444 157)** | **488 523 321** | **629 106 780** |

**11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**11.7 Reconciliation of Carrying Value**

| | Cost | | | | | | Accumulated Depreciation and Impairment | | | | | | Carrying Value (Restated) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **30 June 2024** | **Opening Balance** | **Additions** | **Disposals and Write-offs** | **iGRAP 2 Movements** | **Transfers** | **Closing Balance** | **Opening Balance** | **Depreciation Charge** | **Impairment (Reversal)** | **Transfers** | **Disposals and Write-offs** | **Closing Balance** | |
| | **R** | **R** | **R** | **R** | **R** | **R** | **R** | **R** | **R** | | **R** | **R** | **R** |
| **Land and Buildings** | **44 639 051** | **-** | **(18 039)** | **2 545 970** | **-** | **47 166 981** | **15 982 187** | **1 891 953** | **921 618** | **-** | **-** | **18 795 758** | **28 371 223** |
| Land | 33 016 987 | - | (18 039) | 2 545 970 | - | 35 544 917 | 14 361 574 | 1 758 411 | 921 618 | - | - | 17 041 602 | 18 503 315 |
| Buildings | 11 622 064 | - | - | - | - | 11 622 064 | 1 620 614 | 133 542 | - | - | - | 1 754 156 | 9 867 908 |
| **Infrastructure** | **857 974 151** | **18 428 587** | **-** | **-** | **-** | **876 402 738** | **372 372 088** | **21 052 214** | **14 718 289** | **-** | **-** | **408 142 592** | **468 260 146** |
| Electrical | 169 207 434 | - | - | - | - | 169 207 434 | 98 794 909 | 4 001 850 | - | - | - | 102 796 759 | 66 410 675 |
| Roads | 172 068 627 | - | - | - | 10 374 881 | 182 443 507 | 86 853 740 | 5 357 037 | - | - | - | 92 210 777 | 90 232 730 |
| Sanitation | 215 787 179 | 624 980 | - | - | - | 216 412 159 | 57 060 484 | 6 444 626 | - | - | - | 63 505 109 | 152 907 050 |
| Storm Water | 27 747 507 | - | - | - | 5 090 879 | 32 838 386 | 7 802 866 | 626 451 | - | - | - | 8 429 316 | 24 409 070 |
| Water Supply | 179 180 201 | 112 162 | - | - | 340 681 | 179 633 044 | 85 753 216 | 4 622 251 | - | - | - | 90 375 467 | 89 257 576 |
| Work in progress | 93 983 203 | 17 691 446 | - | - | (15 806 441) | 95 868 208 | 36 106 873 | - | 14 718 289 | - | - | 50 825 162 | 45 043 046 |
| **Leased Assets** | **943 824** | **-** | **-** | **-** | **-** | **943 824** | **234 878** | **157 735** | **-** | **-** | **-** | **392 613** | **551 210** |
| Furniture and Office Equipment | 943 824 | - | - | - | - | 943 824 | 234 878 | 157 735 | - | - | - | 392 613 | 551 210 |
| **Community Assets** | **79 520 938** | **530 085** | **-** | **-** | **-** | **80 051 024** | **7 564 553** | **899 397** | **-** | **-** | **-** | **8 463 950** | **71 587 073** |
| Community Facilities | 15 886 163 | - | - | - | - | 15 886 163 | 1 392 042 | 134 275 | - | - | - | 1 526 318 | 14 359 845 |
| Sport and Recreational Facilities | 62 189 651 | - | - | - | - | 62 189 651 | 6 172 511 | 765 122 | - | - | - | 6 937 632 | 55 252 019 |
| Work in progress | 1 445 124 | 530 085 | - | - | - | 1 975 210 | - | - | - | - | - | - | 1 975 210 |
| **Other Assets** | **41 141 283** | **22 639 957** | **(4 655 513)** | **-** | **-** | **59 125 727** | **22 758 642** | **2 313 097** | **-** | **-** | **(3 332 649)** | **21 739 091** | **37 386 636** |
| Computer Equipment | 3 264 172 | 1 129 766 | (444 026) | - | - | 3 949 912 | 2 159 260 | 209 017 | - | - | (415 113) | 1 953 164 | 1 996 748 |
| Furniture and Office Equipment | 9 716 365 | 310 987 | (330 173) | - | - | 9 697 179 | 6 057 406 | 594 751 | - | - | (304 933) | 6 347 223 | 3 349 956 |
| Machinery and Equipment | 11 247 999 | 2 454 662 | (712 898) | - | - | 12 989 763 | 7 275 908 | 576 393 | - | - | (555 865) | 7 296 436 | 5 693 327 |
| Transport Assets | 16 912 747 | 18 744 543 | (3 168 417) | - | - | 32 488 873 | 7 266 068 | 932 936 | - | - | (2 056 737) | 6 142 267 | 26 346 605 |
| | **1 024 219 247** | **41 598 630** | **(4 673 553)** | **2 545 970** | **-** | **1 063 690 294** | **418 912 349** | **26 314 397** | **15 639 907** | **-** | **(3 332 649)** | **457 534 005** | **606 156 289** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 12 INTANGIBLE ASSETS

| | 2025 | 2024 |
|---|---|---|
| Intangible Assets - Carrying Value | **498 915** | **706 426** |

The carrying value of intangible Assets is reconciled as follows:

| | 2025 | 2024 |
|---|---|---|
| **Opening Carrying Value** | **706 426** | **843 706** |
| Cost | 2 401 020 | 2 350 769 |
| Accumulated Amortisation | (1 694 594) | (1 507 063) |
| Accumulated Impairment | - | - |
| Additions | - | 63 486 |
| Amortisation | (207 474) | (200 657) |
| Disposal | (37) | (108) |
| Cost | (3 355) | (13 234) |
| Accumulated Amortisation | 3 318 | 13 126 |
| **Closing Carrying Value** | **498 915** | **706 426** |
| Cost | 2 397 665 | 2 401 020 |
| Accumulated Amortisation | (1 898 750) | (1 694 594) |
| Accumulated Impairment | - | - |

Intangible Assets consist only out of software.

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.

During the current year the remaining useful lives of Intangible Assets 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 | (6 054) | 2 636 | 3 418 |
| Increase / (Decrease) in Accumulated Surplus | 6 054 | (2 636) | (3 418) |
| Increase / (Decrease) in Intangible Assets | 6 054 | (2 636) | (3 418) |

### 13 LONG-TERM LIABILITIES

| | 2025 | 2024 |
|---|---|---|
| Annuity Loans | 475 840 | 2 263 326 |
| Finance Lease Liabilities | - | 181 223 |
| Municipal Debt Relief | 26 147 799 | 37 443 774 |
| **Sub-Total** | **26 623 638** | **39 888 323** |
| Less: Current portion of Long-term Liabilities | **12 917 693** | **13 264 684** |
| Annuity Loans | 475 840 | 1 787 486 |
| Finance Lease Liabilities | - | 181 222 |
| Municipal Debt Relief | 12 441 853 | 11 295 976 |
| **Total** | **13 705 945** | **26 623 639** |

Long-term Liabilities were utilised as follow:

| | 2025 | 2024 |
|---|---|---|
| Total Long-term Liabilities taken up | 475 840 | 2 444 549 |
| Used to finance Property, Plant and Equipment at cost | (475 840) | (2 444 549) |
| **Unspent Borrowings** | **-** | **-** |

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act No. 56 of 2003.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**13 LONG-TERM LIABILITIES (CONTINUED)**

**13.1 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 | |
|---|---|---|---|---|
| ABSA Bank Limited (038-723-0992) | 9.84% | 1 April 2025 | - | 448 528 |
| ABSA Bank Limited (038-723-0993) | 10.43% | 17 June 2025 | - | 764 131 |
| ABSA Bank Limited (038-723-0994) | 10.45% | 17 Nov 2025 | 159 443 | 451 984 |
| ABSA Bank Limited (038-723-0995) | 11.33% | 30 Jun 2026 | 316 397 | 598 682 |
| Total | | | **475 840** | **2 263 326** |

All annuity loans are unsecured.

Annuity loans are payable as follows:

| | 2025 | 2024 |
|---|---|---|
| Payable within one year | 510 819 | 1 985 577 |
| Payable within two to five years | - | 510 819 |
| **Total amount payable** | **510 819** | **2 496 397** |
| Less: Outstanding Future Finance Charges | (34 979) | (233 071) |
| **Present value of annuity loans** | **475 840** | **2 263 326** |

**13.2 Finance Lease Liabilities**

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

| Description | Rate | Maturity Date | Carrying Value of Liability | |
|---|---|---|---|---|
| Printers and Copiers | 11.8% | 31 Dec 2024 | - | 181 223 |
| Total | | | **-** | **181 223** |

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 11. 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 | - | 187 500 |
| **Total amount payable** | **-** | **187 500** |
| Less: Outstanding Future Finance Charges | - | (6 277) |
| **Present value of finance lease liabilities** | **-** | **181 223** |

**13.3 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 | 26 147 799 | 37 443 774 |
| **Total** | | | **26 147 799** | **37 443 774** |

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 R41 772 257 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 | 13 924 085 | 13 924 085 |
| Within two to five years | 13 924 085 | 27 848 171 |
| **Total amount payable** | **27 848 171** | **41 772 256** |
| Less: Outstanding Future Finance Charges | (1 700 372) | (4 328 482) |
| **Present value of payables with repayment arrangements** | **26 147 799** | **37 443 774** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 14 CONSUMER DEPOSITS

| | | |
|---|---|---|
| Water and Electricity Deposits | **3 225 813** | **2 997 700** |

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

### 15 PAYABLES FROM EXCHANGE TRANSACTIONS

| | 2025 | 2024 |
|---|---|---|
| Trade Payables | 37 074 496 | 39 720 260 |
| Retentions | 2 072 051 | 1 300 427 |
| Payments received in advance | 3 112 729 | 3 087 700 |
| Unused Pre-paid Electricity | 970 838 | 845 443 |
| Sundry Creditors | 719 669 | 829 866 |
| Sundry Deposits | 124 537 | 178 863 |
| Accrued Interest | 593 | 17 649 |
| Unknown Receipts | 668 090 | 711 443 |
| Land Sales Deposits | 1 154 621 | 2 199 975 |
| Department of Infrastructure | 26 530 | 26 530 |
| Integrated National Electrification Programme (INEP) | - | 2 997 000 |
| Department of Cultural Affairs and Sport | 241 842 | 626 216 |
| **Total** | **46 165 997** | **52 541 374** |
| As previously reported | | 53 858 510 |
| Correction of error restatement - note 48.3 | | (1 943 352) |
| Correction of error restatement - note 48.4 | | 626 216 |
| Restated balance | | 52 541 374 |

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, housing deposits and a performance guarantees paid by contractors.

Department of Infrastructure balance consist of the following:

| | | |
|---|---|---|
| - Advances received in terms of principle-agent arrangements | 26 530 | 26 530 |

The Integrated National Electrification Programme (INEP) relates to advances received for the construction of bulk electrification infrastructure for Eskom.

The following serves as security for payables:

| | | |
|---|---|---|
| - Bank guarantee as per note 2 | 2 900 000 | 2 900 000 |
| - Cash deposits as per note 4 | 1 638 301 | 1 557 263 |
| Total | 4 538 301 | 4 457 263 |

### 16 UNSPENT CONDITIONAL GOVERNMENT GRANTS

| | 2025 | 2024 |
|---|---|---|
| National Government | 11 000 286 | 7 525 057 |
| Provincial Government | 2 181 217 | 5 950 134 |
| **Total** | **13 181 503** | **13 475 191** |
| As previously reported | | 14 101 407 |
| Correction of error restatement - note 48.4 | | (626 216) |
| Restated balance | | 13 475 191 |

Detail reconciliations of all grants received and grant conditions met are included in note 22. 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.

| *Figures in Rand* | | 2025 | 2024 |
|---|---|---|---|
| **17** | **CURRENT EMPLOYEE BENEFITS** | | |
| | Bonuses | 3 853 687 | 3 432 600 |
| | Staff Leave | 8 772 540 | 7 731 806 |
| | Performance Bonuses | 1 103 056 | 709 814 |
| | Standby and Overtime | 750 904 | 713 958 |
| | Current portion of Non-Current Employee Benefits - note 19 | 2 342 000 | 2 024 000 |
| | Post Retirement Medical Benefits | 1 783 000 | 1 686 000 |
| | Long Service Awards | 559 000 | 338 000 |
| | **Total** | **16 822 188** | **14 612 178** |

The movement in current employee benefits are reconciled as follows:

| | | 2025 | 2024 |
|---|---|---|---|
| **17.1** | **Bonuses** | | |
| | Opening Balance | 3 432 600 | 3 307 247 |
| | Contribution during the year | 6 791 077 | 6 364 674 |
| | Payments made | (6 369 990) | (6 239 322) |
| | Balance at the end of the year | **3 853 687** | **3 432 600** |

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.

| | | 2025 | 2024 |
|---|---|---|---|
| **17.2** | **Staff Leave** | | |
| | Opening Balance | 7 731 806 | 6 991 780 |
| | Contribution during the year | 1 738 099 | 1 704 136 |
| | Payments made | (697 365) | (964 110) |
| | Balance at the end of the year | **8 772 540** | **7 731 806** |

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.

| | | 2025 | 2024 |
|---|---|---|---|
| **17.3** | **Performance Bonuses** | | |
| | Opening Balance | 709 814 | 202 645 |
| | Contribution during the year | 393 243 | 507 169 |
| | Payments made | - | - |
| | Balance at the end of the year | **1 103 057** | **709 814** |

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

| | | 2025 | 2024 |
|---|---|---|---|
| **17.4** | **Standby and Overtime** | | |
| | Opening Balance | 713 958 | 619 311 |
| | Contribution during the year | 750 904 | 713 958 |
| | Payments made | (713 958) | (619 311) |
| | Balance at the end of the year | **750 904** | **713 958** |

Standby and overtime worked by staff in current financial year, but paid in following financial year.

| | | 2025 | 2024 |
|---|---|---|---|
| **18** | **CURRENT PROVISIONS** | | |
| | Awaiting SARS Ruling - Output VAT Payable on Library Grants | - | - |
| | **Total** | **-** | **-** |
| | As previously reported | | 4 056 578 |
| | Correction of error restatement - note 48.4 | | (4 056 578) |
| | Restated balance | | - |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**18 CURRENT PROVISIONS (CONTINUED)**

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.

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

**19 EMPLOYEE BENEFITS**

| | 2025 | 2024 |
|---|---|---|
| Post Retirement Medical Benefits | 37 969 000 | 31 791 000 |
| Long Service Awards | 6 655 000 | 5 742 000 |
| **Sub-Total** | **44 624 000** | **37 533 000** |
| Less: Current portion of Employee Benefits | **2 342 000** | **2 024 000** |
| Post Retirement Medical Benefits | 1 783 000 | 1 686 000 |
| Long Service Awards | 559 000 | 338 000 |
| **Total** | **42 282 000** | **35 509 000** |

AUDITOR-GENERAL SOUTH AFRICA

*Auditing to build public confidence*

29 November 2025

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**19 EMPLOYEE BENEFITS (CONTINUED)**

**19.1 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 | 31 791 000 | 30 069 000 |
| Contribution during the year | 5 122 000 | 4 991 000 |
| Current Service Cost | 1 343 000 | 1 300 000 |
| Interest Expense | 3 779 000 | 3 691 000 |
| Payments made | (1 756 726) | (1 598 039) |
| Actuarial Loss/(Gain) | 2 812 726 | (1 670 961) |
| Change in Financial Assumptions | 1 285 000 | (836 000) |
| Change in Demographic Assumptions | - | - |
| Experience Adjustments | 1 527 726 | (834 961) |
| **Total balance at year-end** | **37 969 000** | **31 791 000** |
| Less: Current portion | (1 783 000) | (1 686 000) |
| **Total** | **36 186 000** | **30 105 000** |

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 | | | |
|---|---|---|---|---|
| **Category** | **2025** | **2024** | | |
| In-service members | 142 | 125 | 13 911 000 | 10 475 000 |
| In-service non-members | 185 | 173 | 2 847 000 | 2 287 000 |
| Continuation members | 30 | 31 | 21 211 000 | 19 029 000 |
| **Total** | **357** | **329** | **37 969 000** | **31 791 000** |

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 12 July 2025.

**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.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**19 EMPLOYEE BENEFITS (CONTINUED)**

**Significant Actuarial Assumptions**

| | 2025 | 2024 |
|---|---|---|
| **i) Financial Assumptions** | | |
| - Medical Aid Contribution Inflation Rate | 6.9% | 7.7% |
| - Discount Rate | 11.1% | 12.2% |
| - Net Discount Rate | 3.9% | 4.2% |
| **ii) Demographic Assumptions** | | |
| - Post-Employment Mortality | PA(90) | PA(90) |
| The PA(90) ultimate table, adjusted down by 1 year of age, and a 1% annual compound mortality improvement from 2010. | | |
| - 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 | 16 758 000 | 21 211 000 | 37 969 000 | |
| Medical Aid Contribution Inflation Rate ( + 1% ) | 20 196 000 | 23 253 000 | 43 449 000 | 14% |
| Medical Aid Contribution Inflation Rate ( - 1% ) | 14 023 000 | 19 436 000 | 33 459 000 | -12% |
| Discount Rate ( + 1% ) | 14 137 000 | 19 513 000 | 33 650 000 | -11% |
| Discount Rate ( - 1% ) | 20 085 000 | 23 189 000 | 43 274 000 | 14% |
| Post-Employment Mortality ( + 1 year ) | 16 344 000 | 20 569 000 | 36 913 000 | -3% |
| Post-Employment Mortality ( - 1 year ) | 17 165 000 | 21 850 000 | 39 015 000 | 3% |
| Average Retirement Age ( - 1 year ) | 18 503 000 | 21 211 000 | 39 714 000 | 5% |
| Membership Continuation ( - 10% ) | 14 648 000 | 21 211 000 | 35 859 000 | -6% |

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

**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 | 30 978 000 | 3% |
| Future year 11 - 20 | 80 937 000 | 9% |
| Future year 21 - 30 | 155 593 000 | 17% |
| Future year 31 - 40 | 213 680 000 | 23% |
| Future year 41 - 50 | 209 224 000 | 23% |
| Future year 51 - 60 | 144 764 000 | 16% |
| Future year 61 - 70 | 64 207 000 | 7% |
| Future year 71 - 80 | 14 873 000 | 2% |
| Future year 80 + (considered insignificant to include in analysis) | - | 0% |
| **Total future expected benefits to be paid** | **914 256 000** | **100%** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**19 EMPLOYEE BENEFITS (CONTINUED)**

**19.2 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 | 5 742 000 | 5 683 000 |
| Contribution during the year | 1 141 000 | 1 123 000 |
| Current Service Cost | 504 000 | 493 000 |
| Interest Expense | 637 000 | 630 000 |
| Payments made | (339 720) | (689 132) |
| Actuarial Loss/(Gain) | 111 720 | (374 869) |
| Change in Financial Assumptions | (28 000) | (58 000) |
| Change in Demographic Assumptions | - | - |
| Experience Adjustments | 139 720 | (316 869) |
| **Total balance at year-end** | **6 655 000** | **5 742 000** |
| Less: Current portion | (559 000) | (338 000) |
| **Total** | **6 096 000** | **5 404 000** |
| As at year end, the following number of employees were eligible for Long Service Awards | 327 | 298 |

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 12 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 250. The percentage calculated on the basic salary is determined by the milestone reached which ranges from 4% (10 years) to 26.3% (45 years).
- The Municipality does not pay any pro-rata Long Service Awards.

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.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**19 EMPLOYEE BENEFITS (CONTINUED)**

**Significant Actuarial Assumptions**

**i) Financial Assumptions**

| | 2025 | 2024 |
|---|---|---|
| - General Earnings Inflation Rate | 5.1% | 6.5% |
| - Discount Rate | 10.1% | 11.4% |
| - 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 | 6 655 000 | |
| General Earnings Inflation Rate ( + 1%) | 7 065 000 | 6% |
| General Earnings Inflation Rate ( - 1%) | 6 282 000 | -6% |
| Discount Rate ( + 1% ) | 6 276 000 | -6% |
| Discount Rate ( - 1% ) | 7 078 000 | 6% |
| Average Retirement Age ( + 2 years ) | 7 533 000 | 13% |
| Average Retirement Age ( - 2 years ) | 5 915 000 | -11% |
| Rates of Termination of Services ( x 2 ) | 5 463 000 | -18% |
| Rates of Termination of Services ( x 0.5 ) | 7 454 000 | 12% |

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

**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 | 11 133 000 | 32% |
| Future year 11 - 20 | 13 068 000 | 38% |
| Future year 21 - 30 | 9 088 000 | 26% |
| Future year 31 - 40 | 1 127 000 | 3% |
| Future year 40 + (considered insignificant to include in analysis) | - | 0% |
| **Total future expected benefits to be paid** | **34 416 000** | **100%** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 19 EMPLOYEE BENEFITS (CONTINUED)

#### 19.3 Defined Contribution Plans

Council contributes to the following defined contribution plans:

| | 2025 | 2024 |
|---|---|---|
| Consolidated Retirement Fund | 11 613 488 | 10 847 082 |
| LA Retirement Fund | - | 59 068 |
| National Funds for Municipal Workers | 1 154 968 | 1 019 806 |
| Municipal Workers Retirement Fund | 1 199 768 | 1 171 707 |
| **Total** | **13 968 224** | **13 097 663** |

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.

### 20 NON-CURRENT PROVISIONS

| | 2025 | 2024 |
|---|---|---|
| Provision for Rehabilitation of Landfill-sites | **70 741 439** | **61 032 949** |

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

| | 2025 | 2024 |
|---|---|---|
| Opening Balance | 61 032 949 | 52 681 181 |
| Contribution during the year | 9 708 490 | 8 351 768 |
| Increase/(decrease) in estimate added to /(deducted from) cost of related asset | 4 129 871 | 2 545 970 |
| Decrease in estimate recognised in surplus | (701 198) | (291 370) |
| Interest Cost | 6 279 817 | 6 097 168 |
| **Total** | **70 741 439** | **61 032 949** |

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.

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

| Location | Discount Rate | Site Dimensions m² | Rehabilitation cost per m² (Rand) | Cost of Rehabilitation | Cost of Rehabilitation |
|---|---|---|---|---|---|
| Clanwilliam | 8.45% | 23 616 | 1 016 | 22 066 397 | 19 859 669 |
| Lambert's Bay | 8.45% | 17 580 | 1 171 | 18 446 665 | 14 694 993 |
| Citrusdal | 10.60% | 26 505 | 1 103 | 18 553 787 | 15 118 309 |
| Graafwater | 8.45% | 3 000 | 1 749 | 4 848 731 | 4 756 816 |
| Elands Bay | 8.45% | 5 060 | 1 460 | 6 825 858 | 6 603 163 |
| **Total** | | | | **70 741 440** | **61 032 949** |

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 |
|---|---|---|---|
| Clanwilliam | 2028 | 28 535 385 | 28 384 196 |
| Lambert's Bay | 2029 | 25 869 719 | 26 037 800 |
| Citrusdal | 2035 | 51 703 382 | 50 411 123 |
| Graafwater | 2028 | 6 184 332 | 5 645 560 |
| Elands Bay | 2028 | 8 706 065 | 7 836 871 |
| **Total** | | **120 998 883** | **118 315 549** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

## 21 PROPERTY RATES

| | 2025 | 2024 |
|---|---|---|
| Rateable Land and Buildings | 83 807 676 | 82 214 731 |
| Less: Rebates | (8 810 927) | (8 521 799) |
| **Total** | **74 996 749** | **73 692 932** |

**Property rate levied are based on the following rateable valuations:**

| | 2025 | 2024 |
|---|---|---|
| Residential | 3 318 506 000 | 3 319 781 000 |
| Business and Industrial | 1 011 270 000 | 952 608 000 |
| State-owned | 248 431 000 | 243 255 000 |
| Agricultural, Public Service Infrastructure and Public Benefit Organisations | 4 464 659 000 | 4 388 821 000 |
| Impermissible | 497 756 000 | 574 080 000 |
| Total Valuation | 9 540 622 000 | 9 478 545 000 |

**Rate that is applicable to the valuations above:**

| | 2025 | 2024 |
|---|---|---|
| Residential | 1.446c/R | 1.410c/R |
| Business and Industrial | 1.869c/R | 1.824c/R |
| State-owned | 1.869c/R | 1.824c/R |
| Agricultural, Public Service Infrastructure and Public Benefit Organisations | 0.361c/R | 0.353c/R |
| Impermissible | 0.000c/R | 0.000c/R |

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2022. 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 month in which the amount was levied and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

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

The Municipality grants the following significant rebates, reductions and exemptions on the valuation and/or rates of property:

| | 2025 | 2024 |
|---|---|---|
| - Residential properties valued R100 000 or less | 100% | 100% |
| - Pensioners older than 60 years of age with a monthly household income of: | | |
|   - Between R0 - R5 000 | 40% | 40% |
|   - Between R5 001 - R10 000 | 30% | 30% |
|   - More than R10 001 | 20% | 20% |
| - Pensioners older than 75 years of age with a monthly income of less than R10 000 | 60% | 0% |
| - Indigent Households relating to taxpayers with income of not more than 3 times the State subsidy | 40% | 40% |

| *Figures in Rand* | | 2025 | 2024 |
|---|---|---|---|
| **22** | **GOVERNMENT GRANTS AND SUBSIDIES** | | |
| | **Unconditional Grants - National Government** | **71 545 000** | **67 058 000** |
| | Equitable Share | 71 545 000 | 67 058 000 |
| | **Conditional Grants - National Government** | **34 351 410** | **24 893 388** |
| | Municipal Infrastructure Grant (MIG) | 17 482 903 | 16 323 446 |
| | Financial Management Grant (FMG) | 2 000 000 | 2 132 000 |
| | Expanded Public Works Program (EPWP) | 1 534 000 | 1 658 000 |
| | Water Service Infrastructure Grant (WSIG) | 6 480 514 | 4 463 698 |
| | Regional Bulk Infrastructure Grant (RBIG) | - | - |
| | Municipal Disaster Response Grant | 6 107 955 | 316 245 |
| | National Treasury - Audit Fees | 746 038 | - |
| | **Conditional Grants - Provincial Government** | **17 192 228** | **10 949 903** |
| | CDW Support | 74 092 | 9 929 |
| | Thusong Service Centre Grant | 118 263 | 1 068 |
| | Municipal Library Support Grant | - | - |
| | Financial Management Capability Grant | 1 549 956 | 499 476 |
| | Municipal Interventions Grant | 500 000 | 991 967 |
| | Municipal Water Resilience Grant | 10 080 005 | 4 068 302 |
| | Loadshedding Relief Grant | - | 1 516 425 |
| | Informal Settlements Upgrading Partnership Grant (ISUPG) | 3 355 816 | 3 062 833 |
| | Municipal Energy Resilience Grant | - | 499 905 |
| | Municipal Service Delivery and Capacity Building Grant | - | 300 000 |
| | Municipal Financial Recovery Services | 999 096 | - |
| | Waste Management Compliance Grant | 515 000 | - |
| | **Total** | **123 088 638** | **102 901 291** |
| | As previously reported | | 107 814 206 |
| | Correction of error restatement - note 48.4 | | (4 902 893) |
| | Correction of error restatement - note 48.4 | | (10 021) |
| | Restated balance | | 102 901 291 |
| | Disclosed as: | | |
| | Government Grants and Subsidies - Operating | 85 307 652 | 76 631 713 |
| | Government Grants and Subsidies - Capital | 37 780 985 | 26 269 578 |
| | **Total** | **123 088 638** | **102 901 291** |
| | Grants per Vote (MFMA Sec 123 (c)): | | |
| | Equitable share | 71 545 000 | 67 058 000 |
| | Vote 1 - Executive and Council | - | - |
| | Vote 2 - Office of Municipal Manager | - | 300 000 |
| | Vote 3 - Financial Administrative Services | 5 295 091 | 2 631 476 |
| | Vote 4 - Community Development Services | 7 203 465 | 2 223 294 |
| | Vote 5 - Corporate and Strategic Services | 574 092 | 409 929 |
| | Vote 6 - Planning and Development Services | 879 900 | 1 036 767 |
| | Vote 7 - Public Safety | - | - |
| | Vote 8 - Electricity | 3 922 006 | 2 016 330 |
| | Vote 9 - Waste Management | 2 731 474 | 8 745 756 |
| | Vote 10 - Waste Water Management | 15 705 717 | 8 348 932 |
| | Vote 11 - Water | 10 713 503 | 4 068 302 |
| | Vote 12 - Housing | 3 355 816 | 3 062 833 |
| | Vote 13 - Road Transport | 1 162 576 | 2 999 674 |
| | Vote 14 - Sports and Recreation | - | - |
| | **Total** | **123 088 638** | **102 901 291** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

**22.01 Equitable Share**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | - |
| Grants Received / (Repaid) | 71 545 000 | 67 058 000 |
| Transferred to Revenue - Operating | (71 545 000) | (67 058 000) |
| 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.

**22.02 Municipal Infrastructure Grant (MIG)**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | 1 665 284 |
| Grants Received / (Repaid) | 17 562 000 | 13 959 715 |
| Transferred to Revenue - Operating | (2 976 729) | (2 910 926) |
| Transferred to Revenue - Capital | (14 506 175) | (13 412 519) |
| Transferred to / (from) Receivables | (79 097) | 698 447 |
| Closing Unspent Balance | - | - |

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

**22.03 Financial Management Grant (FMG)**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | 49 411 |
| Grants Received / (Repaid) | 2 000 000 | 2 082 589 |
| Transferred to Revenue - Operating | (1 938 086) | (2 132 000) |
| Transferred to Revenue - Capital | (61 914) | - |
| Closing Unspent Balance | - | - |

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

**22.04 Expanded Public Works Program (EPWP)**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | - |
| Grants Received / (Repaid) | 1 534 000 | 1 658 000 |
| Transferred to Revenue - Operating | (1 534 000) | (1 658 000) |
| 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.

**22.05 Water Service Infrastructure Grant (WSIG)**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 36 302 | 686 894 |
| Grants Received / (Repaid) | 9 963 698 | 3 813 106 |
| Transferred to Revenue - Operating | (826 248) | (550 654) |
| Transferred to Revenue - Capital | (5 654 266) | (3 913 043) |
| Closing Unspent Balance | 3 519 486 | 36 302 |

This grant is utilised for an array of water infrastructure which includes but is not limited to reservoirs, boreholes and oxidation ponds.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

**22.06 Regional Bulk Infrastructure Grant (RBIG)**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | 509 637 |
| Grants Received / (Repaid) | - | (509 637) |
| Transferred to Revenue - Operating | - | - |
| Transferred to Revenue - Capital | - | - |
| Closing Unspent Balance | - | - |

This grant is used to develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries.

**22.07 Municipal Disaster Response Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 7 488 755 | - |
| Grants Received / (Repaid) | 6 100 000 | 7 805 000 |
| Transferred to Revenue - Operating | (1 189 713) | (41 249) |
| Transferred to Revenue - Capital | (4 918 242) | (274 995) |
| Closing Unspent Balance | 7 480 800 | 7 488 755 |

This grant is utilised to respond to damages to infrastructure caused by flooding.

**22.08 National Treasury - Audit Fees**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | - |
| Grants Received / (Repaid) | 746 038 | - |
| Transferred to Revenue - Operating | (746 038) | - |
| Transferred to Revenue - Capital | - | - |
| Closing Unspent Balance | - | - |

The Public Audit Act provides that if the audit fee for the auditee is in excess of 1% of the current and capital expenditure of the auditee, then the excess must be defrayed from the National Treasury's vote, if National Treasury is of the opinion that the auditee has financial difficulty to pay the excess. The amount stated represents the 1% related audit fees paid directly to the Auditor General by National Treasury.

**22.09 CDW Support**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 256 982 | 115 912 |
| Grants Received / (Repaid) | 45 017 | 150 999 |
| Transferred to Revenue - Operating | (74 092) | (9 929) |
| Transferred to Revenue - Capital | - | - |
| Closing Unspent Balance | 227 907 | 256 982 |

This grant is used to provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.

**22.10 Thusong Service Centre Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 118 932 | 1 068 |
| Grants Received / (Repaid) | - | 118 932 |
| Transferred to Revenue - Operating | (118 263) | (1 068) |
| Transferred to Revenue - Capital | - | - |
| Closing Unspent Balance | 669 | 118 932 |

This grant is used to provide financial assistance to municipalities, ensuring the financial sustainability of the Thusong Service Centres.

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
29 November 2025

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

**22.11 Municipal Library Support Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | 189 284 |
| Grants Received / (Repaid) | - | (189 284) |
| Transferred to Revenue - Operating | - | - |
| Transferred to Revenue - Capital | - | - |
| Closing Unspent Balance | - | - |

This grant funding is utilized for personnel, operational and/or capital costs of libraries in the municipal area.

**22.12 Financial Management Capability Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 558 851 | 5 070 |
| Grants Received / (Repaid) | 991 149 | 1 053 257 |
| Transferred to Revenue - Operating | (1 549 956) | (499 476) |
| Transferred to Revenue - Capital | - | - |
| Closing Unspent Balance | 44 | 558 851 |

This grant is utilized for revenue enhancement and bursary programmes for external students.

**22.13 Municipal Interventions Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | 591 967 |
| Grants Received / (Repaid) | 600 000 | 400 000 |
| Transferred to Revenue - Operating | (500 000) | (252 837) |
| Transferred to Revenue - Capital | - | (739 130) |
| Closing Unspent Balance | 100 000 | - |

This grant is utilized to improve infrastructure, systems, structures, corporate governance, service delivery and compliance with executive obligations.

**22.14 Municipal Water Resilience Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 3 931 698 | 3 000 000 |
| Grants Received / (Repaid) | 8 000 000 | 5 000 000 |
| Transferred to Revenue - Operating | (1 243 258) | (519 875) |
| Transferred to Revenue - Capital | (8 836 747) | (3 548 427) |
| Closing Unspent Balance | 1 851 693 | 3 931 698 |

This grant is used to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management.

**22.15 Loadshedding Relief Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 83 576 | 1 600 000 |
| Grants Received / (Repaid) | (83 576) | - |
| Transferred to Revenue - Operating | - | (197 795) |
| Transferred to Revenue - Capital | - | (1 318 630) |
| Closing Unspent Balance | - | 83 576 |

This grant is used for the installation of back-up energy supply for water and wastewater infrastructure.

**22.16 Informal Settlements Upgrading Partnership Grant (ISUPG)**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | - |
| Grants Received / (Repaid) | 3 355 816 | 3 062 833 |
| Transferred to Revenue - Operating | - | - |
| Transferred to Revenue - Capital | (3 355 816) | (3 062 833) |
| Closing Unspent Balance | - | - |

This grant is used for the installation of water and sanitation infrastructure at the Khayelitsha informal settlement in Clanwilliam.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**

**22.17 Municipal Energy Resilience Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 95 | - |
| Grants Received / (Repaid) | (95) | 500 000 |
| Transferred to Revenue - Operating | - | (499 905) |
| Transferred to Revenue - Capital | - | - |
| Closing Unspent Balance | - | 95 |

This grant is used for the updating of the master plan and GIS database for the electricity networks in the municipal area.

**22.18 Municipal Service Delivery and Capacity Building Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | - |
| Grants Received / (Repaid) | - | 300 000 |
| Transferred to Revenue - Operating | - | (300 000) |
| Transferred to Revenue - Capital | - | - |
| Closing Unspent Balance | - | - |

This grant is used to provide financial assistance to the Municipality to improve infrastructure, systems, structures, corporate governance and service delivery.

**22.19 Municipal Financial Recovery Services**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 1 000 000 | - |
| Grants Received / (Repaid) | - | 1 000 000 |
| Transferred to Revenue - Operating | (999 096) | - |
| Transferred to Revenue - Capital | - | - |
| Closing Unspent Balance | 904 | 1 000 000 |

This grant is used for the purchase of smart prepaid meters in order to address illegal electricity connections.

**22.20 Waste Management Compliance Grant**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | - | - |
| Grants Received / (Repaid) | 515 000 | - |
| Transferred to Revenue - Operating | (67 174) | - |
| Transferred to Revenue - Capital | (447 826) | - |
| Closing Unspent Balance | - | - |

This grant will be used to improve compliance with waste management disposal facilities and to alleviate further impacts to the environment.

**22.21 Total Grants**

| | 2025 | 2024 |
|---|---|---|
| Opening Unspent Balance | 13 475 191 | 8 414 527 |
| Grants Received / (Repaid) | 122 874 047 | 107 263 509 |
| Transferred to Revenue - Operating | (85 307 652) | (76 631 713) |
| Transferred to Revenue - Capital | (37 780 985) | (26 269 578) |
| Transferred to / (from) Receivables | (79 097) | 698 447 |
| Closing Unspent Balance | 13 181 503 | 13 475 191 |

**23 AVAILABILITY CHARGES**

| | 2025 | 2024 |
|---|---|---|
| Electricity | 2 369 315 | 2 180 330 |
| Water | 835 458 | 854 912 |
| Sewerage and Sanitation | 609 336 | 594 244 |
| Refuse | 49 324 | - |
| **Total** | **3 863 433** | **3 629 486** |

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.

| *Figures in Rand* | | 2025 | 2024 |
|---|---|---|---|
| **24** | **INSURANCE REFUND** | | |
| | Insurance Refund | 177 097 | 112 012 |
| | **Total** | **177 097** | **112 012** |

| | | | |
|---|---|---|---|
| **25** | **FINES, PENALTIES AND FORFEITS** | | |
| | Traffic | 55 724 920 | 32 523 994 |
| | Overdue Book Fines | 3 979 | 2 311 |
| | Illegal Connections | 148 713 | 156 819 |
| | Unclaimed Money | 492 025 | 250 975 |
| | **Total** | **56 369 637** | **32 934 099** |

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** | | |
| | Actuarial Gains | - | 2 045 830 |
| | Post Retirement Medical Benefits | - | 1 670 961 |
| | Long Service Awards | - | 374 869 |
| | Landfill Sites - iGRAP 2 Adjustments | 701 198 | 291 370 |
| | Off-Market Portion of Municipal Debt Relief | - | 7 242 423 |
| | **Total** | **701 198** | **9 579 622** |

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.

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 loan as disclosed in note 13.3. 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** | | |
| | Eskom Holdings SOC Ltd | 12 188 121 | 3 305 989 |
| | West Coast District Municipality | - | 2 244 240 |
| | **Total** | **12 188 121** | **5 550 229** |

The amount of R12 188 121 from Eskom Holdings SOC Ltd represents the debt waived (excluding VAT) in terms of the Municipal Debt Relief as disclosed in note 13.3.

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 R3 305 989 was subsequently written off.

The Council of West Coast District Municipality (WCDM) resolved to write off 50% of debt owed by the Municipality. The afore-mentioned debt emanated from a contract whereby WCDM supplied fire services in the jurisdictional area of the Municipality.

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

29 November 2025

| *Figures in Rand* | | 2025 | 2024 |
|---|---|---|---|
| **28** | **SERVICE CHARGES** | | |
| | Electricity | 155 201 718 | 128 725 805 |
| | Water | 35 996 934 | 34 644 920 |
| | Sewerage and Sanitation | 20 822 112 | 19 359 696 |
| | Refuse | 18 024 897 | 16 038 831 |
| | **Total Revenue** | **230 045 661** | **198 769 253** |
| | Less: Rebates | (14 083 662) | (8 130 541) |
| | Electricity | (2 363 471) | (1 324 425) |
| | Water | (3 300 908) | (1 864 220) |
| | Sewerage and Sanitation | (4 998 618) | (3 009 083) |
| | Refuse | (3 420 666) | (1 932 814) |
| | **Total** | **215 961 999** | **190 638 712** |

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

| | | 2025 | 2024 |
|---|---|---|---|
| **29** | **RENTAL OF FACILITIES AND EQUIPMENT** | | |
| | Halls and Sportfields | 288 198 | 237 276 |
| | Commonage | 691 436 | 615 978 |
| | Hawker Stands | 88 688 | 116 543 |
| | Machinery and Equipment | 1 984 | - |
| | **Total** | **1 070 306** | **969 797** |
| **30** | **INTEREST EARNED - EXTERNAL INVESTMENTS** | | |
| | Bank Accounts | 648 432 | 468 880 |
| | Investment Deposits | 8 880 966 | 4 623 611 |
| | Other Deposits | 89 906 | 98 185 |
| | **Total** | **9 619 304** | **5 190 675** |
| **31** | **INTEREST EARNED - OUTSTANDING DEBTORS** | | |
| | Outstanding Debtors | 11 861 522 | 12 325 085 |
| | **Total** | **11 861 522** | **12 325 085** |

Interest is levied at the prime rate plus 1% on late payments.

| | | 2025 | 2024 |
|---|---|---|---|
| **32** | **AGENCY SERVICES** | | |
| | Drivers Licence Applications | 150 687 | 222 954 |
| | Drivers Licences Issued | 303 506 | 418 045 |
| | Duplicate Registration Certificates | 49 269 | 49 798 |
| | Keeping of Registration Number | 13 200 | 10 872 |
| | Learner Licence Applications | 88 883 | 106 716 |
| | Learner Licences Issued | 24 974 | 31 090 |
| | Professional Drivers Permit Applications | 70 089 | 110 624 |
| | Professional Drivers Permits Issued | 48 077 | 68 644 |
| | Roadworthy Certificate Applications | 239 052 | 244 571 |
| | Roadworthy Certificates Issued | 73 374 | 66 153 |
| | Temporary and special permits | 27 419 | 30 335 |
| | Vehicle Registration | 2 923 902 | 2 939 898 |
| | **Total** | **4 012 431** | **4 299 701** |

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 59.1 for additional disclosure in this regard.

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

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 33 LIBRARY SERVICES

| | 2025 | 2024 |
|---|---|---|
| Department of Cultural Affairs and Sport | 5 307 663 | 4 912 914 |
| **Total** | **5 307 663** | **4 912 914** |
| As previously reported | | - |
| Correction of error restatement - note 48.4 | | 4 912 914 |
| Restated balance | | 4 912 914 |
| **Reconciliation for the year** | | |
| Opening balance | 626 216 | - |
| Receipts | 5 661 783 | 6 370 000 |
| Output VAT on receipts allocated to Taxes | (738 494) | (830 870) |
| Revenue Recognised | (5 307 663) | (4 912 914) |
| Closing balance | 241 842 | 626 216 |

### 34 OTHER INCOME

| | 2025 | 2024 |
|---|---|---|
| Sale of Goods and Rendering of Services | 5 318 382 | 4 559 879 |
| Application Fees for Land Usage | 353 341 | 108 014 |
| Building Plan Approval | 1 255 916 | 978 633 |
| Camping and Entrance Fees | 3 105 951 | 2 958 991 |
| Cemetery and Burial | 156 497 | 139 786 |
| Clearance and Valuation Certificates | 211 529 | 146 101 |
| Photocopies and Faxes | 9 367 | 11 660 |
| Sub-division and Consolidation Fees | 25 417 | 47 372 |
| Tender Documents | 159 963 | 133 731 |
| Sundry Income | 40 402 | 35 591 |
| Licences and Permits | 2 370 | 11 059 |
| Operational Revenue | 418 290 | 733 997 |
| Commission | 99 194 | 92 434 |
| Development Charges | 52 661 | 382 255 |
| Skills Development Levy Refund | 228 475 | 219 192 |
| Sundry Income | 37 959 | 40 116 |
| **Total** | **5 739 042** | **5 304 935** |

Sundry income represents sundry income such as sale of sundry items (wood, sand and stones) and fees for items not included under service charges

### 35 CONSTRUCTION CONTRACTS

| | 2025 | 2024 |
|---|---|---|
| Department of Infrastructure | 3 358 322 | 1 756 391 |
| Integrated National Electrification Programme (INEP) | 11 712 174 | 27 828 696 |
| **Total** | **15 070 495** | **29 585 087** |
| As previously reported | | 33 759 391 |
| Correction of error restatement - note 48.5 | | (4 174 304) |
| Restated balance | | 29 585 087 |

The Municipality assessed that it acts as the developer for the Department of Infrastructure to undertake the construction of top structures. The revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the top structures, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.

| | 2025 | 2024 |
|---|---|---|
| **Reconciliation for the year** | | |
| Opening balance | - | - |
| Expenditure incurred / Revenue Recognised | 3 358 322 | 1 756 391 |
| Payments / Advances received | (3 358 322) | (1 756 391) |
| Gross amount claimable/(due) from/(to) Department of Infrastructure | - | - |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

## 35 CONSTRUCTION CONTRACTS (CONTINUED)

In terms of the Integrated National Electrification Programme (INEP), the Municipality assessed that it acts as a contractor to undertake the construction of bulk electrification infrastructure for Eskom. The revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the bulk electricity infrastructure, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.

**Reconciliation for the year**

| | 2025 | 2024 |
|---|---|---|
| Opening balance | (2 997 001) | (1 334 594) |
| Expenditure incurred / Revenue Recognised | 11 712 174 | 27 828 696 |
| Output VAT on receipts allocated to Taxes | 1 756 826 | 4 174 304 |
| Payments / Advances received | (10 472 000) | (33 665 406) |
| Gross amount claimable/(due) from/(to) National Electrification Programme (INEP) | - | (2 997 001) |

## 36 EMPLOYEE RELATED COSTS

| | 2025 | 2024 |
|---|---|---|
| Basic Salaries and Wages | 88 205 745 | 83 623 250 |
| Pension and UIF Contributions | 14 612 882 | 13 702 609 |
| Medical Aid Contributions | 5 015 681 | 4 296 871 |
| Overtime | 5 023 363 | 4 840 889 |
| Motor Vehicle Allowances | 7 069 708 | 7 268 518 |
| Cell Phone Allowances | 522 647 | 505 290 |
| Housing Allowances | 598 303 | 339 657 |
| Other benefits and allowances | 6 568 600 | 5 873 380 |
| Bargaining Council | 46 030 | 43 506 |
| Group Life Insurance | 1 901 500 | 1 781 550 |
| Scarcity Allowances | 481 035 | 453 543 |
| Standby Allowances | 4 140 034 | 3 594 782 |
| Contributions to Employee Benefits | 10 769 419 | 10 368 980 |
| Bonuses | 6 791 077 | 6 364 674 |
| Staff Leave | 1 738 099 | 1 704 136 |
| Performance Bonus | 393 243 | 507 169 |
| Long Service Awards | 504 000 | 493 000 |
| Post Retirement Medical Benefits | 1 343 000 | 1 300 000 |
| Workmens Compensation Fund | 794 336 | 757 484 |
| **Total** | **139 180 684** | **131 576 928** |

### 36.01 Remuneration of Management Personnel

**Municipal Manager - GF Matthyse**

| | 2025 | 2024 |
|---|---|---|
| Annual Remuneration | 1 308 368 | 1 206 698 |
| Car Allowance | 60 000 | 55 000 |
| Cellphone Allowance | 54 000 | 49 500 |
| Rural Allowance | 95 786 | 85 137 |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | 2 269 | 2 085 |
| **Total** | **1 520 423** | **1 398 420** |

**Director: Support Services - HCA Witbooi (Appointed 1 August 2023)**

| | 2025 | 2024 |
|---|---|---|
| Annual Remuneration | 854 789 | 812 590 |
| Car Allowance | 60 000 | 55 000 |
| Cellphone Allowance | 54 000 | 49 500 |
| Rural Allowance | 78 645 | 69 881 |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | 210 981 | 185 215 |
| **Total** | **1 258 415** | **1 172 186** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|
| **36 EMPLOYEE RELATED COSTS (CONTINUED)** | | |
| **Director: Finance - J Booysen (Appointed 1 October 2024)** | | |
| Annual Remuneration | 572 767 | - |
| Car Allowance | 76 500 | - |
| Cellphone Allowance | 40 500 | - |
| Rural Allowance | 49 296 | - |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | 66 700 | - |
| **Total** | **805 764** | **-** |
| **Director: Finance - MAN Smit (July 2023 - May 2024)** | | |
| Annual Remuneration | - | 984 952 |
| Car Allowance | - | 66 000 |
| Cellphone Allowance | - | 49 500 |
| Rural Allowance | - | 69 660 |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | - | 2 251 |
| Leave Payout | - | 68 145 |
| **Total** | **-** | **1 240 508** |
| **Director: Technical Services - R De Ridder (Appointed 15 November 2023)** | | |
| Annual Remuneration | 973 501 | 606 232 |
| Car Allowance | 150 000 | 94 318 |
| Cellphone Allowance | 54 000 | 33 955 |
| Rural Allowance | 78 645 | 46 216 |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | 2 269 | 1 497 |
| **Total** | **1 258 415** | **782 217** |

**36.02 Employees 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 remuneration received for the period in which they acted in the respective positions.

| | 2025 | 2024 |
|---|---|---|
| **Acting Municipal Manager - R De Ridder for 60 days** | | |
| Acting Allowance | 52 120 | - |
| **Total** | **52 120** | **-** |
| **Acting Municipal Manager - MAN Smit for 59 days (2024 - 59 days)** | | |
| Acting Allowance | - | 40 999 |
| **Total** | **-** | **40 999** |
| **Acting Director: Support Services - ALR Wilton for 44 days** | | |
| Annual Remuneration | 76 327 | - |
| Acting Allowance | 4 509 | - |
| Car Allowance | 19 606 | - |
| Cellphone Allowance | 1 306 | - |
| Housing Allowance | 1 603 | - |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | 19 285 | - |
| **Total** | **122 636** | **-** |
| **Acting Director: Support Services - A Titus (2024 - 18 days)** | | |
| Annual Remuneration | - | 65 628 |
| Acting Allowance | - | 2 608 |
| Cellphone Allowance | - | 4 400 |
| Housing Allowance | - | 1 066 |
| Car Allowance | - | 13 473 |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | - | 18 795 |
| **Total** | **-** | **105 971** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**36 EMPLOYEE RELATED COSTS (CONTINUED)**

**Acting Director: Finance - LJ September for 92 days**

| | 2025 | 2024 |
|---|---|---|
| Annual Remuneration | 125 386 | - |
| Acting Allowance | 50 859 | - |
| Car Allowance | 29 465 | - |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | 33 134 | - |
| **Total** | **238 844** | - |

**Acting Director: Finance - MAN Smit (2024 - 30 days)**

| | 2025 | 2024 |
|---|---|---|
| Annual Remuneration | - | 84 468 |
| Cellphone Allowance | - | 4 500 |
| Car Allowance | - | 6 000 |
| Rural Allowance | - | 6 333 |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | - | 189 |
| **Total** | **-** | **101 489** |

**Acting Director: Technical Services - A Neethling for 19 days**

| | 2025 | 2024 |
|---|---|---|
| Annual Remuneration | 38 496 | - |
| Acting Allowance | 2 127 | - |
| Car Allowance | 9 021 | - |
| Cellphone Allowance | 611 | - |
| Housing Allowance | 753 | - |
| Contributions to UIF, Medical, Pension Funds and Bargaining Council | 9 552 | - |
| **Total** | **60 560** | **-** |

**37 REMUNERATION OF COUNCILLORS**

| | 2025 | 2024 |
|---|---|---|
| Executive Mayor | 990 592 | 985 737 |
| Deputy Executive Mayor | 727 194 | 764 953 |
| Speaker | 841 264 | 794 984 |
| Mayoral Committee Members | 1 554 282 | 1 513 588 |
| All Other Councillors | 2 241 716 | 2 022 042 |
| **Total** | **6 355 048** | **6 081 304** |

| | Basic Salary | Cell Phone Allowances | Total |
|---|---|---|---|
| **2025** | | | |
| Executive Mayor | 947 392 | 43 200 | 990 592 |
| Deputy Executive Mayor | 713 796 | 13 398 | 727 194 |
| Speaker | 801 688 | 39 576 | 841 264 |
| Mayoral Committee Members | 1 483 234 | 71 048 | 1 554 282 |
| All Other Councillors | 2 044 501 | 197 215 | 2 241 716 |
| **Total** | **5 990 611** | **364 437** | **6 355 048** |
| **2024** | | | |
| Executive Mayor | 940 137 | 45 600 | 985 737 |
| Deputy Executive Mayor | 746 017 | 18 936 | 764 953 |
| Speaker | 749 384 | 45 600 | 794 984 |
| Mayoral Committee Members | 1 422 388 | 91 200 | 1 513 588 |
| All Other Councillors | 1 837 797 | 184 245 | 2 022 042 |
| **Total** | **5 695 723** | **385 581** | **6 081 304** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**37 REMUNERATION OF COUNCILLORS (CONTINUED)**

**The positions of Executive Mayor, Deputy Mayor and Speaker were filled as follows:**

| | | |
|---|---|---|
| Executive Mayor | - | A Scheepers (30 June 2025 to date)<br>RR Richards (1 March 2023 to 29 June 2025) |
| Deputy Mayor | - | RR Richards (30 June 2025 to date)<br>A Scheepers (18 February 2025 - 29 June 2025)<br>Vacant (30 January 2025 - 17 February 2025)<br>AG Mouton (1 March 2023 - 29 January 2025) |
| Speaker | - | M Heins (14 February 2025 to date)<br>J Hayes (1 March 2023 - 13 February 2025) |

**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.

**38 DEBT IMPAIRMENT**

| | 2025 | 2024 |
|---|---|---|
| Receivables from Exchange Transactions | 17 845 055 | 15 047 024 |
| Receivables from Non-Exchange Transactions | 48 501 138 | 33 913 795 |
| Long-term Receivables | 143 326 | 531 263 |
| **Total Debt Impairment** | **66 489 519** | **49 492 081** |
| Movement in VAT included in debt impairment | (470 397) | 891 522 |
| **Total** | **66 019 121** | **50 383 603** |

**39 DEPRECIATION AND AMORTISATION**

| | 2025 | 2024 |
|---|---|---|
| Investment Property | 52 241 | 52 393 |
| Property, Plant and Equipment | 27 232 017 | 26 314 397 |
| Intangible Assets | 207 474 | 200 657 |
| **Total** | **27 491 731** | **26 567 447** |
| As previously reported | | 26 567 369 |
| Correction of error restatement - note 48.2 | | 77 |
| Restated balance | | 26 567 447 |

**40 IMPAIRMENT**

| | 2025 | 2024 |
|---|---|---|
| Water Infrastructure | 4 169 098 | 14 718 289 |
| Capitalised Restoration Cost | 2 032 358 | 921 618 |
| **Total** | **6 201 456** | **15 639 907** |

The impairment on water infrastructure relates to the Lamberts Bay desalination plant which is not yet in operation. The plant is subject to major refurbishment in order to become operational. The impairment is calculated as the difference between the recoverable service amount and carrying value of the asset. The recoverable service amount was determined as the value in use, using the restoration cost approach.

Impairment on Capitalised Restoration Cost relates to an increase in the landfill site rehabilitation provision of which the corresponding asset is no longer in use. In terms of iGRAP 2, the increase in the provision will result in an increase in the corresponding asset, but as the asset is no longer in use, the said increase in the asset is impaired in full.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 41 FINANCE CHARGES

| | 2025 | 2024 |
|---|---|---|
| **Cash** | 1 825 753 | 2 697 784 |
| Long-term Liabilities | 187 314 | 400 742 |
| Bank Overdraft | 23 860 | 64 263 |
| Overdue Accounts | 115 | 1 164 184 |
| South African Revenue Service | 1 614 465 | 1 068 596 |
| **Non-cash** | 13 323 927 | 13 332 108 |
| Post Retirement Medical Benefits | 3 779 000 | 3 691 000 |
| Long Service Awards | 637 000 | 630 000 |
| Rehabilitation of Landfill Sites | 6 279 817 | 6 097 168 |
| Municipal Debt Relief | 2 628 110 | 2 913 941 |
| **Total** | **15 149 680** | **16 029 892** |
| As previously reported | | 14 961 296 |
| Correction of error restatement - note 48.4 | | 238 780 |
| Correction of error restatement - note 48.5 | | 829 816 |
| Restated balance | | 16 029 892 |

Finance charges on overdue accounts mainly relate to interest which was charged by Eskom on overdue accounts. Eskom interest amounting to R3 305 989 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%

### 42 BULK PURCHASES

| | 2025 | 2024 |
|---|---|---|
| Electricity | 124 217 401 | 105 502 654 |
| Water | 857 304 | 622 471 |
| **Total** | **125 074 705** | **106 125 126** |

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 a variety of suppliers including the Department of Water and Sanitation and a number of private suppliers.

### 43 CONTRACTED SERVICES

| | 2025 | 2024 |
|---|---|---|
| Accounting and Auditing | 2 375 230 | 2 577 762 |
| Construction of Housing Top Structures | 3 358 322 | 1 756 391 |
| Construction of Bulk Electricity Infrastructure | 11 712 174 | 27 828 696 |
| Engineering Services | - | 1 227 256 |
| Fire Services - West Coast District Municipality | - | 829 627 |
| Human Resources | 91 755 | 29 632 |
| Laboratory Services | 302 956 | 273 962 |
| Legal Cost | 2 150 614 | 3 114 053 |
| Maintenance Services | 6 427 431 | 6 119 598 |
| Personnel and Labour | 519 048 | 63 317 |
| Research and Advisory | 2 478 598 | 2 808 638 |
| Safeguard and Security | 4 370 712 | 6 378 854 |
| Town Planner | 441 547 | 278 076 |
| Traffic Fines Management | 5 283 080 | 1 445 558 |
| Valuers and Assessors | 249 774 | 206 346 |
| Other Contracted Services | 741 069 | 580 545 |
| **Total** | **40 502 309** | **55 518 311** |
| As previously reported | | 56 826 535 |
| Correction of error restatement - note 48.3 | | (1 308 224) |
| Restated balance | | 55 518 311 |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

## 44 TRANSFERS AND GRANTS

| | 2025 | 2024 |
|---|---|---|
| Severance Package | - | 187 764 |
| Sport Councils | 14 500 | 2 500 |
| Social Relief | 49 962 | 7 761 |
| Tourism | 100 000 | - |
| **Total** | **164 462** | **198 026** |

## 45 OTHER EXPENDITURE

| | 2025 | 2024 |
|---|---|---|
| Advertising, Publicity and Marketing | 230 340 | 217 561 |
| Bank Charges | 731 481 | 901 888 |
| Chemicals | 592 474 | 211 347 |
| Cleaning Materials | 246 656 | 209 792 |
| Commission - Prepaid Electricity | 1 378 522 | 1 174 136 |
| Computer Services | 4 633 608 | 3 121 003 |
| Drivers Licences and Permits | 209 506 | 263 214 |
| Dumping Fees (District Council) | 4 168 187 | - |
| External Audit Fees | 7 219 412 | 5 725 894 |
| Fuel and Oil | 5 248 243 | 5 464 113 |
| Hire Charges | 746 966 | 1 243 558 |
| Insurance | 1 276 992 | 2 056 348 |
| Maintenance Materials and Tools | 6 447 348 | 4 273 672 |
| Motor Vehicle Licence and Registrations | 364 907 | 235 379 |
| Electricity - Internal usage | 6 637 489 | 5 589 766 |
| Printing and Stationery | 990 186 | 921 283 |
| Professional Bodies, Membership and Subscription | 1 454 666 | 1 353 799 |
| Remuneration of Ward Committees | 16 000 | 38 500 |
| Skills Development Fund Levy | 1 177 812 | 1 121 519 |
| Telephone | 156 180 | 292 017 |
| Training | 794 636 | 412 533 |
| Travel and Subsistence | 464 296 | 389 247 |
| Uniform and Protective Clothing | 1 030 983 | 631 481 |
| Other Expenditure | 844 095 | 995 727 |
| **Total** | **47 060 987** | **36 843 775** |
| As previously reported | | 36 343 258 |
| Correction of error restatement - note 48.4 | | 83 087 |
| Correction of error restatement - note 48.5 | | 417 430 |
| Restated balance | | 36 843 775 |

## 46 LOSS ON DISPOSAL OF NON-MONETARY ASSETS

| | 2025 | 2024 |
|---|---|---|
| Proceeds | 3 347 752 | 697 217 |
| Less: Carrying value of Investment Property disposed | (422 583) | (7 095) |
| Less: Carrying value of Property, Plant and Equipment disposed | (1 497 317) | (1 340 904) |
| Less: Carrying value of Intangible Assets disposed | (37) | (108) |
| **Total** | **1 427 815** | **(650 890)** |
| As previously reported | | (665 827) |
| Correction of error restatement - note 48.2 | | 14 937 |
| Restated balance | | (650 890) |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**47 FAIR VALUE ADJUSTMENT LOSSES**

| | 2025 | 2024 |
|---|---|---|
| Actuarial Losses | 2 924 446 | - |
| Post Retirement Medical Benefits | 2 812 726 | - |
| Long Service Awards | 111 720 | - |
| Foreign Exchange Losses | 64 480 | - |
| **Total** | **2 988 926** | **-** |

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.

**48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR**

**48.1 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 | 18 070 743 |
| - Taxes (Current Liabilities) - note 5 | Understated | 18 070 743 |

**48.2 Property, Plant and Equipment**

Corrections made to Property, Plant and Equipment include the following:

- Movable assets with a carrying value of R15 027 were incorrectly disposed in the prior year.
- Movable assets previously not included in the asset register were identified during the current year's asset verification with a carrying value of R833.
- Assets were reclassified within both the "Land and Buildings" and "Other Assets" classification note. The line-item of Property, Plant and Equipment was not affected as a whole by the reclassifications.

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

| | | |
|---|---|---|
| - Property, Plant and Equipment - note 11 | Understated | 15 860 |
| - Depreciation and Amortisation - note 39 | Understated | 77 |
| - Loss on disposal of Non-Monetary Assets - note 46 | Overstated | (14 937) |
| - Accumulated Surplus - note 48.6 | Understated | 1 000 |

**48.3 Payables from Exchange Transactions**

Corrections made to Payables from Exchange Transactions include the following:

- Supplier invoices amounting to R1 943 352 were incorrectly raised, resulting in Trade Payables being overstated.

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

| | | |
|---|---|---|
| - Taxes - note 5 | Overstated | (253 481) |
| - Payables from Exchange Transactions - note 15 | Overstated | (1 943 352) |
| - Contracted Services - note 43 | Overstated | (1 308 224) |
| - Accumulated Surplus - note 48.6 | Understated | 381 648 |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**48 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)**

**48.4 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 4 years, of which penalties and interest is also calculated for the same period and included as part of the payable.

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

| | | |
|---|---|---|
| - Payables from Exchange Transactions - note 15 | Understated | 626 216 |
| - Taxes - note 5 | Overstated | (3 579 853) |
| - Unspent Conditional Government Grants - note 16 | Overstated | (626 216) |
| - Current Provisions - note 18 | Overstated | (4 056 578) |
| - Government Grants and Subsidies - Operating - note 22 | Overstated | (4 902 893) |
| - Government Grants and Subsidies - Capital - note 22 | Overstated | (10 021) |
| - Library Services - note 33 | Understated | 4 912 914 |
| - Finance Charges - note 41 | Understated | 238 780 |
| - Other Expenditure - note 45 | Understated | 83 087 |
| - Accumulated Surplus - note 48.6 | Understated | 798 592 |

**48.5 Output VAT on Integrated National Electrification Programme (INEP)**

Based on a guide on GRAP issued by National Treasury in relation to funds received from the Integrated National Electrification Programme (INEP), it was assessed that the Municipality acts as a contractor to undertake the construction of the bulk electrification infrastructure for Eskom. During the 2023/24 statutory audit, the Auditor General further concluded that the standard VAT rate of 15% be applied for the service rendererd by the Municipality, resulting in Output VAT being payable to SARS on the said INEP funds. The afore-mentioned payable is based on INEP funds received for the last 4 years, of which penalties and interest is also calculated for the same period and included as part of the payable.

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

| | | |
|---|---|---|
| - Taxes - note 5 | Overstated | (13 828 848) |
| - Construction Contracts - note 35 | Overstated | (4 174 304) |
| - Finance Charges - note 41 | Understated | 829 816 |
| - Other Expenditure - note 45 | Understated | 417 430 |
| - Accumulated Surplus - note 48.6 | Overstated | (8 407 298) |

**48.6 Accumulated Surplus**

| | | |
|---|---|---|
| Property, Plant and Equipment - note 48.2 | Understated | 1 000 |
| Payables from Exchange Transactions - note 48.3 | Understated | 381 648 |
| Classification of Library Services - note 48.4 | Understated | 798 592 |
| Output VAT on Integrated National Electrification Programme (INEP) - note 48.5 | Overstated | (8 407 298) |
| **Total** | | (7 226 058) |

**48.7 Cash Flow Statement**

The effect on the Cash Flow Statement as a result of the restatement as per note 48.4 were as follows:

| | | |
|---|---|---|
| - Other Revenue and Receipts | Understated | 6 370 000 |
| - Government Grants | Overstated | (6 370 001) |

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

29 November 2025

| *Figures in Rand* | | 2025 | 2024 |
|---|---|---|---|
| 49 | **NET CASH FROM OPERATING ACTIVITIES** | | |
| | Net Surplus for the year | 65 266 339 | 36 011 368 |
| | Adjusted for: | | |
| | Non-cash revenue included in Net Surplus | (14 317 134) | (15 129 738) |
| | Fair Value Adjustment Gains | (701 198) | (9 579 622) |
| | Actuarial Gains | - | (2 045 830) |
| | Landfill Sites - iGRAP 2 Adjustments | (701 198) | (291 370) |
| | Off-Market Portion of Municipal Debt Relief | - | (7 242 423) |
| | Debt Forgiveness | (12 188 121) | (5 550 229) |
| | Rental of Facilities and Equipment - decrease in operating lease asset | - | 112 |
| | Gain on disposal of Non-Monetary Assets | (1 427 815) | - |
| | Non-cash expenditure included in Net Surplus | 127 481 006 | 117 656 119 |
| | Employee Related Costs - Contributions towards | 11 520 323 | 11 082 938 |
| | Post Retirement Medical Benefits | 1 343 000 | 1 300 000 |
| | Long Service Awards | 504 000 | 493 000 |
| | Bonuses | 6 791 077 | 6 364 674 |
| | Staff Leave | 1 738 099 | 1 704 136 |
| | Performance Bonuses | 393 243 | 507 169 |
| | Standby and Overtime | 750 904 | 713 958 |
| | Debt Impairment | 66 019 121 | 50 383 603 |
| | Depreciation and Amortisation | 27 491 731 | 26 567 447 |
| | Impairment | 6 201 456 | 15 639 907 |
| | Finance Charges | 13 323 927 | 13 332 108 |
| | Post Retirement Medical Benefits | 3 779 000 | 3 691 000 |
| | Long Service Awards | 637 000 | 630 000 |
| | Rehabilitation of Landfill Sites | 6 279 817 | 6 097 168 |
| | Municipal Debt Relief | 2 628 110 | 2 913 941 |
| | Other Expenditure - decrease in operating lease liability | - | (774) |
| | Loss on disposal of Non-Monetary Assets | - | 650 890 |
| | Fair Value Adjustment Losses - Actuarial Losses | 2 924 446 | - |
| | Cash expenditure not included in Net Surplus | (9 877 760) | (10 109 914) |
| | Post Retirement Medical Benefits | (1 756 726) | (1 598 039) |
| | Long Service Awards | (339 720) | (689 132) |
| | Bonuses | (6 369 990) | (6 239 322) |
| | Staff Leave | (697 365) | (964 110) |
| | Performance Bonus | - | - |
| | Standby and Overtime | (713 958) | (619 311) |
| | Operating Surplus before changes in working capital | 168 552 451 | 128 427 835 |
| | Movement in working capital | (69 116 769) | (47 733 726) |
| | Receivables from Exchange Transactions | (23 093 973) | (21 241 913) |
| | Receivables from Non-Exchange Transactions | (49 015 208) | (37 886 702) |
| | Inventory | (155 939) | (126 347) |
| | Long-term Receivables | 78 646 | (2 991 678) |
| | Long-term Liabilities (Repayment Arrangements) | - | (39 471 931) |
| | Long-term Liabilities (Eskom Debt Relief) | (1 735 964) | 41 772 256 |
| | Consumer Deposits | 228 113 | 202 729 |
| | Payables from exchange transactions - Operating | (2 651 863) | 2 291 713 |
| | Total | (6 375 377) | (3 016 208) |
| | Add back: Capital included in Trade Payables | 4 495 138 | 5 575 123 |
| | Add back: Retentions | (771 625) | (267 202) |
| | Unspent Conditional Government Grants | (293 688) | 5 060 664 |
| | Taxes | 7 523 106 | 4 657 483 |
| | **Cash Flow from Operating Activities** | **99 435 682** | **80 694 109** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**50 CASH AND CASH EQUIVALENTS (FOR CASH FLOW STATEMENT PURPOSES)**

Cash and Cash Equivalents comprise out of the following:

| | 2025 | 2024 |
|---|---|---|
| Primary Bank Account | 11 296 513 | 10 017 842 |
| Call and Notice Deposits | 93 295 280 | 51 234 148 |
| Cash Floats | 6 226 | 6 226 |
| **Total** | **104 598 019** | **61 258 215** |

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

**51 BUDGET COMPARISONS**

**51.1 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.

Statement of Financial Performance

The following items 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:

| Item | GRAP Classification | Budget Classification | Amount |
|---|---|---|---|
| **Revenue** | | | |
| Outstanding Debtors | Interest Earned - Outstanding Debtors | Interest Earned from Receivables (Non-Exchange) | 4 499 590 |
| Insurance Refund | Insurance Refund | Operational Revenue (Exchange) | 177 097 |
| Department of Cultural Affairs and Sport | Library Services | Transfers and Subsidies - Operational | 5 307 663 |
| Proceeds less carrying values | Gain on disposal of Non-Monetary Assets | Gains on Disposal of Assets | 1 427 815 |
| Department of Infrastructure | Construction Contracts | Transfers and Subsidies - Operational | 3 358 322 |
| Integrated National Electrification Programme (INEP) | Construction Contracts | Transfers and Subsidies - Operational | 11 712 174 |
| **Expenditure** | | | |
| Workmens Compensation Fund | Employee Related Cost | Operational Costs | 794 336 |
| Water | Bulk Purchases | Inventory Consumed | 857 304 |
| Chemicals | Other Expenditure | Inventory Consumed | 592 474 |
| Cleaning Materials | Other Expenditure | Inventory Consumed | 246 656 |
| Fuel and Oil | Other Expenditure | Inventory Consumed | 5 248 243 |
| Maintenance Materials and Tools | Other Expenditure | Inventory Consumed | 5 705 778 |
| Other Expenditure | Other Expenditure | Inventory Consumed | 265 502 |
| Printing and Stationery | Other Expenditure | Inventory Consumed | 397 788 |

**51 BUDGET COMPARISONS (CONTINUED)**

| Summary of Reclassification 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** | | **255 000 082** | **(11 057 971)** | **243 942 111** |
| Service Charges - Electricity | **28** | 152 838 248 | - | 152 838 248 |
| Service Charges - Water | **28** | 32 696 026 | - | 32 696 026 |
| Service Charges - Waste Water Management | **28** | 15 823 494 | - | 15 823 494 |
| Service Charges - Waste Management | **28** | 14 604 231 | - | 14 604 231 |
| Sale of Goods and Rendering of Services | **34** | 5 318 382 | - | 5 318 382 |
| Agency services | **32** | 4 012 431 | - | 4 012 431 |
| Interest Earned from Receivables (Exchange) | **31** | 11 861 522 | (4 499 590) | 7 361 932 |
| Interest Earned from Current and Non Current Assets | **30** | 9 619 304 | - | 9 619 304 |
| Rental from Fixed Assets | **29** | 1 070 306 | - | 1 070 306 |
| Licences and Permits | **34** | 2 370 | - | 2 370 |
| Operational Revenue (Exchange) | **33 & 34** | 5 725 953 | (5 130 566) | 595 387 |
| Gain on disposal of Non-Monetary Assets | **46** | 1 427 815 | (1 427 815) | - |
| **Non-Exchange Revenue** | | **233 603 887** | **26 128 466** | **259 732 353** |
| Property Rates | **21** | 74 996 749 | - | 74 996 749 |
| Fines, Penalties and Forfeits | **25** | 56 369 637 | - | 56 369 637 |
| Transfers and Subsidies - Operational | **22** | 85 307 652 | 20 378 158 | 105 685 811 |
| Interest Earned from Receivables (Non-Exchange) | | - | 4 499 590 | 4 499 590 |
| Operational Revenue (Non-Exchange) | **23 & 24** | 4 040 530 | (177 097) | 3 863 433 |
| Gains on Disposal of Assets | | - | 1 427 815 | 1 427 815 |
| Other Gains | **26 & 27** | 12 889 319 | - | 12 889 319 |
| **Construction Contracts** | | **15 070 495** | **(15 070 495)** | **-** |
| **Total Revenue (excluding capital transfers)** | | **503 674 464** | **-** | **503 674 464** |
| **EXPENDITURE** | | | | |
| Employee Related Costs | **36** | 139 180 684 | (794 336) | 138 386 347 |
| Remuneration of Councillors | **37** | 6 355 048 | - | 6 355 048 |
| Bulk Purchases - Electricity | **42** | 125 074 705 | (857 304) | 124 217 401 |
| Inventory Consumed | | - | 13 313 746 | 13 313 746 |
| Debt Impairment | **38** | 66 019 121 | - | 66 019 121 |
| Depreciation and Amortisation | **39 & 40** | 33 693 188 | - | 33 693 188 |
| Interest | **41** | 15 149 680 | - | 15 149 680 |
| Contracted Services | **43** | 40 502 309 | - | 40 502 309 |
| Transfers and Subsidies | **44** | 164 462 | - | 164 462 |
| Operational Costs | **45** | 47 060 987 | (11 662 105) | 35 398 882 |
| Other Losses | **47** | 2 988 926 | - | 2 988 926 |
| **Total Expenditure** | | **476 189 111** | **-** | **476 189 111** |
| **Surplus/(Deficit)** | | **27 485 353** | **-** | **27 485 353** |
| Transfers and Subsidies - Capital (monetary allocations) | **22** | 37 780 985 | - | 37 780 985 |
| **Surplus/(Deficit) for the year** | | **65 266 339** | **-** | **65 266 339** |

**51 BUDGET COMPARISONS (CONTINUED)**

Cash Flow Statement

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

- Consumer Deposits are budgeted under "Increase/(Decrease) in Consumer Deposits", but for GRAP purposes are disclosed as "Other Revenue".
- Construction Contracts are budgeted under "Transfer and Subsidies", but for GRAP purposes are disclosed as "Other Revenue and Receipts".
- Library Services are budgeted under "Transfers and Subsidies", but for GRAP purposes are disclosed as "Other Revenue and Receipts".

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 |
|---|---|---|---|
| Other Revenue and Receipts / Other Revenue | 40 819 997 | (17 224 897) | 23 595 100 |
| Government Grants / Transfers and Subsidies | 122 128 008 | 16 996 784 | 139 124 792 |
| Increase (decrease) in consumer deposits | - | 228 113 | 228 113 |

**51.2 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 and an underspending on capital expenditure. A higher collection rate on debtors than anticipated was also a major contributing factor. And lastly, not all grants received were spent in full. |
| VAT (both current assets and current liability) | Actuals are less than budget (i.e. budgeted for an asset, but actuals is a liability). Reason for liability is due to the provision for Output VAT payable on funding received from both Department of Cultural Affairs and Sport (DCAS) and Integrated National Electrification Programme (INEP). |
| Property, Plant and Equipment | Actuals were less than budget as capital budget was not spent in full (75% of budget was spent). |
| Trade and Other Payables from Exchange Transactions | The balance of outstanding creditors were less than anticipated due to more invoices settled at year-end as a result of surplus cash available. |
| Trade and Other Payables from Non-Exchange Transactions | The reason for the actual unspent grant mainly relate to the Municipal Disaster Response Grant which was only received in the latter part of the financial year, resulting that the required procurement processes could not be finalised prior to year-end. |
| Provision (Non Current Liabilities) | 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. |
| Accumulated Surplus | Actuals are more than budget as a result of the items listed under the Statement of Financial Performance section. |

### 51 BUDGET COMPARISONS (CONTINUED)

#### 51.3 Statement of Financial Performance

Adjustments to Original Budget

| | |
|---|---|
| Service charges - 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 electricity revenue. |
| Interest Earned from Current and Non Current Assets | Interest earned from investments were increased as more cash surplus was available for short term investment with more favourable interest rates. |
| Fines, Penalties and Forfeits | Increased due to in increase in speeding fines issued as additional speeding cameras were acquired. |
| Transfers and Subsidies - Operational | Increased due to the Integrated National Electrification Programme (INEP) grant amounting to R11.7 million which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant. The remaining increase was due to approved roll-over applications amounting to R2.8 million, and the reclassification of funding (from capital to operating) of the Department of Infrastructure amounting to R4.5 million. |
| Other Gains | Actuarial gains were decreased to be in line with the prior year's actual audited results. |
| Employee Related Costs | Decreased due to savings as a result of employees who resigned, of which their positions were not filled during the financial year. |
| Bulk Purchases - Electricity | Increased in line with the increase in electricity revenue due to the suspension of loadshedding. |
| Debt Impairment | Increased to make provision for the increase in traffic fines revenue, as traffic fines have a relatively low collection rate. |
| Contracted Services | Contracted Services were mainly increased in line with the expenditure associated with the increase in "Transfers and Subsidies - Operational". In addition, Traffic Fines Management fees were also increased by R3.9 million to align with the fine collections for the year. |
| Operational Costs | Increased mainly due to an increase in External Audit Fees as a result of additional audit procedures required on performance information. |
| Other Losses | Actuarial losses were decreased to be in line with the prior year's actual audited results. |
| Transfers and Subsidies - Capital (monetary allocations) | The following material adjustments resulted in a net decrease:<br><br>Decrease of R11.7 million due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant.<br><br>Increase of R12 million due to approved roll-over applications.<br><br>Decrease of R12.9 million of funding relating to the Regional Bulk Infrastructure Grant (RBIG). |

Virements

All virements were done in line with the approved virement policy of the Municipality where funds are transferred from one line item. No material virements were done since the final approved budget.

**51 BUDGET COMPARISONS (CONTINUED)**

Actual Amounts vs Final Budget

| | |
|---|---|
| Fines, Penalties and Forfeits | Actuals are less than budget, mainly due to additional reductions and withdrawals in traffic fines which were not factored in during the budget process. |
| Transfers and Subsidies - Operational | Actuals were less than budget as the Municipal Disaster Response Grant was only received in the latter part of the financial year, resulting that the required procurement processes could not be finalised prior to year-end. In addition, the Acceleration of Housing is a claim based grant. The procurement processes of the afore-mentioned grant was only finalised at the end of the year and accordingly no expenditure was incurred on this project. |
| Debt Impairment | Actuals are less than budget, as the budget was based on a collection rate of 89.1%, whereas the actual collection rate achieved is calculated at 91.2%, resulting in a lower impairment rate. The fact that traffic fine revenue was also less than budget, also resulted in the debt impairment relating to traffic fines to be significant less than the allocated budget. |
| Contracted Services | Actuals are less than budget due to the Acceleration of Housing project of which the procurement processes was only finalised at the end of the year and accordingly no expenditure was incurred on this project. |
| Operational Costs | Actuals are less than budget mainly due to Dumping Fees (District Council). The budget made provision for a fixed and variable cost. The variable cost included in the budget relate to the usage of the regional disposal facility, of which the Municipality did not make use of during the course of the year. |
| Transfers and Subsidies - Capital (monetary allocations) | Actuals less than budget mainly due to the Municipal Disaster Response Grant which was only received in latter part of the financial year, resulting that the required procurement processes could not be finalised prior to year-end. |

**51.4 Cash Flow Statement**

Adjustments to Original Budget

| | |
|---|---|
| Net Cash from/(used) Operating Activities | Other Services were increased due to an increase in traffic fines issued and the collection thereof.<br><br>Transfers and Subsidies were decreased mainly due to a decrease in the funding relating to the Regional Bulk Infrastructure Grant (RBIG).<br><br>Interest were increased as more cash surplus was available for short term investment with more favourable interest rates.<br><br>Suppliers and Employees were increased mainly due to the increase in Bulk Purchases and Contracted Services as discussed under the Statement of Financial Performance section of this note. |
| Net Cash from/(used) Investing Activities | Capital Assets decreased mainly due to a decrease in capital grant funding as discussed under the Statement of Financial Performance section of this note. |

**51 BUDGET COMPARISONS (CONTINUED)**

Actual Amounts vs Final Budget

| | |
|---|---|
| Net Cash from/(used) Operating Activities | Actual receipts relating to Property Rates and Services Charges were more than budget, as the budget was based on a collection rate of 89.1%, whereas the actual collection rate achieved is calculated at 91.2%.<br><br>Transfers and Subsidies receipts are less than budget mainly due to the Acceleration of Housing grant which is a claim based grant. The procurement processes of the afore-mentioned grant was only finalised at the end of the year and accordingly no expenditure was incurred on this project, and therefore no claims were submitted or paid.<br><br>Payment of Suppliers and Employees were less than budget mainly due on to the underspending of the operating expenditure budget as a result of the items listed under the "Statement of Financial Performance" section. |
| Net Cash from/(used) Investing Activities | Capital Asset payments are less than budget due to 75% of capital budget spent during the year. |

**52 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

**52.1 Unauthorised Expenditure**

Unauthorised expenditure can be reconciled as follow:

| | 2025 | 2024 |
|---|---|---|
| Opening balance | 974 750 | 2 369 206 |
| Unauthorised expenditure current year - operating | 1 512 631 | 974 750 |
| Unauthorised expenditure current year - capital | 816 | - |
| Approved by Council | (974 750) | (2 369 206) |
| **Unauthorised expenditure awaiting further action** | **1 513 447** | **974 750** |

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 access of the approved budget:

| | **2025 (Actual) R** | **2025 (Final Budget) R** | **2025 (Unauthorised) R** | **2024 (Unauthorised) R** |
|---|---|---|---|---|
| **Expenditure - Operating** | | | | |
| Vote 1 - Executive and Council | 8 998 087 | 9 312 512 | - | - |
| Vote 2 - Office of Municipal Manager | 11 405 467 | 11 459 508 | - | - |
| Vote 3 - Financial Administrative Services | 72 459 693 | 76 435 097 | - | - |
| Vote 4 - Community Development Services | 10 340 797 | 10 254 867 | 85 930 | - |
| Vote 5 - Corporate and Strategic Services | 25 727 814 | 28 452 066 | - | - |
| Vote 6 - Planning and Development Services | 11 223 080 | 11 342 268 | - | - |
| Vote 7 - Public Safety | 65 916 076 | 73 704 532 | - | - |
| Vote 8 - Electricity | 154 920 203 | 164 909 693 | - | 974 750 |
| Vote 9 - Waste Management | 26 075 344 | 30 469 882 | - | - |
| Vote 10 - Waste Water Management | 21 407 266 | 24 117 374 | - | - |
| Vote 11 - Water | 33 545 386 | 32 118 685 | 1 426 701 | - |
| Vote 12 - Housing | 5 506 299 | 9 958 146 | - | - |
| Vote 13 - Road Transport | 15 954 924 | 16 561 410 | - | - |
| Vote 14 - Sports and Recreation | 12 708 675 | 13 316 576 | - | - |
| **Total** | **476 189 111** | **512 412 616** | **1 512 631** | **974 750** |

The overspending incurred is attributable to the following items:

| | 2025 | 2024 |
|---|---|---|
| - Contribution to Leave Provision (non-cash) | 85 930 | - |
| - Electricity Bulk Purchases (cash) | - | 974 750 |
| - Debt Impairment (non-cash) | 1 426 701 | - |
| Total | **1 512 631** | **974 750** |

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
29 November 2025

**52 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)**

| | 2025 (Actual) R | 2025 (Final Budget) R | 2025 (Unauthorised) R | 2024 (Unauthorised) R |
|---|---|---|---|---|
| **Expenditure - Capital** | | | | |
| Vote 1 - Executive and Council | - | - | - | - |
| Vote 2 - Office of Municipal Manager | - | - | - | - |
| Vote 3 - Financial Administrative Services | 437 615 | 609 000 | - | - |
| Vote 4 - Community Development Services | 4 883 380 | 7 486 069 | - | - |
| Vote 5 - Corporate and Strategic Services | 950 390 | 1 337 020 | - | - |
| Vote 6 - Planning and Development Services | 264 389 | 265 870 | - | - |
| Vote 7 - Public Safety | 2 523 707 | 3 330 000 | - | - |
| Vote 8 - Electricity | 6 531 810 | 9 728 123 | - | - |
| Vote 9 - Waste Management | 3 010 640 | 4 955 195 | - | - |
| Vote 10 - Waste Water Management | 19 527 162 | 24 824 709 | - | - |
| Vote 11 - Water | 9 784 608 | 12 380 724 | - | - |
| Vote 12 - Housing | 3 355 816 | 3 355 000 | 816 | - |
| Vote 13 - Road Transport | 2 481 893 | 3 652 175 | - | - |
| Vote 14 - Sports and Recreation | - | - | - | - |
| **Total** | **53 751 410** | **71 923 885** | **816** | **-** |

The overspending is considered trivial.

**52.2 Irregular Expenditure**

Irregular expenditure can be reconciled as follow:

| | 2025 | 2024 |
|---|---|---|
| Opening balance | 16 603 924 | 71 436 932 |
| Irregular expenditure identified in current year, which was incurred as follows: | 10 294 906 | 16 603 924 |
| Current year | 10 294 906 | 16 214 412 |
| Prior years | - | 389 512 |
| Approved by Council | (16 603 924) | (71 436 932) |
| Amounts to be recovered | - | - |
| **Irregular expenditure awaiting further action** | **10 294 906** | **16 603 924** |

Details of irregular expenditure identified in the current year

| | 2025 | 2024 |
|---|---|---|
| (a) Procurement process not followed with regards to a supplier appointed by Council in 2011 | 6 714 138 | 4 819 224 |
| (b) Non-compliance of SCM Regulation 17(1) - reasons for less than 3 quotes not approved | - | 1 656 818 |
| (c) Goods delivered and services rendered without an order | 57 000 | - |
| (d) Services rendered after contract expired | - | 91 735 |
| (e) Goods and services above R200 000 not procured through a competitive bidding process | - | 868 691 |
| (f) SCM Policy exclusions not in accordance with MFMA Section 112 | 468 238 | 588 147 |
| (g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000 | - | 2 381 913 |
| (h) Written price quotations were not obtained from at least three different prospective suppliers | 3 041 485 | 4 449 963 |
| (i) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3) | - | 1 069 232 |
| (j) Deviations not considered to be impractical or exceptional circumstances | - | 678 201 |
| (k) Non-compliance with SCM Policy 17.3 - RFQ not approved | 14 046 | - |
| **Total** | **10 294 906** | **16 603 924** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**52 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)**

Details of irregular expenditure awaiting further action:

| | 2025 | 2024 |
|---|---|---|
| (a) Procurement process not followed with regards to a supplier appointed by Council in 2011 | 6 714 138 | 4 819 224 |
| (b) Non-compliance of SCM Regulation 17(1) - reasons for less than 3 quotes not approved | - | 1 656 818 |
| (c) Goods delivered and services rendered without an order | 57 000 | - |
| (d) Services rendered after contract expired | - | 91 735 |
| (e) Goods and services above R200 000 not procured through a competitive bidding process | - | 868 691 |
| (f) SCM Policy exclusions not in accordance with MFMA Section 112 | 468 238 | 588 147 |
| (g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000 | - | 2 381 913 |
| (h) Written price quotations were not obtained from at least three different prospective suppliers | 3 041 485 | 4 449 963 |
| (i) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3) | - | 1 069 232 |
| (j) Deviations not considered to be impractical or exceptional circumstances | - | 678 201 |
| (k) Non-compliance with SCM Policy 17.3 - RFQ not approved | 14 046 | - |
| **Total** | **10 294 906** | **16 603 924** |

Incidents/cases identified in the current year include:

| | 2025 | 2024 |
|---|---|---|
| (a) Procurement process not followed with regards to a supplier appointed by Council in 2011 | - | - |
| (b) Non-compliance of SCM Regulation 17(1) - reasons for less than 3 quotes not approved | - | 48 |
| (c) Goods delivered and services rendered without an order | 1 | - |
| (d) Services rendered after contract expired | - | - |
| (e) Goods and services above R200 000 not procured through a competitive bidding process | - | 3 |
| (f) SCM Policy exclusions not in accordance with MFMA Section 112 | - | - |
| (g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000 | - | 185 |
| (h) Written price quotations were not obtained from at least three different prospective suppliers | 1 072 | 747 |
| (i) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3) | - | - |
| (j) Deviations not considered to be impractical or exceptional circumstances | - | 1 |
| (k) Non-compliance with SCM Policy 17.3 - RFQ not approved | 1 | - |

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

**52.3 Fruitless and Wasteful Expenditure**

Fruitless and wasteful expenditure can be reconciled as follow:

| | 2025 | 2024 |
|---|---|---|
| Opening balance | 14 582 | 12 110 781 |
| Fruitless and wasteful expenditure incurred - current year | 115 | 1 164 184 |
| Fruitless and wasteful expenditure incurred - prior year | - | - |
| Fruitless and wasteful expenditure recovered / debt waived by supplier | - | (1 149 601) |
| Approved by Council | (14 582) | (12 110 781) |
| **Fruitless and wasteful expenditure awaiting further action** | **115** | **14 582** |

Details of fruitless and wasteful expenditure incurred

| | 2025 | 2024 |
|---|---|---|
| (a) Interest levied on overdue accounts | 115 | 14 582 |
| (b) Interest levied by Eskom on overdue accounts | - | 1 149 601 |
| **Total** | **115** | **1 164 184** |

Details of fruitless and wasteful expenditure awaiting further action:

| | 2025 | 2024 |
|---|---|---|
| (a) Interest levied on overdue accounts | 115 | 14 582 |
| (b) Interest levied by Eskom on overdue accounts | - | - |
| Total | **115** | **14 582** |

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

(a) The matter will be tabled to MPAC for resolution.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**53 MATERIAL LOSSES**

**53.1 Water distribution losses**

| | 2025 | 2024 |
|---|---|---|
| Kilo litres disinfected/purified/purchased | 3 214 368 | 2 667 450 |
| Kilo litres sold and free basic services | (1 954 816) | (1 842 954) |
| Kilo litres lost during distribution | 1 259 552 | 824 496 |
| Percentage lost during distribution | 39.19% | 30.91% |

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

**53.2 Electricity distribution losses**

| | 2025 | 2024 |
|---|---|---|
| Units purchased (Kwh) | 54 039 207 | 50 258 820 |
| Units sold and free basic services | (50 922 571) | (45 893 289) |
| Units lost during distribution (Kwh) | 3 116 636 | 4 365 531 |
| Percentage lost during distribution | 5.77% | 8.69% |

Electricity losses are due to electricity theft on pre-paid meters. Fines were issued for first time offenders.

**54 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**54.1 SALGA Contributions [MFMA 125 (1)(b)]**

| | 2025 | 2024 |
|---|---|---|
| Opening balance | - | - |
| Expenditure incurred | 1 442 981 | 1 344 107 |
| Payments | (1 442 981) | (1 344 107) |
| **Outstanding balance** | - | - |

**54.2 Audit Fees [MFMA 125 (1)(c)]**

| | 2025 | 2024 |
|---|---|---|
| Opening balance | - | - |
| Expenditure incurred | 7 812 692 | 6 585 295 |
| Audit Fees | 7 219 412 | 5 725 894 |
| Interest on late payments | - | 517 |
| VAT | 593 280 | 858 884 |
| Payments | (7 066 654) | (6 585 295) |
| National Treasury Grant | (746 038) | - |
| **Outstanding Balance** | - | - |

**54.3 VAT [MFMA 125 (1)(c)]**

| | 2025 | 2024 |
|---|---|---|
| Opening balance | 2 560 914 | 742 795 |
| Net amount claimed/(declared) during the year | 3 269 802 | 5 071 161 |
| Net amount paid/(received) during the year | (2 787 245) | (3 253 042) |
| **Outstanding Balance Receivable/(Payable)** | **3 043 470** | **2 560 914** |

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.

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

| | 2025 | 2024 |
|---|---|---|
| Opening balance | - | 1 546 093 |
| Payroll deductions and Council Contributions during the year | 23 014 779 | 21 359 860 |
| Payments | (23 014 779) | (22 905 953) |
| **Outstanding Balance** | - | - |

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
29 November 2025

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

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

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

| | 2025 | 2024 |
|---|---|---|
| Opening balance | - | 2 324 476 |
| Payroll deductions and Council Contributions during the year | 32 296 700 | 29 418 804 |
| Payments made to pension and medical fund | (32 296 700) | (31 743 280) |
| **Outstanding Balance** | **-** | **-** |

### 54.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]

No Councillors had arrear accounts outstanding of more than 90 days as on 30 June.

### 54.7 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 | 1 409 640 | 978 435 |
| Section 36(1)(a)(ii) - Single provider | 2 104 727 | 454 768 |
| Section 36(1)(a)(iii) - Specialised services | - | - |
| Section 36(1)(a)(iv) - Acquisition of animals for zoo's | - | - |
| Section 36(1)(a)(v) - Impractical so follow official procurement process | 323 606 | 5 630 463 |
| **Total** | **3 837 973** | **7 063 666** |

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

| | 2025 | 2024 |
|---|---|---|
| Office of the Municipal Manager | - | 11 788 |
| Finance Services | 26 450 | 4 241 076 |
| Technical Services | 1 993 553 | 1 975 316 |
| Support Services (Corporate and Community) | 1 817 971 | 835 486 |
| **Total** | **3 837 973** | **7 063 666** |

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

### 54.8 Other Non-Compliance [MFMA 125(2)(e)]

**(a) Payments not made within 30 days**

Money owed by the Municipality was not always paid within 30 days, as required by section 65(2)(e) of the Municipal Finance Management Act.

## 55 CAPITAL COMMITMENTS

Approved and contracted for

| | 2025 | 2024 |
|---|---|---|
| Infrastructure | 13 355 848 | 13 963 934 |
| Community Assets | 10 139 815 | - |
| **Total** | **23 495 663** | **13 963 934** |

This expenditure will be financed from:

| | 2025 | 2024 |
|---|---|---|
| Government Grants | 23 495 663 | 13 963 934 |

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

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 56 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

#### 56.1 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 | 104 591 794 | 61 251 990 |
| Receivables from exchange transactions | 37 267 017 | 32 408 431 |
| Receivables from non-exchange transactions | 822 255 | 630 950 |
| Long-term Receivables | 2 673 851 | 2 895 823 |
| **Total** | **145 354 917** | **97 187 194** |

Cash and Cash Equivalents

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

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

Receivables from Exchange Transactions

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

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

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

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

Also refer to note 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 (other than consumer deposits).

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

| | 2025 | 2024 |
|---|---|---|
| Electricity | 3 773 253 | 3 218 892 |
| Water | 3 535 669 | 4 297 005 |
| Refuse | 2 146 918 | 1 845 155 |
| Sewerage | 2 658 232 | 2 382 652 |
| Interest | 2 072 135 | 1 759 080 |
| Other | 141 549 | 118 685 |
| Availability Charges | 639 437 | 480 009 |
| **Total** | **14 967 194** | **14 101 477** |

Past due receivables are aged as follow:

| | 2025 | 2024 |
|---|---|---|
| 1 to 3 months overdue | 6 358 665 | 5 978 339 |
| 4 months to 1 year overdue | 4 336 188 | 4 044 174 |
| 1 year overdue | 4 272 341 | 4 078 964 |
| **Total** | **14 967 194** | **14 101 477** |

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**56 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**56.2 Currency risk (Market Risk)**

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

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

**56.3 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) | 104 591 794 | 61 251 990 |
| Long-term Liabilities (including current portion) | - | - |
| **Net balance exposed** | **104 591 794** | **61 251 990** |

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 | 522 959 | 306 260 |
| 0.5% (2024 - 0.5%) decrease in interest rates | (522 959) | (306 260) |

**56.4 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 can be mitigated by approving cash funded budgets to ensure commitments can be settled once due over the long term. The Municipality has been experiencing cash flow constraints as disclosed in note 66, but managed to submit a cash funded budget for the current financial year.

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 | 510 819 | - | - | 510 819 |
| Municipal Debt Relief | 13 924 085 | 13 924 085 | - | 27 848 171 |
| Payables from Exchange Transactions | 40 927 809 | - | - | 40 927 809 |
| **Total** | **55 362 714** | **13 924 085** | **-** | **69 286 799** |
| **30 JUNE 2024** | | | | |
| Annuity Loans | 1 985 577 | 510 819 | - | 2 496 397 |
| Finance Lease Liabilities | 187 500 | - | - | 187 500 |
| Municipal Debt Relief | 13 924 085 | 27 848 171 | - | 41 772 256 |
| Payables from Exchange Transactions | 46 408 256 | - | - | 46 408 256 |
| **Total** | **62 505 418** | **28 358 990** | **-** | **90 864 409** |

**56.5 Other price risk (Market Risk)**

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

The Municipality is not exposed to any other price risk.

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

### 57 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

| | 2025 | 2024 |
|---|---|---|
| Cash and Cash Equivalents | 104 591 794 | 61 251 990 |
| Bank Accounts | 11 296 513 | 10 017 842 |
| Investment Deposits | 93 295 280 | 51 234 148 |
| Receivables from Exchange Transactions | 37 267 017 | 32 408 431 |
| Electricity | 19 695 624 | 16 275 879 |
| Water | 7 167 090 | 7 655 353 |
| Refuse | 3 202 338 | 2 764 720 |
| Sewerage | 3 986 125 | 3 451 877 |
| Interest | 2 626 803 | 1 506 575 |
| Other | 520 935 | 189 346 |
| Accrued Interest | 68 104 | 564 681 |
| Receivables from Non-Exchange Transactions | 822 255 | 630 950 |
| Availability Charges | 822 255 | 630 950 |
| Long-term Receivables | 2 673 851 | 2 895 823 |
| Receivables with repayment arrangements | 2 673 851 | 2 895 823 |
| **Total** | **145 354 917** | **97 187 194** |

Financial Liabilities

| | 2025 | 2024 |
|---|---|---|
| Payables from Exchange Transactions | 40 927 809 | 46 408 256 |
| Trade Payables | 37 074 496 | 39 720 260 |
| Retentions | 2 072 051 | 1 300 427 |
| Sundry Creditors | 719 669 | 829 866 |
| Sundry Deposits | 124 537 | 178 863 |
| Accrued Interest | 593 | 17 649 |
| Unknown Receipts | 668 090 | 711 443 |
| Department of Infrastructure | 26 530 | 26 530 |
| Integrated National Electrification Programme (INEP) | - | 2 997 000 |
| Department of Cultural Affairs and Sport | 241 842 | 626 216 |
| Long-term Liabilities | 26 623 638 | 39 888 323 |
| Annuity Loans | 475 840 | 2 263 326 |
| Finance Lease Liabilities | - | 181 223 |
| Municipal Debt Relief | 26 147 799 | 37 443 774 |
| **Total** | **67 551 447** | **86 296 579** |

### 58 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 | 13 415 522 | 13 087 155 |
| Rates | 11 756 722 | 11 125 455 |
| Fines | 1 658 800 | 1 961 700 |
| Taxes - VAT Claimable from SARS | - | - |
| **Total** | **13 415 522** | **13 087 155** |

The amounts above are disclosed after any provision for impairment has been taken into account. Refer to note 4 for determining the recoverability of property rates and traffic fines.

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence
29 November 2025

| *Figures in Rand* | 2025 | 2024 |
|---|---|---|

**58 STATUTORY RECEIVABLES (CONTINUED)**

Property Rates are levied in term of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 21 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.

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

| Property Rates | 2025 | 2024 |
|---|---|---|
| - Past due at the reporting date, and which have been impaired | 35 237 854 | 32 829 822 |
| - Past due that have not been impaired | 7 357 329 | 6 908 095 |

**59 PRINCIPAL-AGENT ARRANGEMENTS**

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

**59.1 Western Cape Mobility Department**

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

The following transactions were undertaken as part of principal-agent arrangement:

| | 2025 | 2024 |
|---|---|---|
| Collections payable to the Department at beginning of year | 324 791 | 908 449 |
| Revenue collected from third parties | 21 253 801 | 21 004 453 |
| Commission earned on collections included in note 32 | (3 013 268) | (3 029 790) |
| VAT on commission earned payable to the South African Revenue Services | (451 990) | (454 469) |
| Collections paid over to the Department | (18 113 334) | (18 103 853) |
| Collections payable to the Department at year-end | **-** | **324 791** |

**59.2 Department of Infrastructure**

The Municipality acts as an agent for the Department of Infrastructure to facilitate the deed transfers to qualifying beneficiaries.

The following transactions were undertaken as part of principal-agent arrangement:

| | 2025 | 2024 |
|---|---|---|
| Balance at beginning of year | 26 530 | 190 000 |
| Payments received from / (payments made to) the Department | 48 897 | 45 525 |
| Expenditure incurred on behalf of the Department | (48 897) | (208 995) |
| Balance at year-end | **26 530** | **26 530** |

**59.3 Prepaid Electricity Vendor**

The Municipality is the principal in an arrangement with a service providers who sells prepaid electricity on its behalf. The prepaid electricity vendor (the agent) earns commission on the value of each transaction.

Reconciliation of transactions undertaken as part of principal-agent arrangement:

| | 2025 | 2024 |
|---|---|---|
| Collections receivable from prepaid electricity vendor at the beginning of the year | 430 664 | 225 718 |
| Transactions undertaken by the prepaid electricity vendor for the year | 72 319 255 | 60 737 804 |
| Prepaid electricity sales | 57 756 003 | 47 314 053 |
| VAT on prepaid electricity sales | 8 663 401 | 7 097 108 |
| Collections of arrear accounts | 5 899 851 | 6 326 643 |
| Collections received from prepaid electricity vendor | (72 361 653) | (60 532 857) |
| Collections receivable from prepaid electricity vendor at year-end | **388 266** | **430 664** |

| Compensation paid for agency activities | 2025 | 2024 |
|---|---|---|
| Commission - Prepaid Electricity - note 45 | 1 378 522 | 1 174 136 |

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

29 November 2025

| *Figures in Rand* | | 2025 | 2024 |
|---|---|---|---|
| **60** | **EVENTS AFTER REPORTING DATE** | | |

The Municipal had no significant events after reporting date.

**61 IN-KIND DONATIONS AND ASSISTANCE**

No in-kind donations were received in the current or previous financial year.

**62 PRIVATE PUBLIC PARTNERSHIPS (PPP's)**

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

**63 CONTINGENT LIABILITIES**

The Municipality is exposed to the following contingent liabilities at year end:

| | | 2025 | 2024 |
|---|---|---|---|
| **63.01** | **Matter against the Municipality by Jimmy Barnard** | - | 50 000 |

This matter has been finalised but legal costs still have to be taxed or agreed. The legal costs for which the Municipality may be liable are estimated at R50 000. There has been no further developments and the matter has been dormant for approximately 13 years. Given this, the Municipality has assessed that the possibility of an outflow of economic benefits is considered remote, and accordingly opted to remove this matter.

| | | 2025 | 2024 |
|---|---|---|---|
| **63.02** | **Matter against the Municipality by MJ Coetzee** | - | 250 000 |

This matter involves an application by the owners of Erf 234 Graafwater against the Municipality for declaratory relief, alternatively a review regarding the decision taken in respect of an application for consent use. The matter in ongoing , pleadings have closed and the Applicants have to set it down for hearing. The legal costs and disbursements that the Municipality may be liable for in the event that the application is successful, is estimated at R 250 000. There has been no further developments and the matter has been dormant for approximately 10 years. Given this, the Municipality has assessed that the possibility of an outflow of economic benefits is considered remote, and accordingly opted to remove this matter.

| | | 2025 | 2024 |
|---|---|---|---|
| **63.03** | **Matter against the Municipality by Alister Ruiters (on behalf of his minor son, Alito Ruiters)** | 2 412 089 | 2 412 089 |

The applicant is claiming for damages related to an injury his son obtained on the property of the Municipality when an entrance gate became dislodged and fell on his son. This matter has been referred to the Municipality's insurer, of which it is expected that a settlement will be reached between the plaintiff and the Municipality's insurer. Merits of the matter have been conceded. The plaintiff is claiming R 3 126 000, however the claim is quantified in the region of R 2 412 089.

| | | 2025 | 2024 |
|---|---|---|---|
| **63.04** | **Matter against the Municipality by Michael Damon (on behalf of his minor son, Marshall Damon)** | 1 557 590 | 1 557 590 |

The applicant is claiming for damages related to an injury his son obtained on the property of the Municipality when an entrance gate became dislodged and fell on his son. This matter has been referred to the Municipality's insurer, of which it is expected that a settlement will be reached between the plaintiff and the Municipality's insurer. Merits of the matter have been conceded. The plaintiff is claiming R 3 126 000, however the claim is quantified in the region of R 1 557 590.

| | | 2025 | 2024 |
|---|---|---|---|
| **63.05** | **Matter against the Municipality by Francina Johanna de Klerk** | 1 000 000 | 1 000 000 |

The applicant is claiming for damages amounting to R 1 000 000. The damages relates to injuries obtained by the plaintiff where there was a hole underneath the protective cushions surrounding the trampoline. The incident took place at Lamberts Bay caravan park. The matter has been referred to the Municipality's insurer.

| | | 2025 | 2024 |
|---|---|---|---|
| **63.06** | **Matter against the Municipality by Nicolaas Jacobus Klaassen** | 1 620 000 | 620 000 |

This matter involves a labour court review application against the Municipality. The legal costs are estimated at R 120 000 and the cost of reinstatement of the applicant (with backpay) is estimated at R1 500 000.

| *Figures in Rand* | | 2025 | 2024 |
|---|---|---|---|
| **63** | **CONTINGENT LIABILITIES** | | |
| **63.07** | **Matter against the Municipality by Clackson Power Company (Pty) Ltd** | 2 535 281 | - |
| | This matter involves the applicant taking legal action against the Municipality for damages suffered as a result of disconnection to electrical power. | | |
| **63.08** | **Matter against the Municipality by Clackson Power Company (Pty) Ltd** | 3 200 000 | - |
| | This matter involves the applicant taking legal action against the Municipality for reputational damages. | | |
| **63.09** | **Matter against the Municipality by Guardrisk Insurance Company Limited** | 141 674 | - |
| | This matter involves a claim against the Municipality for the termination of the plaintiffs contract prior to the expiry date. The amount claimed by the defendant amounts to R 141 674. The matter has been referred to the Municipality's insurer. | | |
| **63.10** | **Matter against the Municipality by GAP Management (Pty) Ltd** | 2 500 000 | - |
| | This matter involves a claim against the Municipality for unpaid invoices. The Municipality's argument is that the related services has not been rendered by the plaintiff. | | |
| **63.11** | **Total** | **14 966 634** | **5 889 679** |

## 64 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.

### 64.1 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.

### 64.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 36 and 37.

### 64.3 Current Employee Benefits

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

| | | | 2025 | 2024 |
|---|---|---|---|---|
| GF Matthyse | - | Municipal Manager | 149 531 | 25 205 |
| HCA Witbooi | - | Director: Support Services | 116 276 | 51 500 |
| J Booysen | - | Director: Finance | 40 919 | - |
| R De Ridder | - | Director: Technical Services | 131 094 | 77 291 |
| **Total** | | | **437 821** | **153 995** |

### 64.4 Other related party transactions

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

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

29 November 2025

### 65 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 | Service of the state related party relationship | Amount | Amount |
|---|---|---|---|
| P J Sobekwa | Brother of J Sobekwa (Foreman at Cederberg Municipality) | 34 500 | 7 200 |
| HM Henderson | Sister of C Ockhuis (Database Administrator at Cederberg Municipality) | - | 1 800 |
| NSRI | | 612 568 | - |
| - C Robertson | Spouse of S Robertson (CEO of George Hospital) | | |
| Akhile Management & Consulting | | - | 312 370 |
| - B Hadebe | Spouse of M Hadebe (Town Planner at Ekurhuleni Municipality) | | |
| Ekuseni Enterprises | | 12 500 | 97 902 |
| - S Jacobs | Son of W Jacobs (Official at Department of Health) | | |
| - A Daniels | Daughter of M Human (Official Department of Water & Sanitation) | | |
| - A van Wyk | Spouse of L van Wyk (Official at Department of Health) | | |
| - A van Wyk | Son of R van Wyk (Official at Department of Health) | | |
| JPCE (Pty) Ltd | | 562 580 | 86 129 |
| - J Minnie | Spouse of JA Minnie (Manager at City of Cape Town) | | |
| Neil Lyners & Associates (Rf) (Pty) Ltd | | - | 5 317 378 |
| - O Potgieter | Daughter of A du Toit (Official at Department of Water & Sanitation) | | |
| **Total** | | **1 222 148** | **5 822 778** |

### 66 FINANCIAL SUSTAINABILITY

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

#### 66.1 Financial Indicators

The following financial indicators were assessed:

| | 2025 | 2024 |
|---|---|---|
| Cash available for working capital requirements (positive balance) | 91 148 144 | 44 133 277 |
| Current Ratio (norm - at least 2:1) | 1.5 : 1 | 1.1 : 1 |
| Cash coverage ratio (norm - 3 months or more) | 2.93 months | 1.5 months |
| Creditors days (norm - 30 days or less) | 82 days | 110 days |
| Debtors collection rate (95% or more) | 91.2% | 88.4% |
| Operating surplus / (deficit) | 27 485 353 | 9 741 790 |

When analysing the results of the ratio's it can be concluded that the Municipality managed to improve its financial position from the prior year, and it able to service its short-term obligations.

The Municipal Debt Relief arrangement as disclosed in note 13.3 is the main contributor to the improved financial position.

Council has approved a Budget Funding Plan to specific focus on the revenue collection and curbing expenditure.

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.

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

29 November 2025

**66 FINANCIAL SUSTAINABILITY (CONTINUED)**

**66.2 Other Indicators**

Contingent Liabilities are disclosed in note 63. The total exposure amounts to R14 966 634, and therefore contingent liabilities in its totality does not 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.

**66.3 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) | 39 549 158 | 81 158 691 | 125 644 175 |
| Current Ratio (norm - at least 2:1) | 1.21:1 | 1.99:1 | 2.60:1 |
| Cash coverage ratio (norm - 3 months or more) | 1.12 months | 2.13 months | 2.77 months |
| Creditors days (norm - 30 days or less) | 59 days | 58 days | 45 days |
| Debtors collection rate (95% or more) | 92.5% | 92.5% | 92.5% |
| Operating surplus / (deficit) | 589 915 | 7 206 959 | (4 605 460) |

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

**66.4 Going concern assessment**

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.

None of the assessments pose any threat to the going concern assumption. Given the afore-mentioned, Management is of the opinion that the Municipality can continue in operational existence for the foreseeable future.

**67 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.

**68 NON-LIVING RESOURCES**

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

- Algeria
- Clanwilliam
- Graafwater
- Leipoldtville
- Wuppertal

**69 SEGMENT REPORTING**

**69.1 General Information**

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

The Municipality has 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, informal settlements and library services |
| 3 | Holiday Resorts | Holiday Resorts |
| 4 | Public Safety | Traffic control and fire fighting |
| 5 | Planning and development | 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 Services | Supply of sewerage services |
| 10 | Refuse Services | Refuse removal |

**69.2 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.

**69.3 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.

**69.4 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.

**69 SEGMENT REPORTING (CONTINUED)**

**69.5 Specific Segment Reporting**

| | Governance and administration | Community Services | Holiday Resorts | Public Safety | Planning and development | Roads and Stormwater | Electricity Services | Water Services | Sewerage Services | Refuse Services | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | R | R | R | R | R | R | R | R | R | R | R |
| **2025** | | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | | |
| **External Revenue from Non-Exchange Transactions** | **140 530 392** | **9 029 259** | **-** | **55 724 920** | **879 900** | **1 162 576** | **20 991 625** | **14 849 869** | **21 313 670** | **6 902 662** | **271 384 872** |
| Property Rates | 74 996 749 | - | - | - | - | - | - | - | - | - | 74 996 749 |
| Government Grants and Subsidies - Operating | 64 802 607 | 786 085 | - | - | 879 900 | 140 134 | 3 279 566 | 4 626 796 | 7 015 621 | 3 776 945 | 85 307 652 |
| Government Grants and Subsidies - Capital | 61 914 | 8 239 196 | - | - | - | 1 022 442 | 3 005 910 | 9 387 615 | 13 688 714 | 2 375 195 | 37 780 985 |
| Availability Charges | - | - | - | - | - | - | 2 369 315 | 835 458 | 609 336 | 49 324 | 3 863 433 |
| Insurance Refund | 177 097 | - | - | - | - | - | - | - | - | - | 177 097 |
| Fines, penalties and forfeits | 492 025 | 3 979 | - | 55 724 920 | - | - | 148 713 | - | - | - | 56 369 637 |
| Fair Value Adjustment Gains | - | - | - | - | - | - | - | - | - | 701 198 | 701 198 |
| Debt Forgiveness | - | - | - | - | - | - | 12 188 121 | - | - | - | 12 188 121 |
| **External Revenue from Exchange Transactions** | **17 499 337** | **5 567 563** | **3 105 951** | **4 096 739** | **1 841 477** | **-** | **154 665 112** | **35 076 606** | **17 420 054** | **15 727 244** | **255 000 082** |
| Service Charges | - | - | - | - | - | - | 152 838 248 | 32 696 026 | 15 823 494 | 14 604 231 | 215 961 999 |
| Rental of Facilities and Equipment | 783 968 | 259 159 | - | 25 195 | - | - | - | - | - | 1 984 | 1 070 306 |
| Interest Earned - external investments | 9 619 304 | - | - | - | - | - | - | - | - | - | 9 619 304 |
| Interest Earned - outstanding debtors | 4 942 709 | - | - | - | - | - | 1 826 864 | 2 380 580 | 1 596 560 | 1 114 810 | 11 861 522 |
| Agency Services | - | - | - | 4 012 431 | - | - | - | - | - | - | 4 012 431 |
| Library Services | - | 5 307 663 | - | - | - | - | - | - | - | - | 5 307 663 |
| Other Income | 725 542 | 741 | 3 105 951 | 59 113 | 1 841 477 | - | - | - | - | 6 219 | 5 739 042 |
| Gain on disposal of Non-Monetary Assets | 1 427 815 | - | - | - | - | - | - | - | - | - | 1 427 815 |
| **Construction Contracts** | **-** | **3 358 322** | **-** | **-** | **-** | **-** | **11 712 174** | **-** | **-** | **-** | **15 070 495** |
| **TOTAL REVENUE** | **158 029 728** | **17 955 144** | **3 105 951** | **59 821 659** | **2 721 377** | **1 162 576** | **187 368 911** | **49 926 475** | **38 733 725** | **22 629 906** | **541 455 450** |
| **EXPENDITURE** | | | | | | | | | | | |
| Employee Related Costs | 51 872 487 | 15 221 344 | 3 665 703 | 12 591 586 | 8 477 514 | 6 579 607 | 10 457 652 | 12 968 758 | 6 640 158 | 10 705 874 | 139 180 684 |
| Remuneration of Councillors | 6 355 048 | - | - | - | - | - | - | - | - | - | 6 355 048 |
| Debt Impairment | 11 822 667 | - | - | 45 470 040 | - | - | (302 734) | 3 332 704 | 3 089 579 | 2 606 866 | 66 019 121 |
| Depreciation and Amortisation | 1 558 655 | 756 050 | 168 033 | 96 919 | 18 356 | 6 149 177 | 4 411 909 | 4 843 375 | 6 500 193 | 2 989 065 | 27 491 731 |
| Impairment | - | - | - | - | - | - | - | 4 169 098 | - | 2 032 358 | 6 201 456 |
| Finance Charges | 15 149 680 | - | - | - | - | - | - | - | - | - | 15 149 680 |
| Bulk Purchases | - | - | - | - | - | - | 124 217 401 | 857 304 | - | - | 125 074 705 |
| Contracted Services | 11 581 048 | 3 903 459 | 243 373 | 6 210 305 | 790 187 | 597 106 | 13 785 474 | 1 085 132 | 1 189 986 | 1 116 239 | 40 502 309 |
| Transfers and Grants | 64 462 | - | - | - | 100 000 | - | - | - | - | - | 164 462 |
| Other Expenditure | 22 214 928 | 790 252 | 429 235 | 1 547 227 | 198 503 | 2 629 033 | 2 350 502 | 6 289 014 | 3 987 351 | 6 624 942 | 47 060 987 |
| Fair Value Adjustment Losses | 2 988 926 | - | - | - | - | - | - | - | - | - | 2 988 926 |
| **Total Expenditure** | **123 607 902** | **20 671 105** | **4 506 345** | **65 916 076** | **9 584 560** | **15 954 924** | **154 920 203** | **33 545 386** | **21 407 266** | **26 075 344** | **476 189 111** |
| **NET SURPLUS/(DEFICIT) FOR THE YEAR** | **34 421 826** | **(2 715 961)** | **(1 400 394)** | **(6 094 418)** | **(6 863 183)** | **(14 792 348)** | **32 448 707** | **16 381 089** | **17 326 458** | **(3 445 439)** | **65 266 339** |
| Less: Government Grants and Subsidies - Capital | (61 914) | (8 239 196) | - | - | - | (1 022 442) | (3 005 910) | (9 387 615) | (13 688 714) | (2 375 195) | (37 780 985) |
| **NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR** | **34 359 912** | **(10 955 157)** | **(1 400 394)** | **(6 094 418)** | **(6 863 183)** | **(15 814 790)** | **29 442 797** | **6 993 474** | **3 637 745** | **(5 820 634)** | **27 485 353** |
| **CAPITAL EXPENDITURE FOR THE YEAR** | **1 388 006** | **8 239 196** | **-** | **2 523 707** | **264 389** | **2 481 893** | **6 531 810** | **9 784 608** | **19 527 162** | **3 010 640** | **53 751 410** |

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

29 November 2025

**69 SEGMENT REPORTING (CONTINUED)**

**69.5 Specific Segment Reporting**

| 2024 | Governance and administration R | Community Services R | Holiday Resorts R | Public Safety R | Planning and development R | Roads and Stormwater R | Electricity Services R | Water Services R | Sewerage Services R | Refuse Services R | Total R |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | | | | | | |
| **External Revenue from Non-Exchange Transactions** | **145 182 558** | **3 630 438** | **-** | **34 768 234** | **894 800** | **2 999 674** | **6 667 871** | **8 054 400** | **13 922 911** | **12 278 786** | **228 399 672** |
| Property Rates | 73 692 932 | - | - | - | - | - | - | - | - | - | 73 692 932 |
| Government Grants and Subsidies - Operating | 58 184 572 | 73 721 | - | - | 894 175 | 423 488 | 3 016 200 | 3 646 953 | 6 010 193 | 4 382 412 | 76 631 713 |
| Government Grants and Subsidies - Capital | 347 826 | 3 554 406 | - | - | 625 | 2 576 186 | 1 318 630 | 3 548 427 | 7 318 474 | 7 605 005 | 26 269 578 |
| Availability Charges | - | - | - | - | - | - | 2 180 330 | 854 912 | 594 244 | - | 3 629 486 |
| Insurance Refund | 112 012 | - | - | - | - | - | - | - | - | - | 112 012 |
| Fines, penalties and forfeits | 250 975 | 2 311 | - | 32 523 994 | - | - | 152 710 | 4 109 | - | - | 32 934 099 |
| Fair Value Adjustment Gains | 9 288 252 | - | - | - | - | - | - | - | - | 291 370 | 9 579 622 |
| Debt Forgiveness | 3 305 989 | - | - | 2 244 240 | - | - | - | - | - | - | 5 550 229 |
| **External Revenue from Exchange Transactions** | **18 923 947** | **5 124 821** | **2 958 991** | **4 368 069** | **1 618 683** | **-** | **127 401 381** | **32 780 700** | **16 350 614** | **14 114 617** | **223 641 820** |
| Service Charges | - | - | - | - | - | - | 127 401 381 | 32 780 700 | 16 350 614 | 14 106 018 | 190 638 712 |
| Rental of Facilities and Equipment | 758 344 | 211 453 | - | - | - | - | - | - | - | - | 969 797 |
| Interest Earned - external investments | 5 190 675 | - | - | - | - | - | - | - | - | - | 5 190 675 |
| Interest Earned - outstanding debtors | 12 325 085 | - | - | - | - | - | - | - | - | - | 12 325 085 |
| Agency Services | - | - | - | 4 299 701 | - | - | - | - | - | - | 4 299 701 |
| Library Services | - | 4 912 914 | - | - | - | - | - | - | - | - | 4 912 914 |
| Other Income | 649 842 | 453 | 2 958 991 | 68 368 | 1 618 683 | - | - | - | - | 8 599 | 5 304 935 |
| **Construction Contracts** | **-** | **1 756 391** | **-** | **-** | **-** | **-** | **27 828 696** | **-** | **-** | **-** | **29 585 087** |
| **TOTAL REVENUE** | **164 106 504** | **10 511 650** | **2 958 991** | **39 136 302** | **2 513 483** | **2 999 674** | **161 897 947** | **40 835 100** | **30 273 525** | **26 393 403** | **481 626 578** |
| **EXPENDITURE** | | | | | | | | | | | |
| Employee Related Costs | 48 412 958 | 15 369 653 | 3 830 732 | 11 856 854 | 9 042 007 | 6 149 598 | 9 340 077 | 12 535 390 | 5 482 616 | 9 557 044 | 131 576 928 |
| Remuneration of Councillors | 6 081 304 | - | - | - | - | - | - | - | - | - | 6 081 304 |
| Debt Impairment | 18 089 811 | - | - | 27 486 464 | - | - | 942 447 | -299 507 | 2 571 493 | 1 592 895 | 50 383 603 |
| Depreciation and Amortisation | 1 592 345 | 785 795 | 164 295 | 99 426 | 21 815 | 6 045 564 | 4 188 250 | 5 010 651 | 6 487 892 | 2 171 413 | 26 567 447 |
| Impairment | - | - | - | - | - | - | - | 14 718 289 | - | 921 618 | 15 639 907 |
| Finance Charges | 16 029 892 | - | - | - | - | - | - | - | - | - | 16 029 892 |
| Bulk Purchases | - | - | - | - | - | - | 105 502 654 | 622 471 | - | - | 106 125 126 |
| Contracted Services | 14 219 404 | 2 373 963 | 38 662 | 2 557 085 | 467 365 | 887 037 | 30 624 766 | 1 089 258 | 1 584 483 | 1 676 287 | 55 518 311 |
| Transfers and Grants | 10 261 | - | - | 187 764 | - | - | - | - | - | - | 198 026 |
| Other Expenditure | 18 908 989 | 986 070 | 259 665 | 1 210 532 | 354 438 | 1 835 019 | 2 182 134 | 5 713 840 | 3 471 408 | 1 921 680 | 36 843 775 |
| Loss on disposal of Non-Monetary Assets | 650 890 | - | - | - | - | - | - | - | - | - | 650 890 |
| **Total Expenditure** | **123 995 855** | **19 515 481** | **4 293 354** | **43 398 125** | **9 885 625** | **14 917 218** | **152 780 328** | **39 390 392** | **19 597 893** | **17 840 938** | **445 615 209** |
| **NET SURPLUS/(DEFICIT) FOR THE YEAR** | **40 110 649** | **(9 003 832)** | **(1 334 363)** | **(4 261 823)** | **(7 372 142)** | **(11 917 544)** | **9 117 619** | **1 444 708** | **10 675 632** | **8 552 465** | **36 011 369** |
| Less: Government Grants and Subsidies - Capital | (347 826) | (3 554 406) | - | - | (625) | (2 576 186) | (1 318 630) | (3 548 427) | (7 318 474) | (7 605 005) | (26 269 578) |
| **NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR** | **39 762 823** | **(12 558 238)** | **(1 334 363)** | **(4 261 823)** | **(7 372 767)** | **(14 493 730)** | **7 798 989** | **(2 103 719)** | **3 357 159** | **947 460** | **9 741 791** |
| **CAPITAL EXPENDITURE FOR THE YEAR** | **1 376 550** | **3 602 940** | **71 604** | **-** | **3 411 692** | **1 604 228** | **4 362 570** | **6 387 607** | **7 848 245** | **12 996 681** | **41 662 116** |

# CEDERBERG 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** | | | | | | | |
| ABSA Bank Limited | 038-723-0992 | 9.84% | 1 April 2025 | 448 528 | - | (448 528) | - |
| ABSA Bank Limited | 038-723-0993 | 10.43% | 17 June 2025 | 764 131 | - | (764 131) | - |
| ABSA Bank Limited | 038-723-0994 | 10.45% | 17 Nov 2025 | 451 984 | - | (292 542) | 159 443 |
| ABSA Bank Limited | 038-723-0995 | 11.33% | 30 Jun 2026 | 598 682 | - | (282 284) | 316 397 |
| **Total Annuity Loans** | | | | **2 263 326** | **-** | **(1 787 486)** | **475 840** |
| **FINANCE LEASE LIABILITIES - PRINTERS** | | | | | | | |
| Printers and Copiers | | | 31 Dec 2024 | 181 223 | - | (181 223) | - |
| **Total Finance Lease Liabilities - Printers** | | | | **181 223** | **-** | **(181 223)** | **-** |
| **Total Long-Term Liabilities** | | | | **2 444 549** | **-** | **(1 968 709)** | **475 840** |

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

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

| NATIONAL GOVERNMENT | OPENING BALANCE R | GRANTS RECEIVED (CASH) R | GRANTS RECEIVED (NON-CASH) R | GRANTS REPAID R | TRANSFERRED TO REVENUE (OPERATING) R | TRANSFERRED TO REVENUE (CAPITAL) R | TRANSFERRED TO/(FROM) RECEIVABLES R | CLOSING BALANCE R |
|---|---|---|---|---|---|---|---|---|
| Equitable Share | - | 71 545 000 | - | - | (71 545 000) | - | - | - |
| Municipal Infrastructure Grant (MIG) | - | 17 562 000 | - | - | (2 976 729) | (14 506 175) | (79 097) | - |
| Financial Management Grant (FMG) | - | 2 000 000 | - | - | (1 938 086) | (61 914) | - | - |
| Expanded Public Works Program (EPWP) | - | 1 534 000 | - | - | (1 534 000) | - | - | - |
| Water Service Infrastructure Grant (WSIG) | 36 302 | 10 000 000 | - | (36 302) | (826 248) | (5 654 266) | - | 3 519 486 |
| Municipal Disaster Response Grant | 7 488 755 | 6 100 000 | - | - | (1 189 713) | (4 918 242) | - | 7 480 800 |
| National Treasury - Audit Fees | - | - | 746 038 | - | (746 038) | - | - | - |
| **Total** | **7 525 057** | **108 741 000** | **746 038** | **(36 302)** | **(80 755 814)** | **(25 140 596)** | **(79 097)** | **11 000 286** |
| **PROVINCIAL GOVERNMENT** | | | | | | | | |
| CDW Support | 256 982 | 151 000 | - | (105 983) | (74 092) | - | - | 227 907 |
| Thusong Service Centre Grant | 118 932 | - | - | - | (118 263) | - | - | 669 |
| Financial Management Capability Grant | 558 851 | 1 550 000 | - | (558 851) | (1 549 956) | - | - | 44 |
| Municipal Interventions Grant | - | 600 000 | - | - | (500 000) | - | - | 100 000 |
| Municipal Water Resilience Grant | 3 931 698 | 8 000 000 | - | - | (1 243 258) | (8 836 747) | - | 1 851 693 |
| Loadshedding Relief Grant | 83 576 | - | - | (83 576) | - | - | - | - |
| Informal Settlements Upgrading Partnership Grant (ISUPG) | - | 3 355 816 | - | - | - | (3 355 816) | - | - |
| Municipal Energy Resilience Grant | 95 | - | - | (95) | - | - | - | - |
| Municipal Financial Recovery Services | 1 000 000 | - | - | - | (999 096) | - | - | 904 |
| Waste Management Compliance Grant | - | 515 000 | - | - | (67 174) | (447 826) | - | - |
| **Total** | **5 950 134** | **14 171 816** | **-** | **(748 505)** | **(4 551 838)** | **(12 640 389)** | **-** | **2 181 217** |
| **ALL SPHERES OF GOVERNMENT** | **13 475 191** | **122 912 816** | **746 038** | **(784 807)** | **(85 307 652)** | **(37 780 985)** | **(79 097)** | **13 181 503** |

# CEDERBERG 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 | 75 998 000 | (1 269 000) | 74 729 000 | 74 996 749 | 267 749 | 73 692 932 |
| Service charges | 199 058 000 | 11 727 000 | 210 785 000 | 215 961 999 | 5 176 999 | 190 638 712 |
| Investment revenue | 1 150 000 | 8 340 280 | 9 490 280 | 9 619 304 | 129 024 | 5 190 675 |
| Transfers and subsidies - operational | 94 461 651 | 21 756 093 | 116 217 744 | 105 685 811 | (10 531 933) | 111 119 693 |
| Other own revenue | 80 821 008 | 20 812 664 | 101 633 672 | 97 410 602 | (4 223 070) | 69 154 739 |
| **Total Operating Revenue (excluding capital transfers)** | **451 488 659** | **61 367 037** | **512 855 696** | **503 674 464** | **(9 181 232)** | **449 796 750** |
| Employee costs | 149 110 026 | (6 426 732) | 142 683 294 | 138 386 347 | (4 296 947) | 130 819 444 |
| Remuneration of councillors | 6 501 600 | 4 400 | 6 506 000 | 6 355 048 | (150 952) | 6 081 304 |
| Depreciation & asset impairment | 85 525 640 | 26 799 360 | 112 325 000 | 99 712 309 | (12 612 691) | 92 590 957 |
| Interest | 11 926 000 | 866 110 | 12 792 110 | 15 149 680 | 2 357 570 | 16 029 892 |
| Inventory consumed and bulk purchases | 125 072 005 | 16 082 567 | 141 154 572 | 137 531 147 | (3 623 425) | 116 429 914 |
| Transfers and subsidies | 220 000 | - | 220 000 | 164 462 | (55 538) | 198 026 |
| Other expenditure | 72 803 884 | 23 927 756 | 96 731 640 | 78 890 117 | (17 841 523) | 83 465 673 |
| **Total Expenditure** | **451 159 155** | **61 253 461** | **512 412 616** | **476 189 111** | **(36 223 505)** | **445 615 209** |
| **Surplus/(Deficit)** | **329 504** | **113 576** | **443 080** | **27 485 353** | **27 042 273** | **4 181 541** |
| Transfers and subsidies - capital (monetary allocations) | 60 734 349 | (12 615 140) | 48 119 209 | 37 780 985 | (10 338 224) | 26 279 599 |
| Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | 5 550 229 |
| **Surplus/(Deficit) for the year** | **61 063 853** | **(12 501 564)** | **48 562 289** | **65 266 339** | **16 704 050** | **36 011 369** |
| | | | | | | |
| **CAPITAL EXPENDITURE & FUNDS SOURCES** | | | | | | |
| **Capital expenditure** | **80 568 025** | **(8 644 140)** | **71 923 885** | **53 751 410** | **(18 172 475)** | **41 662 116** |
| Transfers recognised - capital | 60 734 349 | (12 615 140) | 48 119 209 | 37 780 985 | (10 338 224) | 26 279 599 |
| Borrowing | - | - | - | - | - | - |
| Internally generated funds | 19 833 676 | 3 971 000 | 23 804 676 | 15 970 425 | (7 834 251) | 15 382 517 |
| **Total sources of capital funds** | **80 568 025** | **(8 644 140)** | **71 923 885** | **53 751 410** | **(18 172 475)** | **41 662 116** |
| | | | | | | |
| **CASH FLOWS** | | | | | | |
| Net cash from (used) operating | 90 940 762 | (31 108 263) | 59 832 500 | 99 207 569 | 39 375 069 | 80 491 380 |
| Net cash from (used) investing | (80 568 025) | 9 044 140 | (71 523 885) | (54 127 171) | 17 396 714 | (46 272 819) |
| Net cash from (used) financing | (1 747 336) | (51 372) | (1 798 708) | (1 740 594) | 58 114 | (1 737 895) |
| Net Cash Movement for the year | 8 625 401 | (22 115 495) | (13 490 093) | 43 339 804 | 56 829 897 | 32 480 666 |
| Cash/cash equivalents at beginning of year | 1 529 640 | 59 728 575 | 61 258 215 | 61 258 215 | - | 28 777 549 |
| **Cash/cash equivalents at the year end** | **10 155 041** | **37 613 081** | **47 768 122** | **104 598 019** | **56 829 897** | **61 258 215** |

# CEDERBERG 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 | 56 582 000 | (2 490 000) | 54 092 000 | 57 461 338 | 3 369 338 | 53 691 026 |
| Finance and administration | 100 485 003 | 102 614 | 100 587 617 | 100 559 346 | (28 271) | 110 415 478 |
| Internal audit | - | - | - | - | - | - |
| **Community and public safety** | | | | | | |
| Community and social services | 15 148 916 | (4 374 898) | 10 774 018 | 11 253 468 | 479 450 | 7 919 819 |
| Sport and recreation | 3 599 547 | (529 683) | 3 069 864 | 3 170 772 | 100 908 | 3 030 880 |
| Public safety | 34 847 070 | 26 349 930 | 61 197 000 | 55 731 945 | (5 465 055) | 32 537 319 |
| Housing | 9 780 000 | 1 806 530 | 11 586 530 | 6 714 138 | (4 872 393) | 4 819 224 |
| **Economic and environmental services** | | | | | | |
| Planning and development | 2 095 022 | 72 878 | 2 167 900 | 2 721 377 | 553 477 | 2 513 483 |
| Road transport | 4 464 524 | 2 330 700 | 6 795 224 | 5 128 671 | (1 666 553) | 7 299 375 |
| **Trading services** | | | | | | |
| Energy sources | 166 652 487 | 23 547 341 | 190 199 828 | 187 387 073 | (2 812 755) | 161 897 947 |
| Water management | 78 783 839 | (24 678 442) | 54 105 397 | 49 923 510 | (4 181 887) | 40 835 100 |
| Waste water management | 21 174 000 | 23 311 453 | 44 485 453 | 38 773 928 | (5 711 525) | 30 273 525 |
| Waste management | 18 610 600 | 3 303 474 | 21 914 074 | 22 629 885 | 715 811 | 26 393 403 |
| **Total Revenue - Standard** | **512 223 008** | **48 751 897** | **560 974 905** | **541 455 450** | **(19 519 455)** | **481 626 578** |
| **EXPENDITURE (STANDARD CLASSIFICATION)** | | | | | | |
| **Governance and administration** | | | | | | |
| Executive and council | 13 898 704 | (123 603) | 13 775 101 | 13 520 865 | (254 236) | 13 539 201 |
| Finance and administration | 108 638 557 | 4 061 595 | 112 700 152 | 106 812 825 | (5 887 327) | 107 424 168 |
| Internal audit | 1 214 853 | 17 606 | 1 232 459 | 1 202 384 | (30 075) | 1 114 692 |
| **Community and public safety** | | | | | | |
| Community and social services | 12 758 340 | (987 265) | 11 771 075 | 9 560 404 | (2 210 671) | 9 409 465 |
| Sport and recreation | 14 485 308 | (1 168 732) | 13 316 576 | 12 708 675 | (607 901) | 12 695 151 |
| Public safety | 44 656 575 | 22 888 444 | 67 545 019 | 61 574 949 | (5 970 070) | 39 157 715 |
| Housing | 6 456 570 | 3 501 576 | 9 958 146 | 5 506 299 | (4 451 847) | 4 173 923 |
| **Economic and environmental services** | | | | | | |
| Planning and development | 12 808 665 | (774 328) | 12 034 337 | 11 656 388 | (377 949) | 11 803 419 |
| Road transport | 17 381 102 | (788 314) | 16 592 788 | 16 314 311 | (278 477) | 15 356 001 |
| **Trading services** | | | | | | |
| Energy sources | 136 678 567 | 28 231 126 | 164 909 693 | 154 920 203 | (9 989 490) | 152 780 328 |
| Water management | 33 757 318 | (1 638 633) | 32 118 685 | 33 545 386 | 1 426 701 | 39 390 392 |
| Waste water management | 22 232 959 | 3 755 744 | 25 988 703 | 22 791 078 | (3 197 625) | 20 929 816 |
| Waste management | 26 191 637 | 4 278 245 | 30 469 882 | 26 075 344 | (4 394 538) | 17 840 938 |
| **Total Expenditure - Standard** | **451 159 155** | **61 253 461** | **512 412 616** | **476 189 111** | **(36 223 505)** | **445 615 209** |
| **Surplus/(Deficit) for the year** | **61 063 853** | **(12 501 564)** | **48 562 289** | **65 266 339** | **16 704 050** | **36 011 369** |

# CEDERBERG 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 - Executive and Council | 56 582 000 | (2 490 000) | 54 092 000 | 57 461 338 | 3 369 338 | 53 391 026 |
| Vote 2 - Office of Municipal Manager | - | - | - | - | - | 300 000 |
| Vote 3 - Financial Administrative Services | 97 846 956 | (1 062 345) | 96 784 611 | 96 265 463 | (519 148) | 107 076 151 |
| Vote 4 - Community Development Services | 17 236 893 | (4 347 242) | 12 889 651 | 13 558 118 | 668 467 | 8 034 301 |
| Vote 5 - Corporate and Strategic Services | 488 596 | 1 120 959 | 1 609 555 | 1 920 994 | 311 439 | 783 596 |
| Vote 6 - Planning and Development Services | 2 095 022 | 72 878 | 2 167 900 | 2 721 377 | 553 477 | 2 655 450 |
| Vote 7 - Public Safety | 39 373 068 | 25 852 973 | 65 226 041 | 59 821 659 | (5 404 382) | 39 136 302 |
| Vote 8 - Electricity | 166 652 487 | 23 580 341 | 190 232 828 | 187 368 911 | (2 863 917) | 161 897 947 |
| Vote 9 - Waste Management | 18 610 600 | 3 304 474 | 21 915 074 | 22 629 906 | 714 832 | 26 393 403 |
| Vote 10 - Waste Water Management | 21 174 000 | 22 118 453 | 43 292 453 | 38 733 725 | (4 558 728) | 30 273 525 |
| Vote 11 - Water | 78 783 839 | (24 675 442) | 54 108 397 | 49 926 475 | (4 181 922) | 40 835 100 |
| Vote 12 - Housing | 9 780 000 | 1 806 530 | 11 586 530 | 6 714 138 | (4 872 393) | 4 819 224 |
| Vote 13 - Road Transport | - | 4 000 001 | 4 000 001 | 1 162 576 | (2 837 425) | 2 999 674 |
| Vote 14 - Sports and Recreation | 3 599 547 | (529 683) | 3 069 864 | 3 170 772 | 100 908 | 3 030 880 |
| **Total Revenue by Vote** | **512 223 008** | **48 751 897** | **560 974 905** | **541 455 450** | **(19 519 456)** | **481 626 578** |
| **EXPENDITURE** | | | | | | |
| Vote 1 - Executive and Council | 9 476 842 | (164 330) | 9 312 512 | 8 998 087 | (314 425) | 8 750 476 |
| Vote 2 - Office of Municipal Manager | 16 274 434 | (4 814 926) | 11 459 508 | 11 405 467 | (54 041) | 16 226 265 |
| Vote 3 - Financial Administrative Services | 73 914 244 | 2 520 853 | 76 435 097 | 72 459 693 | (3 975 404) | 73 792 475 |
| Vote 4 - Community Development Services | 11 246 459 | (991 592) | 10 254 867 | 10 340 797 | 85 930 | 10 582 946 |
| Vote 5 - Corporate and Strategic Services | 22 272 072 | 6 179 994 | 28 452 066 | 25 727 814 | (2 724 252) | 20 379 392 |
| Vote 6 - Planning and Development Services | 11 220 919 | 121 349 | 11 342 268 | 11 223 080 | (119 188) | 11 089 687 |
| Vote 7 - Public Safety | 51 468 207 | 22 236 325 | 73 704 532 | 65 916 076 | (7 788 456) | 43 398 125 |
| Vote 8 - Electricity | 136 678 567 | 28 231 126 | 164 909 693 | 154 920 203 | (9 989 490) | 152 780 328 |
| Vote 9 - Waste Management | 26 191 637 | 4 278 245 | 30 469 882 | 26 075 344 | (4 394 538) | 17 840 938 |
| Vote 10 - Waste Water Management | 20 451 719 | 3 665 655 | 24 117 374 | 21 407 266 | (2 710 108) | 19 597 893 |
| Vote 11 - Water | 33 757 318 | (1 638 633) | 32 118 685 | 33 545 386 | 1 426 701 | 39 390 392 |
| Vote 12 - Housing | 6 456 570 | 3 501 576 | 9 958 146 | 5 506 299 | (4 451 847) | 4 173 923 |
| Vote 13 - Road Transport | 17 264 859 | (703 449) | 16 561 410 | 15 954 924 | (606 486) | 14 917 218 |
| Vote 14 - Sports and Recreation | 14 485 308 | (1 168 732) | 13 316 576 | 12 708 675 | (607 901) | 12 695 151 |
| **Total Expenditure by Vote** | **451 159 155** | **61 253 461** | **512 412 616** | **476 189 111** | **(36 223 505)** | **445 615 209** |
| **Surplus/(Deficit) for the year** | **61 063 853** | **(12 501 564)** | **48 562 289** | **65 266 339** | **16 704 050** | **36 011 369** |

# CEDERBERG 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 | 135 874 000 | 13 757 000 | 149 631 000 | 152 838 248 | 3 207 248 | 127 401 381 |
| Service charges - Water | 33 443 000 | (666 000) | 32 777 000 | 32 696 026 | (80 974) | 32 780 700 |
| Service charges - Waste Water Management | 15 305 000 | (641 000) | 14 664 000 | 15 823 494 | 1 159 494 | 16 350 614 |
| Service charges - Waste Management | 14 436 000 | (723 000) | 13 713 000 | 14 604 231 | 891 231 | 14 106 018 |
| Sale of Goods and Rendering of Services | 4 925 599 | (314 575) | 4 611 024 | 5 318 382 | 707 358 | 4 559 879 |
| Agency services | 4 464 524 | (469 301) | 3 995 223 | 4 012 431 | 17 208 | 4 299 701 |
| Interest Earned from Receivables (Exchange) | 6 698 000 | 788 000 | 7 486 000 | 7 361 932 | (124 068) | 8 117 192 |
| Interest Earned from Current and Non Current Assets | 1 150 000 | 8 340 280 | 9 490 280 | 9 619 304 | 129 024 | 5 190 675 |
| Rental from Fixed Assets | 783 960 | (35 556) | 748 404 | 1 070 306 | 321 902 | 969 797 |
| Licences and Permits | 12 150 | (10 150) | 2 000 | 2 370 | 370 | 11 059 |
| Operational Revenue (Exchange) | 526 586 | (190 634) | 335 952 | 595 387 | 259 435 | 846 009 |
| **Non-Exchange Revenue** | | | | | | |
| Property Rates | 75 998 000 | (1 269 000) | 74 729 000 | 74 996 749 | 267 749 | 73 692 932 |
| Surcharges and Taxes | 1 000 | - | 1 000 | - | (1 000) | - |
| Fines, Penalties and Forfeits | 34 907 068 | 26 431 880 | 61 338 948 | 56 369 637 | (4 969 311) | 32 934 099 |
| Transfers and Subsidies - Operational | 94 461 651 | 21 756 093 | 116 217 744 | 105 685 811 | (10 531 933) | 111 119 693 |
| Interest Earned from Receivables (Non-Exchange) | 4 353 000 | 156 000 | 4 509 000 | 4 499 590 | (9 410) | 4 207 894 |
| Operational Revenue (Non-Exchange) | 4 601 000 | (644 000) | 3 957 000 | 3 863 433 | (93 567) | 3 629 486 |
| Gains on Disposal of Assets | - | 400 000 | 400 000 | 1 427 815 | 1 027 815 | - |
| Other Gains | 19 548 121 | (5 299 000) | 14 249 121 | 12 889 319 | (1 359 802) | 9 579 622 |
| **Total Revenue (excl capital transfers)** | **451 488 659** | **61 367 037** | **512 855 696** | **503 674 464** | **(9 181 232)** | **449 796 750** |
| **EXPENDITURE BY TYPE** | | | | | | |
| Employee Related Costs | 149 110 026 | (6 426 732) | 142 683 294 | 138 386 347 | (4 296 947) | 130 819 444 |
| Remuneration of Councillors | 6 501 600 | 4 400 | 6 506 000 | 6 355 048 | (150 952) | 6 081 304 |
| Bulk Purchases - Electricity | 113 900 000 | 12 950 000 | 126 850 000 | 124 217 401 | (2 632 599) | 105 502 654 |
| Inventory Consumed | 11 172 005 | 3 132 567 | 14 304 572 | 13 313 746 | (990 826) | 10 927 259 |
| Debt Impairment | 54 087 640 | 25 269 360 | 79 357 000 | 66 019 121 | (13 337 879) | 50 383 603 |
| Depreciation and Amortisation | 31 438 000 | 1 530 000 | 32 968 000 | 33 693 188 | 725 188 | 42 207 354 |
| Interest | 11 926 000 | 866 110 | 12 792 110 | 15 149 680 | 2 357 570 | 16 029 892 |
| Contracted Services | 27 731 918 | 23 723 452 | 51 455 370 | 40 502 309 | (10 953 061) | 55 518 311 |
| Transfers and Subsidies | 220 000 | - | 220 000 | 164 462 | (55 538) | 198 026 |
| Operational Costs | 37 711 966 | 5 104 304 | 42 816 270 | 35 398 882 | (7 417 388) | 27 296 471 |
| Losses on Disposal of Assets | - | 400 000 | 400 000 | - | (400 000) | 650 890 |
| Other Losses | 7 360 000 | (5 300 000) | 2 060 000 | 2 988 926 | 928 926 | - |
| **Total Expenditure** | **451 159 155** | **61 253 461** | **512 412 616** | **476 189 111** | **(36 223 505)** | **445 615 209** |
| **Surplus/(Deficit)** | **329 504** | **113 576** | **443 080** | **27 485 353** | **27 042 273** | **4 181 541** |
| Transfers and Subsidies - Capital (monetary allocations) | 60 734 349 | (12 615 140) | 48 119 209 | 37 780 985 | (10 338 224) | 26 279 599 |
| Transfers and Subsidies - Capital (in-kind) | - | - | - | - | - | 5 550 229 |
| **Surplus/(Deficit) for the year** | **61 063 853** | **(12 501 564)** | **48 562 289** | **65 266 339** | **16 704 050** | **36 011 369** |

# CEDERBERG 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 - Executive and Council | - | - | - | - | - | - |
| Vote 2 - Office of Municipal Manager | - | - | - | - | - | - |
| Vote 3 - Financial Administrative Services | - | - | - | - | - | - |
| Vote 4 - Community Development Services | - | - | - | - | - | - |
| Vote 5 - Corporate and Strategic Services | - | - | - | - | - | - |
| Vote 6 - Planning and Development Services | - | 260 870 | 260 870 | 260 870 | (0) | 2 184 882 |
| Vote 7 - Public Safety | - | - | - | - | - | - |
| Vote 8 - Electricity | 1 320 000 | (120 000) | 1 200 000 | 1 200 000 | - | - |
| Vote 9 - Waste Management | 2 500 000 | (2 500 000) | - | - | - | - |
| Vote 10 - Waste Water Management | - | - | - | - | - | - |
| Vote 11 - Water | 12 896 522 | (12 896 522) | - | - | - | - |
| Vote 12 - Housing | 3 200 000 | (1 999 845) | 1 200 155 | 1 200 971 | 816 | 999 833 |
| Vote 13 - Road Transport | 2 000 000 | - | 2 000 000 | 1 720 321 | (279 679) | - |
| Vote 14 - Sports and Recreation | - | - | - | - | - | - |
| **Total Multi-year expenditure** | **21 916 522** | **(17 255 497)** | **4 661 025** | **4 382 161** | **(278 864)** | **3 184 715** |
| **Single-year expenditure** | | | | | | |
| Vote 1 - Executive and Council | - | - | - | - | - | - |
| Vote 2 - Office of Municipal Manager | - | - | - | - | - | - |
| Vote 3 - Financial Administrative Services | 400 000 | 209 000 | 609 000 | 437 615 | (171 385) | 115 410 |
| Vote 4 - Community Development Services | 10 153 438 | (2 667 369) | 7 486 069 | 4 883 380 | (2 602 689) | 540 107 |
| Vote 5 - Corporate and Strategic Services | 1 071 020 | 266 000 | 1 337 020 | 950 390 | (386 630) | 1 261 140 |
| Vote 6 - Planning and Development Services | 500 000 | (495 000) | 5 000 | 3 520 | (1 480) | 1 226 810 |
| Vote 7 - Public Safety | 460 000 | 2 870 000 | 3 330 000 | 2 523 707 | (806 293) | - |
| Vote 8 - Electricity | 14 112 174 | (5 584 051) | 8 528 123 | 5 331 810 | (3 196 313) | 4 362 570 |
| Vote 9 - Waste Management | - | 4 955 195 | 4 955 195 | 3 010 640 | (1 944 555) | 12 996 681 |
| Vote 10 - Waste Water Management | 21 726 349 | 3 098 360 | 24 824 709 | 19 527 162 | (5 297 547) | 7 848 245 |
| Vote 11 - Water | 7 492 522 | 4 888 202 | 12 380 724 | 9 784 608 | (2 596 116) | 6 387 607 |
| Vote 12 - Housing | 2 736 000 | (581 155) | 2 154 845 | 2 154 845 | - | 2 063 000 |
| Vote 13 - Road Transport | - | 1 652 175 | 1 652 175 | 761 572 | (890 603) | 1 604 228 |
| Vote 14 - Sports and Recreation | - | - | - | - | - | 71 604 |
| **Total Single-year expenditure** | **58 651 503** | **8 611 357** | **67 262 860** | **49 369 249** | **(17 893 611)** | **38 477 401** |
| **Total Capital Expenditure by Vote** | **80 568 025** | **(8 644 140)** | **71 923 885** | **53 751 410** | **(18 172 475)** | **41 662 116** |

# CEDERBERG 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 | 1 471 020 | 475 000 | 1 946 020 | 1 388 006 | (558 014) | 1 376 550 |
| Internal audit | - | - | - | - | - | - |
| **Community and public safety** | | | | | | |
| Community and social services | 10 153 438 | (1 615 369) | 8 538 069 | 5 898 116 | (2 639 953) | 540 107 |
| Sport and recreation | - | - | - | - | - | 71 604 |
| Public safety | 460 000 | 1 818 000 | 2 278 000 | 1 508 972 | (769 028) | - |
| Housing | 5 936 000 | (2 581 000) | 3 355 000 | 3 355 816 | 816 | 3 062 833 |
| **Economic and environmental services** | | | | | | |
| Planning and development | 500 000 | (234 130) | 265 870 | 264 389 | (1 481) | 3 411 692 |
| Road transport | 2 000 000 | 956 523 | 2 956 523 | 2 441 601 | (514 922) | 1 604 228 |
| **Trading services** | | | | | | |
| Energy sources | 15 432 174 | (5 704 051) | 9 728 123 | 6 531 810 | (3 196 313) | 4 362 570 |
| Water management | 20 389 044 | (8 008 320) | 12 380 724 | 9 784 608 | (2 596 116) | 6 387 607 |
| Waste water management | 21 726 349 | 3 794 012 | 25 520 361 | 19 567 454 | (5 952 907) | 7 848 245 |
| Waste management | 2 500 000 | 2 455 195 | 4 955 195 | 3 010 640 | (1 944 555) | 12 996 681 |
| **Total Capital Expenditure - Standard** | **80 568 025** | **(8 644 140)** | **71 923 885** | **53 751 410** | **(18 172 475)** | **41 662 116** |
| **FUNDING SOURCES** | | | | | | |
| National Government | 47 841 827 | (13 900 865) | 33 940 962 | 25 140 596 | (8 800 366) | 17 600 558 |
| Provincial Government | 12 892 522 | 1 285 725 | 14 178 247 | 12 640 389 | (1 537 858) | 8 679 041 |
| District Municipality | - | - | - | - | - | - |
| Other transfers and grants | - | - | - | - | - | - |
| **Transfers recognised - capital** | 60 734 349 | (12 615 140) | 48 119 209 | 37 780 985 | (10 338 224) | 26 279 599 |
| Borrowing | - | - | - | - | - | - |
| Internally generated funds | 19 833 676 | 3 971 000 | 23 804 676 | 15 970 425 | (7 834 251) | 15 382 517 |
| **Total Capital Funding** | **80 568 025** | **(8 644 140)** | **71 923 885** | **53 751 410** | **(18 172 475)** | **41 662 116** |

# CEDERBERG 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 | 69 603 284 | (2 720 829) | 66 882 455 | 71 201 990 | 4 319 535 | 66 481 290 |
| Service charges | 193 978 752 | 4 215 463 | 198 194 215 | 207 250 369 | 9 056 154 | 177 380 685 |
| Other revenue | 13 611 247 | 6 314 304 | 19 925 551 | 23 595 100 | 3 669 549 | 21 724 523 |
| Transfers and Subsidies - Operational | 94 461 651 | 14 681 862 | 109 143 513 | 101 343 807 | (7 799 706) | 117 607 063 |
| Transfers and Subsidies - Capital | 60 734 349 | (22 665 847) | 38 068 502 | 37 780 985 | (287 517) | 26 279 599 |
| Interest | 5 002 994 | 8 109 776 | 13 112 770 | 12 536 998 | (575 772) | 8 494 207 |
| **Payments** | | | | | | |
| Suppliers and employees | (345 941 515) | (39 042 991) | (384 984 506) | (354 108 873) | 30 875 633 | (336 780 563) |
| Finance charges | (290 000) | - | (290 000) | (228 344) | 61 656 | (497 399) |
| Transfers and Subsidies | (220 000) | - | (220 000) | (164 462) | 55 538 | (198 026) |
| **NET CASH FROM OPERATING ACTIVITIES** | **90 940 762** | **(31 108 263)** | **59 832 500** | **99 207 569** | **39 375 069** | **80 491 380** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | |
| **Receipts** | | | | | | |
| Proceeds on disposal of PPE | - | 400 000 | 400 000 | 3 347 752 | 2 947 752 | 697 217 |
| **Payments** | | - | | | | |
| Capital assets | (80 568 025) | 8 644 140 | (71 923 885) | (57 474 924) | 14 448 961 | (46 970 037) |
| **NET CASH USED IN INVESTING ACTIVITIES** | **(80 568 025)** | **9 044 140** | **(71 523 885)** | **(54 127 171)** | **17 396 714** | **(46 272 819)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | |
| **Receipts** | | | | | | |
| Increase (decrease) in consumer deposits | 221 372 | (51 372) | 170 000 | 228 113 | 58 113 | 202 729 |
| **Payments** | | | | | | |
| Repayment of borrowing | (1 968 708) | - | (1 968 708) | (1 968 707) | 1 | (1 940 624) |
| **NET CASH FROM FINANCING ACTIVITIES** | **(1 747 336)** | **(51 372)** | **(1 798 708)** | **(1 740 594)** | **58 114** | **(1 737 895)** |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | **8 625 401** | **(22 115 495)** | **(13 490 093)** | **43 339 804** | **56 829 897** | **32 480 666** |
| Cash/cash equivalents at the year begin: | 1 529 640 | 59 728 575 | 61 258 215 | 61 258 215 | - | 28 777 549 |
| Cash/cash equivalents at the year end: | 10 155 041 | 37 613 081 | 47 768 122 | 104 598 019 | 56 829 897 | 61 258 215 |