BERGRIVIER LOCAL MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2025

BERGRIVIER LOCAL MUNICIPALITY

INDEX

AUDITOR-GENERAL SOUTH AFRICA

30 Nov '25

BERGRIVIER LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

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

LEGAL FORM

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

JURISDICTION

The Bergrivier Local Municipality includes the following areas:

Piketberg	Eendekuil	Aurora
Porterville	Redelinghuys	Wittewater
Velddrif	Dwarskersbos	Goedverwacht

MEMBERS OF THE COUNCIL

Ward 1	Ald J Daniels
Ward 2	Ald AJ du Plooy
Ward 3	Ald A de Vries
Ward 4	Ald RM van Rooy
Ward 5	Ald MA Wessels
Ward 6	Cllr A Small (Resigned 25 April 2025)
Ward 6	Cllr R Laubscher (Declared elected 23 July 2025; Inaugurated 29 July 2025)
Ward 7	Cllr JJ Moolman
Proportional	Ald R Swarts
Proportional	Ald SS Lesch
Proportional	Ald EB Manuel
Proportional	Cllr IS Adams
Proportional	Cllr BU Maarman
Proportional	Cllr A Isaacs

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	Ald RM van Rooy
Deputy Executive Mayor	Ald MA Wessels
Executive Councillor	Ald J Daniels
Executive Councillor	Ald A de Vries

ACCOUNTING OFFICER

Adv. H Linde

CHIEF FINANCIAL OFFICER

Mr PW Erasmus (Appointed from 1 February 2024)
Mrs N Bothma (Acted from 1 June 2023 - 31 January 2024)

PERFORMANCE, RISK AND AUDIT COMMITTEE (PRAC)

Mr CB de Jager (Chairperson)
Ms R Gani
Ms G Bolton
Ms M Kinnes
Mr D Smith

REGISTERED OFFICE

13 Church Street
Piketberg

GENERAL INFORMATION

POSTAL ADDRESS

PO Box 60
Piketberg
7320

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

Nedbank Limited

ATTORNEYS

Van Zyl Kruger Inc
Kim Pister Attorneys
Enderstein Malumbete
R Matthews & Partners
Dirk Verdoes Attorneys
Adv. Ettienne Vermaak
Nkosi Sabelo Inc
AA Solwandle Inc
Makhafola Attorneys Inc
Werkmans Inc
Van der Spuy Inc
De Villiers Van Zyl Inc

RELEVANT LEGISLATION

Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
Collective Agreements
Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)
Division of Revenue Act
Electricity Act, 1987 (Act 41 of 1987)
Employment Equity Act, 1998 (Act 55 of 1998)
Employment Services, 2014 (Act 4 of 2014)
Housing Act, 1997 (Act 107 of 1997)
Labour Relations Act, 1995 (Act 66 of 1995)
Municipal Budget and Reporting Regulations
Municipal Finance Management Act, 2003 (Act 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act, 2004 (Act 6 of 2004)
Municipal Regulations on a Standard Chart of Accounts, 2014
Municipal Structures Act, 1998 (Act 117 of 1998) as amended
Municipal Systems Act, 2000 (Act 32 of 2000) as amended
National Environmental Management Act, 2008 (Act 62 of 2008)
National Minimum Wage Act 9 of 2018
Occupational Health and Safety Act, 1993 (Act 85 of 1993)
Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
Protection of Personal Information Act, 2013
Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998)
SALGBC Leave Regulations
Skills Development Levies Act, 1999 (Act 9 of 1999)
Supply Chain Management Regulations, 2005 as amended
The Income Tax Act
Unemployment Insurance Act, 1966 (Act 30 of 1966)
Unemployment Insurance Contributions Act, 2002 (Act 4 of 2002)
Value Added Tax Act
Water Services Act, 1997 (Act 108 of 1997)

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The listed legislation only relate to the main legislation and is not an exhaustive list of all legislation applicable to the Municipality.

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2025, which are set out on pages 1 to 92 in terms of Section 126 (1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and which I have signed on behalf of the Municipality.

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

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

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

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

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

Hlinde

Adv. H Linde
Accounting Officer

31 August 2025
Date

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BERGRIVIER LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
ASSETS			
Current Assets		**317 026 778**	**294 123 937**
Cash and Cash Equivalents	**2**	221 492 762	194 374 403
Receivables from Exchange Transactions	**3**	47 389 358	49 602 904
Receivables from Non-Exchange Transactions	**4**	35 821 842	42 276 451
Taxes	**5**	3 417 164	4 471 780
Operating Lease Asset	**6**	-	501
Current Portion of Long-term Receivables	**7**	4 108 267	1 656 180
Inventory	**8**	4 797 386	1 741 719
Non-Current Assets		**668 130 676**	**617 960 581**
Long-term Receivables	**7**	3 488 027	4 293 038
Investment Property	**9**	17 847 189	17 898 483
Property, Plant and Equipment	**10**	643 747 658	592 374 234
Intangible Assets	**11**	2 593 790	2 940 814
Heritage Assets	**12**	454 012	454 012
Total Assets		**985 157 455**	**912 084 517**
LIABILITIES			
Current Liabilities		**115 530 367**	**107 932 434**
Current Portion of Long-term Liabilities	**13**	19 985 031	14 434 046
Consumer Deposits	**14**	6 305 498	5 819 562
Payables from Exchange Transactions	**15**	47 710 868	53 027 485
Unspent Conditional Government Grants	**16**	13 579 487	4 141 373
Unspent Public Contributions	**17**	96 973	192 819
Taxes	**5**	5 119 160	9 953 837
Operating Lease Liability	**6**	75 601	72 637
Current Employee Benefits	**18**	22 657 749	20 290 674
Current Provisions	**19**	-	-
Non-Current Liabilities		**269 681 165**	**257 501 310**
Long-term Liabilities	**13**	112 678 141	108 955 126
Employee Benefits	**20**	49 639 000	43 346 000
Non-Current Provisions	**21**	107 364 024	105 200 185
Total Liabilities		**385 211 532**	**365 433 745**
NET ASSETS		**599 945 922**	**546 650 773**
COMMUNITY WEALTH			
Accumulated Surplus		532 639 933	492 491 881
Capital Replacement Reserve	**22**	67 045 417	53 898 320
Housing Development Fund	**22**	260 572	260 572
		599 945 922	**546 650 773**

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

Revenue From Non-Exchange Transactions	Notes	2025 R (Actual)	2024 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**278 787 348**	**278 631 803**
Taxation Revenue		**118 674 956**	**107 400 455**
Property Rates	**23**	118 674 956	107 400 455
Transfer Revenue		**120 849 507**	**129 476 084**
Government Grants and Subsidies - Operating	**24**	80 092 094	74 573 425
Government Grants and Subsidies - Capital	**24**	40 627 066	54 902 659
Public Contributions and Donations - Capital	**25**	130 347	-
Other Revenue		**39 262 885**	**41 755 264**
Availability Charges	**26**	11 239 643	10 912 293
Insurance Refund	**27**	-	8 785
Fines, Penalties and Forfeits	**28**	19 898 146	24 775 830
Fair Value Adjustment Gains	**29**	8 125 097	6 058 356
REVENUE FROM EXCHANGE TRANSACTIONS		**353 106 040**	**298 542 669**
Operating Activities		**353 106 040**	**298 542 669**
Service Charges	**30**	298 785 929	245 318 691
Rental of Facilities and Equipment	**31**	1 470 878	1 455 641
Interest Earned - External Investments	**32**	20 337 838	18 498 029
Interest Earned - Outstanding Debtors	**33**	8 732 082	9 513 589
Licences and Permits	**34**	5 923	16 625
Agency Services	**35**	4 977 368	4 809 673
Library Services	**36**	7 299 130	7 340 001
Other Income	**37**	11 496 893	10 477 962
Gain on disposal of Non-Monetary Assets	**38**	-	1 112 459
CONSTRUCTION CONTRACTS	**39**	**81 044 139**	-
TOTAL REVENUE		**712 937 527**	**577 174 472**
EXPENDITURE			
Employee Related Costs	**40**	187 780 457	167 903 890
Remuneration of Councillors	**41**	7 666 627	7 328 144
Debt Impairment	**42**	44 590 716	42 265 121
Depreciation and Amortisation	**43**	26 364 628	25 392 868
Finance Charges	**44**	28 126 593	27 109 397
Bulk Purchases	**45**	176 862 848	153 173 053
Contracted Services	**46**	122 980 780	38 162 672
Transfers and Grants	**47**	8 635 469	10 169 390
Other Expenditure	**48**	51 601 949	47 968 420
Loss on disposal of Non-Monetary Assets	**38**	3 802 507	-
Fair Value Adjustment Losses	**49**	1 229 804	-
TOTAL EXPENDITURE		**659 642 377**	**519 472 954**
NET SURPLUS FOR THE YEAR		**53 295 150**	**57 701 518**

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

	CAPITAL REPLACEMENT RESERVE R	HOUSING DEVELOPMENT FUND R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2023 - Previously Reported	**42 318 000**	**260 572**	**446 167 146**	**488 745 718**
Correction of error restatement - note 50.4	-	-	203 537	203 537
Balance on 30 June 2023 - Restated	**42 318 000**	**260 572**	**446 370 682**	**488 949 254**
Net Surplus for the year	-	-	57 701 518	57 701 518
Transfer to Capital Replacement Reserve	29 650 500	-	(29 650 500)	-
Property, Plant and Equipment purchased	(18 070 180)	-	18 070 180	-
Balance on 30 June 2024 - Restated	**53 898 320**	**260 572**	**492 491 881**	**546 650 773**
Net Surplus for the year	-	-	53 295 149	53 295 149
Transfer to Capital Replacement Reserve	34 975 829	-	(34 975 829)	-
Property, Plant and Equipment purchased	(21 828 732)	-	21 828 732	-
Balance on 30 June 2025	**67 045 417**	**260 572**	**532 639 933**	**599 945 922**

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		113 573 072	102 282 595
Service Charges and Interest on Outstanding Debtors		297 182 916	246 794 849
Other Revenue and receipts		117 308 599	33 180 334
Government Grants		130 157 274	129 957 133
Investment Income		20 300 512	18 457 773
Payments			
Suppliers and employees		(552 839 889)	(406 912 235)
Finance charges		(13 359 347)	(11 389 770)
Transfer and Grants		(8 635 469)	(10 169 390)
NET CASH FROM OPERATING ACTIVITIES	**51**	**103 687 669**	**102 201 289**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Non-Monetary Assets		325 381	1 375 358
Payments			
Purchase of Capital Assets		(86 168 692)	(101 838 049)
NET CASH USED INVESTING ACTIVITIES		**(85 843 310)**	**(100 462 691)**
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New loans raised		21 036 485	29 791 500
Payments			
Loans repaid		(11 762 485)	(11 866 537)
NET CASH FROM FINANCING ACTIVITIES		**9 274 000**	**17 924 963**
NET INCREASE IN CASH HELD		**27 118 358**	**19 663 561**
Cash and Cash Equivalents at the beginning of the year		194 374 403	174 710 842
Cash and Cash Equivalents at the end of the year	**52**	221 492 762	194 374 403

	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	155 915 960	22 123 190	178 039 150	221 492 762	43 453 611
Trade and Other Receivables from Exchange Transactions	44 113 431	5 269 609	49 383 040	47 389 358	(1 993 682)
Receivables from Non-Exchange Transactions	48 760 837	(5 291 124)	43 469 713	35 821 842	(7 647 871)
Current Portion of Non-Current Receivables	1 662 930	(6 750)	1 656 180	4 108 267	2 452 087
Inventory	1 058 749	677 969	1 736 719	4 797 386	3 060 668
VAT	349 279	366 142	715 421	3 417 164	2 701 743
Other Current Assets	6 330	(5 829)	501	-	(501)
Total current assets	**251 867 517**	**23 133 207**	**275 000 723**	**317 026 778**	**42 026 055**
Non Current Assets					
Investment Property	21 636 777	(3 148 194)	18 488 583	17 847 189	(641 394)
Property, Plant and Equipment	657 228 197	(2 059 601)	655 168 595	643 747 658	(11 420 937)
Heritage Assets	454 012	-	454 012	454 012	-
Intangible Assets	2 108 662	240 152	2 348 814	2 593 790	244 976
Trade and Other Receivables from Exchange Transactions	4 511 176	(218 138)	4 293 038	3 488 027	(805 011)
Total Non Current Assets	**685 938 822**	**(5 185 781)**	**680 753 042**	**668 130 676**	**(12 622 366)**
TOTAL ASSETS	**937 806 339**	**17 947 426**	**955 753 765**	**985 157 455**	**29 403 689**
LIABILITIES					
Current Liabilities					
Financial Liabilities	13 464 288	4 716 137	18 180 424	19 985 031	1 804 606
Consumer Deposits	6 188 707	36 962	6 225 669	6 305 498	79 829
Trade and Other Payables from Exchange Transactions	39 875 269	13 152 217	53 027 486	47 710 868	(5 316 618)
Trade and Other Payables from Non-Exchange Transactions	158 319	9 841 681	10 000 000	13 676 460	3 676 460
VAT	-	-	-	5 119 160	5 119 160
Provisions	19 884 380	7 709 323	27 593 703	22 657 749	(4 935 954)
Other Current Liabilities	-	72 637	72 637	75 601	2 964
Total current liabilities	**79 570 963**	**35 528 956**	**115 099 919**	**115 530 367**	**430 448**
Non Current Liabilities					
Financial Liabilities	126 600 196	(14 789 009)	111 811 186	112 678 141	866 955
Provisions	187 067 230	(24 412 045)	162 655 185	157 003 025	(5 652 160)
Total non current liabilities	**313 667 426**	**(39 201 055)**	**274 466 371**	**269 681 165**	**(4 785 206)**
TOTAL LIABILITIES	**393 238 389**	**(3 672 099)**	**389 566 290**	**385 211 532**	**(4 354 758)**
NET ASSETS	**544 567 950**	**21 619 525**	**566 187 475**	**599 945 922**	**33 758 447**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus	501 989 378	10 039 205	512 028 582	532 639 933	20 611 350
Funds and Reserves	42 578 572	11 580 320	54 158 892	67 305 989	13 147 097
TOTAL COMMUNITY WEALTH/EQUITY	**544 567 950**	**21 619 525**	**566 187 475**	**599 945 922**	**33 758 447**

Refer to note 53.2 for explanations of material variances.

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

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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	155 913 000	25 176 000	181 089 000	-	181 089 000	183 929 055	2 840 055
Service Charges - Water	45 105 000	3 595 000	48 700 000	-	48 700 000	51 230 023	2 530 023
Service Charges - Waste Water Management	18 559 000	61 000	18 620 000	-	18 620 000	18 710 346	90 346
Service Charges - Waste Management	45 962 000	(965 000)	44 997 000	-	44 997 000	44 916 504	(80 496)
Sale of Goods and Rendering of Services	10 280 000	(813 000)	9 467 000	-	9 467 000	10 463 392	996 392
Agency services	5 253 000	(320 000)	4 933 000	-	4 933 000	4 977 368	44 368
Interest Earned from Receivables (Exchange)	6 532 000	463 000	6 995 000	-	6 995 000	5 378 844	(1 616 156)
Interest Earned from Current and Non Current Assets	19 873 000	2 162 000	22 035 000	-	22 035 000	20 337 838	(1 697 162)
Rental from Fixed Assets	1 850 000	25 000	1 875 000	-	1 875 000	1 470 878	(404 122)
Licences and Permits	30 000	(9 000)	21 000	-	21 000	5 923	(15 077)
Operational Revenue (Exchange)	1 375 000	478 847	1 853 847	-	1 853 847	1 536 373	(317 474)
Non-Exchange Revenue							
Property Rates	118 480 000	(588 000)	117 892 000	-	117 892 000	118 674 956	782 956
Fines, Penalties and Forfeits	24 947 000	(2 823 000)	22 124 000	-	22 124 000	19 898 146	(2 225 854)
Licences or Permits	10 000	-	10 000	-	10 000	-	(10 000)
Transfers and Subsidies - Operational	110 356 870	64 567 702	174 924 572	-	174 924 572	168 033 345	(6 891 227)
Interest Earned from Receivables (Non-Exchange)	3 733 000	341 000	4 074 000	-	4 074 000	3 353 238	(720 762)
Operational Revenue (Non-Exchange)	11 101 000	270 000	11 371 000	-	11 371 000	11 239 643	(131 357)
Gains on Disposal of Assets	1 069 000	-	1 069 000	-	1 069 000	-	(1 069 000)
Other Gains	2 926 000	-	2 926 000	-	2 926 000	8 125 097	5 199 097
Total Revenue (excluding capital transfers)	**583 354 870**	**91 621 549**	**674 976 419**	**-**	**674 976 419**	**672 280 968**	**(2 695 451)**
EXPENDITURE							
Employee Related Costs	195 468 940	(2 444 474)	193 024 466	(274 000)	192 750 466	186 726 359	(6 024 107)
Remuneration of Councillors	7 617 639	137 361	7 755 000	-	7 755 000	7 666 627	(88 373)
Bulk Purchases	145 913 000	26 780 000	172 693 000	-	172 693 000	168 133 519	(4 559 482)
Inventory Consumed	25 730 500	1 637 357	27 367 857	56 000	27 423 857	22 945 076	(4 478 781)
Debt Impairment	32 363 000	11 104 000	43 467 000	-	43 467 000	44 590 716	1 123 716
Depreciation and Amortisation	30 174 000	(3 451 000)	26 723 000	-	26 723 000	26 364 628	(358 372)
Interest	32 205 500	(4 009 700)	28 195 800	-	28 195 800	28 126 593	(69 207)
Contracted Services	63 208 400	74 274 499	137 482 899	(666 100)	136 816 799	122 980 780	(13 836 019)
Transfers and Subsidies	8 841 000	793 679	9 634 679	(15 000)	9 619 679	8 635 469	(984 210)
Operational Costs	46 963 440	195 523	47 158 963	899 100	48 058 063	38 440 300	(9 617 763)
Losses on disposal of Assets	-	-	-	-	-	3 802 507	3 802 507
Other Losses	2 931 000	-	2 931 000	-	2 931 000	1 229 804	(1 701 196)
Total Expenditure	**591 416 419**	**105 017 245**	**696 433 664**	**-**	**696 433 664**	**659 642 377**	**(36 791 287)**
Surplus/(Deficit)	**(8 061 549)**	**(13 395 696)**	**(21 457 245)**	**-**	**(21 457 245)**	**12 638 591**	**34 095 836**
Transfers and Subsidies - Capital (monetary allocations)	23 723 130	17 407 118	41 130 248	-	41 130 248	40 656 559	(473 689)
Surplus/(Deficit) for the year	**15 661 581**	**4 011 422**	**19 673 003**	**-**	**19 673 003**	**53 295 150**	**33 622 147**

Refer to note 53.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 53.3 for explanations of material variances.

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

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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	119 140 433	(6 671 465)	112 468 968	113 573 072	1 104 104
Service Charges	265 303 519	22 566 206	287 869 725	294 193 286	6 323 561
Other Revenue	24 581 000	188 266	24 769 266	27 384 525	2 615 259
Transfers and Subsidies	134 080 000	88 118 219	222 198 219	219 595 413	(2 602 806)
Interest	24 629 445	1 401 464	26 030 909	23 290 142	(2 740 767)
Payments					
Suppliers and Employees	(484 680 819)	(100 424 816)	(585 105 635)	(552 839 889)	32 265 746
Finance Charges	(15 012 500)	1 654 700	(13 357 800)	(13 359 347)	(1 547)
Transfers and Grants	(8 841 000)	(793 679)	(9 634 679)	(8 635 469)	999 210
Net Cash from/(used) Operating Activities	**59 200 079**	**6 038 895**	**65 238 973**	**103 201 733**	**37 962 760**
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on Disposal of PPE	1 069 000	-	1 069 000	325 381	(743 619)
Payments					
Capital Assets	(75 594 298)	(14 057 474)	(89 651 772)	(86 168 692)	3 483 080
Net Cash from/(used) Investing Activities	**(74 525 298)**	**(14 057 474)**	**(88 582 772)**	**(85 843 310)**	**2 739 461**
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing Long term/refinancing	23 774 848	(2 738 363)	21 036 485	21 036 485	-
Increase/(Decrease) in Consumer Deposits	503 812	(97 706)	406 106	485 935	79 829
Payments					
Repayment of Borrowing	(13 464 288)	(969 758)	(14 434 046)	(11 762 485)	2 671 561
Net Cash from/(used) Financing Activities	**10 814 372**	**(3 805 827)**	**7 008 546**	**9 759 935**	**2 751 390**
NET INCREASE/(DECREASE) IN CASH HELD	**(4 510 847)**	**(11 824 406)**	**(16 335 253)**	**27 118 358**	**43 453 611**
Cash and Cash Equivalents at the year begin	160 426 807	33 947 596	194 374 403	194 374 403	-
Cash and Cash Equivalents at the year end	155 915 960	22 123 190	178 039 150	221 492 762	43 453 611

Refer to note 53.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 53.4 for explanations of material variances.

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

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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, 2003 (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.

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 format and presentation of the financial statements.

No significant amendments were made to the accounting policies 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.

Currently, the Municipality is not faced with any going concern issues and therefore these amendments will have no effect on the financial statements.

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 RESERVES

1.09.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

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

(a) The cash funds that back up the CRR are invested until utilised.
(b) The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
(c) Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount.

1.09.2 Housing Development Fund (HDF)

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress, as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

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

(a) The HDF is fully cash-backed.
(b) The proceeds in this fund are utilised for housing development in accordance with the National Housing Policy and also for housing development projects approved by the MEC for Human Settlements.
(c) Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.

1.10 INVESTMENT PROPERTY

1.10.1 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.

1.10.2 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.

1.10.3 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
Land	N/A
Buildings	5 - 100

1.10.4 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.

1.10.5 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.

AUDITOR-GENERAL SOUTH AFRICA
30 Nov '25

1.11 PROPERTY, PLANT AND EQUIPMENT

1.11.1 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.

1.11.2 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.

1.11.3 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		**Leased Assets**	
Land	Infinite	Furniture and Office Equipment	2 - 5
Buildings	5 - 100		
		Community Assets	
Infrastructure		Community Facilities	5 - 50
Electrical	5 - 100	Sport and Recreational Facilities	5 - 50
Roads	5 - 100		
Sanitation	5 - 100	**Other Assets**	
Solid Waste	3 - 80	Computer Equipment	3 - 15
Storm Water	5 - 80	Furniture and Office Equipment	5 - 30
Water Supply	3 - 80	Machinery and Equipment	2 - 30
		Transport Assets	2 - 30

1.11.4 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.

1.11.5 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.

1.12 INTANGIBLE ASSETS

1.12.1 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.

1.12.2 Subsequent Measurement - Cost Model

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

1.12.3 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	5 - 15

1.12.4 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.

1.12.5 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.

1.13 HERITAGE ASSETS

1.13.1 Initial Recognition

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

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

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

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

1.13.2 Subsequent Measurement – Cost Model

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

1.13.3 Depreciation

Heritage assets are not depreciated.

1.13.4 Impairment

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

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

1.13.5 Derecognition

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

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

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

1.14 IMPAIRMENT OF NON-MONETARY ASSETS

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

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

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

1.14.1 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.

1.14.2 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.

1.14.3 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.

1.14.4 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.

1.15 INVENTORIES

1.15.1 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.

1.15.2 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.

1.16 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.

1.16.1 Post-Retirement Benefits

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

1.16.1.1 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.

1.16.1.2 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% (70% for employment prior to 1 October 2018) as contribution and the remaining 40% (30% for employment prior to 1 October 2018) 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.

1.16.2 Long-term Benefits

1.16.2.1 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.

1.16.3 Short-term Benefits

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

Short-term employee benefits include items such as:

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

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

(a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
(b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset

1.16.3.1 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.

1.16.3.2 Bonuses

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

1.17 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.

1.18 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.

1.18.1 Municipality as Lessee

1.18.1.1 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.

1.18.1.2 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.

1.18.2 Municipality as Lessor

1.18.2.1 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.

1.18.2.2 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.

1.19 FINANCIAL INSTRUMENTS

1.19.1 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.

1.19.2 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.

1.19.3 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.

1.19.3.1 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.

1.19.3.2 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.

1.19.4 Derecognition of financial instruments

1.19.4.1 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.

1.19.4.2 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.

1.19.5 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.

1.20 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.

1.20.1 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.

1.20.2 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.

1.20.3 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.

1.20.4 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.

1.21 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.

1.22 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.

1.23 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.

1.24 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.

1.25 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.

1.26 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.

1.27 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.

1.27.1 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.

1.27.1.1 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.

1.27.1.2 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.

1.27.1.3 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.

1.27.1.4 Fines

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

1.27.1.5 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.

1.27.1.6 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.

1.27.1.7 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.

1.27.1.8 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.

1.27.1.9 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.

1.27.2 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.

1.27.2.1 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.

1.27.2.2 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.

1.27.2.3 Rental income

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

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1.27.2.4 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.

1.27.2.5 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.

1.27.2.6 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.

1.27.2.7 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.

1.27.3 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.

1.28 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.

1.29 SERVICE CONCESSION ARRANGEMENTS

Service concession arrangement is a contractual arrangement between a grantor and an operator in which an operator uses the services concession asset to provide a mandated function on behalf of a grantor for a specified period, where the operator is compensated for its services over the period of service concession arrangement.

A grantor is the entity that grants the right to use the service concession asset to the operator, which in this case will be the Municipality.

A mandated function involves the delivery of a public service by an operator on behalf of a grantor that falls within the grantor’s mandate.

An operator is the entity that uses the service concession asset to provide a mandated function subject to the grantor’s control of the asset.

A service concession asset is an asset used to provide a mandated function in a service concession arrangement that:

(a) is provided by the operator which:
- the operator constructs, develops, or acquires from a third party; or
- is an existing asset of the operator; or

(b) is provided by the grantor which:
- is an existing asset of the grantor; or
- is an upgrade to an existing asset of the grantor.

The Municipality recognises an asset provided by the operator and an upgrade to an existing asset of the Municipality, as a service concession asset if the Municipality controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the Municipality controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a “whole-of-life” asset).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category, and are clearly identified from owned and/or leased assets.

Where the Municipality recognises a service concession asset, and the asset is not an existing asset of the Municipality (grantor), the Municipality (grantor) also recognises a liability.

The Municipality does not recognise a liability when an existing asset of the Municipality is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

The Municipality initially measures the service concession asset as follows:

(a) Where the asset is not an existing asset of the Municipality, the asset is measured at its fair value.

(b) Where the asset is an existing asset of the Municipality and it meets the recognition criteria of a service concession asset, the asset is reclassified as a service concession asset, and the asset is accounted for in accordance with the policy on Investment property, Property, plant and equipment, Intangible assets, or Heritage assets, as appropriate.

The Municipality initially measures the liability at the same amount as the service concession asset, adjusted by the amount of any other consideration from the Municipality to the operator, or from the operator to the Municipality.

Where the Municipality has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the Municipality accounts for the liability as a financial liability.

The Municipality allocates the payments to the operator and accounts for them according to their substance as a reduction in the liability recognised, a finance charge, and charges for services provided by the operator.

The finance charge and charges for services provided by the operator in a service concession arrangement are accounted for as expenses.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the entity to the operator are allocated by reference to the relative fair values of the service concession asset and the services.

Where the asset and service components are not separately identifiable, the service component of payments from the Entity to the operator is determined using estimation techniques.

Where the Municipality does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue-generating asset, the Municipality accounts for the liability as the unearned portion of the revenue arising from the exchange of assets between the Municipality and the operator.

The Municipality recognises revenue and reduces the liability according to the substance of the service concession arrangement.

If the Municipality pays for the construction, development, acquisition, or upgrade of a service concession asset partly by incurring a financial liability and partly by the grant of a right to the operator, it accounts separately for each part of the total liability.

The Municipality accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the policy on Provisions, Contingent liabilities and contingent assets and Financial instruments.

The Municipality accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the Standard of GRAP on Revenue from exchange transactions.

1.30 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.

1.31 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.

1.32 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.

1.33 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 measured 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.

1.34 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.

1.35 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.

1.36 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.

1.37 ACCOUNTING BY PRINCIPALS AND AGENTS

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

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

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

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

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

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

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 or 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.

1.38 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.

1.39 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.

1.40 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:

1.40.1 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.

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GRAP implementation date for the Municipality is 1 July 2007 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2007 to the current year's reported date. Where the economic useful life of an item 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.

1.40.2 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.

1.40.3 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.

1.40.4 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.

1.40.5 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.

1.40.6 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.

1.40.7 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.

1.40.8 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.

1.40.9 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.

1.40.10 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.

1.40.11 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	6 158 092	6 080 636
Investment Deposits	215 314 819	188 273 917
Cash Floats	19 850	19 850
Total	**221 492 762**	**194 374 403**

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 commitments:

	2025	2024
Unspent Conditional Grants	13 579 487	4 141 373
Unspent Public Contributions	96 973	192 819
Unspent Borrowings	6 615 897	3 824 683
Capital Replacement Reserve	67 045 417	53 898 320
Cash portion of Housing Development Fund	260 572	260 572
Department of Infrastructure	181 601	280 019
Cash available for working capital requirements	133 712 814	131 776 616
Total Cash and Cash Equivalents	**221 492 762**	**194 374 403**

2.1 Bank Accounts

	2025	2024
Nedbank Limited - Account number 11-6976-1380 (Primary Bank Account)	6 158 092	5 287 712
Nedbank Limited - Account number 11-6976-1402 (Traffic Account)	-	792 924
Total	**6 158 092**	**6 080 636**

Bank accounts consists out of the following accounts:

Nedbank Limited - Account number 11-6976-1380 (Primary Bank Account)

	2025	2024
Cash book balance at beginning of year	5 287 712	61 395 321
Cash book balance at end of year	6 158 092	5 287 712
Bank statement balance at beginning of year	4 481 879	60 789 849
Bank statement balance at end of year	4 523 250	4 481 879

Nedbank Limited - Account number 11-6976-1402 (Traffic Account)

	2025	2024
Cash book balance at beginning of year	792 924	-
Cash book balance at end of year	-	792 924
Bank statement balance at beginning of year	792 924	-
Bank statement balance at end of year	-	792 924

Account is cleared on a monthly basis to Nedbank Primary Bank Account.

2.2 Investment Deposits

Investment deposits consist out of the following accounts:

			2025	2024
ABSA Bank Limited	- Call Account	- Account Number 93-6177-2313	-	13 257 819
ABSA Bank Limited	- Fixed Deposit	- Account Number 20-8156-2653	-	71 346 301
Nedbank Limited	- Fixed Deposit	- Account Number 03/7881004312/000051	-	83 643 003
Nedbank Limited	- Call Account	- Account Number 03/7881004312/000053	109 028 102	20 026 795
Nedbank Limited	- Fixed Deposit	- Account Number 03/7881004312/000054	106 286 718	-
Total			**215 314 819**	**188 273 917**

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Figures in Rand	2025	2024

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Service Receivables	**72 426 167**	**100 459 449**
Electricity	18 498 172	15 625 851
Water	15 899 936	21 838 172
Refuse	17 002 159	26 624 105
Sewerage	7 664 564	14 474 933
Interest	11 055 452	17 794 839
Other	2 305 884	4 101 549
Other Receivables	**2 737 547**	**2 482 218**
Prepaid Expenses	1 510 749	1 351 892
West Coast District Municipality	1 226 798	1 130 326
Total Gross Balance	**75 163 714**	**102 941 667**
Less: Allowance for Debt Impairment	(27 774 356)	(53 338 763)
Total Net Receivable	**47 389 358**	**49 602 904**

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.

Prepaid Expenses mainly relate to membership and licence fees of which the benefits will be received in the following year.

The West Coast District Municipality (WCDM) receivable is raised in terms of the services concession agreement as referred to in note 45.

Reconciliation of Allowance for Debt Impairment

	2025	2024
Balance at the beginning of the year	53 338 763	38 807 574
Movement in the contribution to the provision	24 593 510	22 747 278
Electricity	683 728	438 097
Water	5 572 352	4 284 396
Refuse	7 743 702	6 375 690
Sewerage	3 542 905	3 267 592
Interest	7 615 986	7 417 557
Other	(565 162)	963 946
Bad Debts Written off	(50 157 917)	(8 216 089)
Electricity	(518 391)	(94 149)
Water	(11 039 848)	(748 527)
Refuse	(16 744 341)	(1 178 539)
Sewerage	(9 419 637)	(690 062)
Interest	(12 481 838)	(4 514 347)
Other	46 137	(990 465)
Balance at the end of the year	**27 774 356**	**53 338 763**

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.

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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	18 498 172	(2 113 126)	16 385 046
Water	15 899 936	(6 659 708)	9 240 228
Refuse	17 002 159	(8 174 428)	8 827 731
Sewerage	7 664 564	(3 918 623)	3 745 941
Interest	11 055 452	(5 778 070)	5 277 382
Other	2 305 884	(1 130 401)	1 175 483
Other Receivables			
Prepaid Expenses	1 510 749	-	1 510 749
West Coast District Municipality	1 226 798	-	1 226 798
Total	**75 163 714**	**(27 774 356)**	**47 389 358**
30 June 2024			
Service Receivables			
Electricity	15 625 851	(1 947 789)	13 678 062
Water	21 838 172	(12 127 204)	9 710 968
Refuse	26 624 105	(17 175 067)	9 449 038
Sewerage	14 474 933	(9 795 355)	4 679 578
Interest	17 794 839	(10 643 922)	7 150 917
Other	4 101 549	(1 649 426)	2 452 123
Other Receivables			
Prepaid Expenses	1 351 892	-	1 351 892
West Coast District Municipality	1 130 326	-	1 130 326
Total	**102 941 667**	**(53 338 763)**	**49 602 904**

Ageing of Receivables from Exchange Transactions

	2025	2024
Electricity		
Current (0 - 30 days)	13 615 734	11 202 496
Past Due (31 - 60 Days)	1 605 723	1 351 507
Past Due (61 - 90 Days)	545 406	427 781
Past Due (90 Days +)	2 731 308	2 644 068
Total	**18 498 172**	**15 625 851**
Water		
Current (0 - 30 days)	5 451 555	5 019 930
Past Due (31 - 60 Days)	1 885 414	1 679 986
Past Due (61 - 90 Days)	740 507	1 043 711
Past Due (90 Days +)	7 822 460	14 094 545
Total	**15 899 936**	**21 838 172**
Refuse		
Current (0 - 30 days)	4 539 454	3 462 608
Past Due (31 - 60 Days)	1 865 154	1 657 873
Past Due (61 - 90 Days)	933 116	1 021 049
Past Due (90 Days +)	9 664 435	20 482 576
Total	**17 002 159**	**26 624 105**

Figures in Rand		2025	2024
3	**RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)**		
	Sewerage		
	Current (0 - 30 days)	1 916 732	1 701 343
	Past Due (31 - 60 Days)	832 877	807 828
	Past Due (61 - 90 Days)	414 928	525 395
	Past Due (90 Days +)	4 500 027	11 440 367
	Total	**7 664 564**	**14 474 933**
	Interest		
	Current (0 - 30 days)	742 297	915 275
	Past Due (31 - 60 Days)	599 168	862 614
	Past Due (61 - 90 Days)	455 359	808 830
	Past Due (90 Days +)	9 258 628	15 208 120
	Total	**11 055 452**	**17 794 839**
	Other		
	Current (0 - 30 days)	78 589	114 274
	Past Due (31 - 60 Days)	79 888	99 765
	Past Due (61 - 90 Days)	41 433	57 022
	Past Due (90 Days +)	2 105 974	3 830 488
	Total	**2 305 884**	**4 101 549**
	Summary Ageing of all Receivables from Exchange Transactions		
	Current (0 - 30 days)	26 344 362	22 415 925
	Past Due (31 - 60 Days)	6 868 224	6 459 573
	Past Due (61 - 90 Days)	3 130 749	3 883 787
	Past Due (90 Days +)	36 082 832	67 700 164
	Total	**72 426 167**	**100 459 449**

		2025	2024
4	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Service Receivables	**45 173 461**	**57 741 838**
	Property Rates	37 684 704	47 628 010
	Availability Charges	7 488 757	10 113 828
	Other Receivables	**24 750 008**	**28 839 432**
	Unpaid Traffic Fines	23 856 695	28 155 167
	Sundry Receivables	195 424	30 202
	Deposits	697 889	654 063
	Total Gross Balance	**69 923 469**	**86 581 270**
	Less: Allowance for Debt Impairment	(34 101 627)	(44 304 819)
	Total Net Receivable	**35 821 842**	**42 276 451**

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

Figures in Rand	2025	2024

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Reconciliation of Allowance for Debt Impairment

	2025	2024
Balance at the beginning of the year	44 304 819	40 979 449
Movement in the contribution to the provision	20 443 175	21 147 627
Property Rates	8 875 049	3 489 511
Availability Charges	198 922	307 009
Unpaid Traffic Fines	11 928 815	16 492 775
Sundry Receivables	(559 612)	858 332
Bad Debts Written off	(30 646 367)	(17 822 257)
Property Rates	(15 045 190)	(428 445)
Availability Charges	(276 398)	-
Unpaid Traffic Fines	(15 884 390)	(16 535 480)
Sundry Receivables	559 612	(858 332)
Balance at the end of the year	**34 101 627**	**44 304 819**

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.

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 R	Allowance for Debt Impairment R	Net Receivable R
30 June 2025			
Service Receivables			
Property Rates	37 684 704	(9 058 429)	28 626 275
Availability Charges	7 488 757	(3 704 948)	3 783 809
Other Receivables			
Unpaid Traffic Fines	23 856 695	(21 338 250)	2 518 445
Sundry Receivables	195 424	-	195 424
Deposits	697 889	-	697 889
Total	**69 923 469**	**(34 101 627)**	**35 821 842**
30 June 2024			
Service Receivables			
Property Rates	47 628 010	(15 228 570)	32 399 440
Availability Charges	10 113 828	(3 782 424)	6 331 404
Other Receivables			
Unpaid Traffic Fines	28 155 167	(25 293 825)	2 861 342
Sundry Receivables	30 202	-	30 202
Deposits	654 063	-	654 063
Total	**86 581 270**	**(44 304 819)**	**42 276 451**

Ageing of Property Rates

	2025	2024
Current (0 - 30 days)	9 107 695	8 046 193
Past Due (31 - 60 Days)	2 578 741	2 780 276
Past Due (61 - 90 Days)	1 090 240	1 264 193
Past Due (90 Days +)	24 908 028	35 537 348
Total	**37 684 704**	**47 628 010**

Figures in Rand	2025	2024

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Ageing of Availability Charges

	2025	2024
Current (0 - 30 days)	921 715	1 026 712
Past Due (31 - 60 Days)	459 895	608 925
Past Due (61 - 90 Days)	341 953	490 461
Past Due (90 Days +)	5 765 193	7 987 730
Total	**7 488 757**	**10 113 828**

5 TAXES

	2025	2024
VAT Claimable/(Payable)	(749 386)	(4 754 387)
VAT Input in Suspense	3 417 164	4 471 780
VAT Output in Suspense - net	(4 369 774)	(5 199 450)
VAT Output in Suspense	(7 889 544)	(11 706 187)
Less: VAT on Allowance for Debt Impairment	3 519 770	6 506 737
Total	**(1 701 996)**	**(5 482 058)**
As previously reported		715 421
Correction of error restatement - note 50.2		5 199 450
Correction of error restatement - note 50.2		(5 199 450)
Correction of error restatement - note 50.3		(6 197 478)
Restated balance		(5 482 058)

Disclosed as:

	2025	2024
Current Assets	3 417 164	4 471 780
Current Liabilities	(5 119 160)	(9 953 837)
Total	**(1 701 996)**	**(5 482 058)**

Reconciliation of VAT on Allowance for Debt Impairment

	2025	2024
Balance at beginning of year	6 506 737	4 940 464
Increase/(decrease) in debt impairment contribution	(2 986 967)	1 566 273
Balance at the end of the year	**3 519 770**	**6 506 737**

6 OPERATING LEASES

6.1 OPERATING LEASE ASSET

	2025	2024
Operating Lease Asset	**-**	**501**

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

Reconciliation of Operating Lease Asset

	2025	2024
Balance at the beginning of the year	501	6 330
Movement during the year	(501)	(5 829)
Balance at the end of the year	**-**	**501**

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

	2025	2024
Within 1 Year	829 572	822 321
Between 1 and 5 Years	2 893 311	2 996 906
After 5 Years	47 539	841 223
Total operating lease payments	**3 770 422**	**4 660 450**

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.

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6 OPERATING LEASES (CONTINUED)

The leases are in respect of land and buildings being leased. The renewal option after lapsing of the contracts are available. Significant lease agreements include, but are not limited to the following:

- Lease of Piketberg commonage for a period of 9 years and 11 months ending 28 February 2030, with no annual escalation.
- Lease of a portion of Erf 487 Velddrif for period of 9 years and 11 months ending 31 March 2031, with no annual escalation.

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 LIABILITY

	2025	2024
Operating Lease Liability	**75 601**	**72 637**

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

Reconciliation of Operating Lease Liability

	2025	2024
Balance at the beginning of the year	72 637	57 320
Movement during the year	2 964	15 317
Balance at the end of the year	**75 601**	**72 637**

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

	2025	2024
Within 1 Year	249 973	236 941
Between 1 and 5 Years	565 336	815 309
After 5 Years	-	-
Total operating lease payments	**815 309**	**1 052 249**

Operating leases consist out of the following leases:

- Lease of office space for a period of 6 years and 11 months (ending July 2028) with an escalation of 5.5% per annum. A renewal option after lapsing of the contract is available. There are no restrictions imposed by lease arrangements.

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

	2025	2024
Receivables with repayment arrangements	9 876 285	11 662 145
Less: Allowance for Debt Impairment	(2 279 991)	(5 712 927)
Total Net Receivable	**7 596 294**	**5 949 218**
Less: Current portion of Long-term Receivables	4 108 267	1 656 180
Total	**3 488 027**	**4 293 038**

Receivables with repayment arrangements

Debtors amounting to R9 876 285 (2024 - R11 662 145) have arranged to settle their account over an re-negotiated period. Total payments to the value of R4 554 666 (2024 - R9 060 071) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

Reconciliation of Allowance for Debt Impairment

	2025	2024
Balance at the beginning of the year	5 712 927	5 776 438
Movement in the contribution to the provision	(3 432 936)	(63 511)
Balance at the end of the year	**2 279 991**	**5 712 927**

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.

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Figures in Rand	2025	2024
8 INVENTORY		
Water	221 872	201 674
Spare Parts	4 556 226	1 540 045
Fuel	19 288	-
Total	**4 797 386**	**1 741 719**

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

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

No inventory were pledged as security for liabilities.

	2025	2024
Inventory written down due to losses identified during the annual stores counts	-	-
Inventory recognised as an expense during the year		
Water - by nature of expense	21 198 725	18 621 349
Bulk Purchases	8 729 330	8 184 976
Contracted Services	247 767	298 224
Depreciation and Amortisation	2 990 988	2 241 113
Employee Related Costs	3 311 652	2 762 353
Finance charges	944 344	673 485
Internal Charges	777 543	721 909
Other Expenditure	4 197 102	3 739 289
Spare parts	6 244 246	2 243 826
Fuel	81 144	47 971
Total	27 442 971	20 865 176

	2025	2024
9 INVESTMENT PROPERTY		
Investment Property - Carrying Value	**17 847 189**	**17 898 483**
The carrying value of Investment Property is reconciled as follows:		
Opening Carrying Value	**17 898 483**	**17 949 777**
Cost	18 658 515	18 658 515
Accumulated Depreciation	(760 032)	(708 738)
Accumulated Impairment	-	-
Additions	-	-
Disposals	-	-
Depreciation	(51 294)	(51 294)
Closing Carrying Value	**17 847 189**	**17 898 483**
Cost	18 658 515	18 658 515
Accumulated Depreciation	(811 326)	(760 032)
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.

	2025	2024
Revenue derived from the rental of investment property	835 565	862 639

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

No significant adjustments were made to the remaining useful lives as a result of the annual review of useful lives.

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Figures in Rand	2025	2024

10 PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Accumulated Impairment	Carrying Value
	R	R	R	R
30 June 2025				
Land and Buildings	89 132 885	(8 106 214)	-	81 026 672
Infrastructure	672 785 797	(220 580 660)	-	452 205 136
Community Assets	96 985 936	(32 766 611)	-	64 219 325
Other Assets	91 417 539	(45 121 014)	-	46 296 525
Total	**950 322 157**	**(306 574 498)**	**-**	**643 747 658**
30 June 2024				
Land and Buildings	87 086 833	(7 163 109)	-	79 923 724
Infrastructure	608 447 802	(203 693 748)	-	404 754 054
Community Assets	93 396 045	(30 379 936)	-	63 016 110
Other Assets	85 881 839	(41 201 493)	-	44 680 347
Total	**874 812 520**	**(282 438 286)**	**-**	**592 374 234**
As previously reported				592 237 922
Correction of error restatement - note 50.1				136 311
Restated balance				592 374 234

There are no PPE pledged as security for financial liabilities.

		2025	2024
10.1 Repairs and Maintenance incurred on Property, Plant and Equipment		**16 292 505**	**11 741 303**
Repairs and maintenance consists out of the following components:			
Contracted Services	- Maintenance Services	7 332 875	5 902 635
Other Expenditure	- Maintenance Materials	8 959 630	5 838 668
Total		16 292 505	11 741 303
10.2 Capitalised Restoration Costs		**881 936**	**-**

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. Included in Solid Waste Infrastructure 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 Solid Waste Infrastructure as at 30 June.

10.3 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	(75 634)	147 998	(72 364)
Increase / (Decrease) in Accumulated Surplus	75 634	(147 998)	72 364
Increase / (Decrease) in Property, Plant and Equipment	75 634	(147 998)	72 364

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Figures in Rand	2025	2024

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.4 Carrying value of assets subject to service concession arrangement	**1 629 333**	**1 684 882**

In 2006 the Municipality entered into a service concession arrangement with the West Coast District Municipality (WCDM) for an initial period of 10 years wherein the WCDM operates the Municipality's assets to provide bulk water to the Municipality to distribute to its consumers.

The agreement was subsequently extended. The other parties to this arrangement are Saldanha and Swartland municipalities which also appointed the WCDM as an operator.

The WCDM uses the bulk water services assets to provide water to the local municipalities and private users. In terms of the service level agreement, the local municipalities determine a tariff, in consultation with the WCDM, that allows the WCDM to recover the costs the WCDM incurs in the provision of the bulk water services. The local municipalities also pay the WCDM an administrative fee of 10% of the operational costs which is also included in the tariff above.

The local municipalities recognise the costs recovered by the WCDM through the tariff as expenditure in their respective financial statements by its nature, as bulk purchases for water. The local municipalities also recognise all revenue earned from providing water to consumers, through monthly billing of the consumers, within their respective areas of jurisdiction.

The WCDM also provides water services to third parties and bills the third parties directly (farmers in remote areas and some big businesses). The provision of the water to these third parties is approved by the local municipalities when the tariff for the year is approved. The water provided to third parties by the WCDM is thus recognised in their records in line with GRAP 32.

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

	2025	2024
Land and Buildings	1 614 776	6 429 536
Buildings	1 614 776	6 429 536
Infrastructure	42 330 087	61 860 259
Electrical	19 713 086	4 708 058
Roads	3 727 064	19 341 139
Sanitation	10 276 032	20 535 645
Solid Waste	5 942 966	412 236
Storm Water	-	8 833 721
Water Supply	2 670 939	8 029 460
Community Assets	3 329 672	4 625 548
Community Facilities	1 598 386	3 793 781
Sport and Recreational Facilities	1 731 286	831 767
Total	**47 274 535**	**72 915 343**

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

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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.6 Reconciliation of Carrying Value

30 June 2025	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	iGRAP 2 Movement	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**87 086 833**	**2 226 865**	**(180 813)**	**-**	**-**	**89 132 885**	**7 163 109**	**943 104**	**-**	**-**	**8 106 214**	**81 026 672**
Land	46 320 153	-	-	-	-	46 320 153	-	-	-	-	-	46 320 153
Buildings	40 766 681	2 226 865	(180 813)	-	-	42 812 733	7 163 109	943 104	-	-	8 106 214	34 706 519
Infrastructure	**608 447 802**	**66 245 967**	**(2 789 909)**	**-**	**881 936**	**672 785 797**	**203 693 748**	**16 886 912**	**-**	**-**	**220 580 660**	**452 205 136**
Electrical	82 587 659	18 241 036	(1 984 616)	-	-	98 844 079	27 610 349	2 333 284	-	-	29 943 633	68 900 445
Roads	127 361 441	6 225 899	(669 516)	-	-	132 917 824	34 618 451	4 827 880	-	-	39 446 331	93 471 494
Sanitation	129 341 360	19 704 449	-	-	-	149 045 809	29 312 379	4 013 539	-	-	33 325 918	115 719 891
Solid Waste	66 019 042	6 576 543	-	-	881 936	73 477 521	54 105 899	663 001	-	-	54 768 901	18 708 620
Storm Water	41 939 981	1 788 470	-	-	-	43 728 451	10 533 164	918 027	-	-	11 451 191	32 277 260
Water Supply	161 198 319	13 709 572	(135 777)	-	-	174 772 113	47 513 506	4 131 181	-	-	51 644 687	123 127 426
Community Assets	**93 396 045**	**4 521 345**	**(931 454)**	**-**	**-**	**96 985 936**	**30 379 936**	**2 386 675**	**-**	**-**	**32 766 611**	**64 219 325**
Community Facilities	42 305 450	2 947 861	(535 237)	-	-	44 718 074	12 462 137	989 520	-	-	13 451 657	31 266 417
Sport and Recreational Facilities	51 090 596	1 573 483	(396 217)	-	-	52 267 862	17 917 799	1 397 155	-	-	19 314 954	32 952 908
Other Assets	**85 881 839**	**7 291 510**	**(1 755 811)**	**-**	**-**	**91 417 539**	**41 201 493**	**5 449 619**	**-**	**(1 530 098)**	**45 121 014**	**46 296 525**
Computer Equipment	9 208 126	1 098 402	(170 050)	-	-	10 136 478	4 388 840	796 328	-	(144 720)	5 040 447	5 096 031
Furniture and Office Equipment	14 111 060	741 745	(342 481)	-	-	14 510 324	7 953 024	882 278	-	(261 994)	8 573 308	5 937 016
Machinery and Equipment	14 425 952	1 300 159	(481 751)	-	-	15 244 359	8 265 099	834 480	-	(390 498)	8 709 081	6 535 278
Transport Assets	48 136 702	4 151 205	(761 529)	-	-	51 526 377	20 594 530	2 936 533	-	(732 886)	22 798 177	28 728 200
	874 812 520	**80 285 687**	**(5 657 986)**	**-**	**881 936**	**950 322 157**	**282 438 286**	**25 666 310**	**-**	**(1 530 098)**	**306 574 498**	**643 747 658**

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.6 Reconciliation of Carrying Value

	Cost						Accumulated Depreciation and Impairment					
30 June 2024	**Opening Balance**	**Additions**	**Disposals**	**Contributed Assets**	**iGRAP 2 Movement**	**Closing Balance**	**Opening Balance**	**Depreciation Charge**	**Impairment (Reversal)**	**Disposals**	**Closing Balance**	**Carrying Value**
	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**80 323 405**	**6 785 638**	**(22 210)**	**-**	**-**	**87 086 833**	**6 405 509**	**757 601**	**-**	**-**	**7 163 109**	**79 923 724**
Land	46 342 363	-	(22 210)	-	-	46 320 153	-	-	-	-	-	46 320 153
Buildings	33 981 043	6 785 638	-	-	-	40 766 681	6 405 509	757 601	-	-	7 163 109	33 603 571
Infrastructure	**545 299 332**	**78 654 218**	**-**	**-**	**(15 505 749)**	**608 447 802**	**186 820 084**	**16 873 665**	**-**	**-**	**203 693 748**	**404 754 054**
Electrical	78 131 229	4 456 430	-	-	-	82 587 659	25 428 851	2 181 498	-	-	27 610 349	54 977 310
Roads	106 149 837	21 211 605	-	-	-	127 361 441	30 529 653	4 088 798	-	-	34 618 451	92 742 991
Sanitation	111 405 178	17 936 181	-	-	-	129 341 360	26 075 541	3 236 838	-	-	29 312 379	100 028 980
Solid Waste	80 596 641	928 150	-	-	(15 505 749)	66 019 042	50 574 739	3 531 160	-	-	54 105 899	11 913 143
Storm Water	31 994 647	9 945 334	-	-	-	41 939 981	9 790 717	742 447	-	-	10 533 164	31 406 817
Water Supply	137 021 800	24 176 519	-	-	-	161 198 319	44 420 582	3 092 924	-	-	47 513 506	113 684 813
Community Assets	**81 755 623**	**11 640 422**	**-**	**-**	**-**	**93 396 045**	**28 361 457**	**2 018 479**	**-**	**-**	**30 379 936**	**63 016 110**
Community Facilities	36 966 891	5 338 559	-	-	-	42 305 450	11 613 828	848 309	-	-	12 462 137	29 843 313
Sport and Recreational Facilities	44 788 732	6 301 864	-	-	-	51 090 596	16 747 629	1 170 170	-	-	17 917 799	33 172 797
Other Assets	**79 872 658**	**7 768 722**	**(1 759 541)**	**-**	**-**	**85 881 839**	**37 583 085**	**5 145 708**	**-**	**(1 527 301)**	**41 201 493**	**44 680 347**
Computer Equipment	8 743 823	837 423	(373 120)	-	-	9 208 126	3 989 320	749 075	-	(349 555)	4 388 840	4 819 286
Furniture and Office Equipment	13 161 749	1 327 390	(378 079)	-	-	14 111 060	7 438 887	838 984	-	(324 846)	7 953 024	6 158 036
Machinery and Equipment	13 904 791	986 081	(464 920)	-	-	14 425 952	7 880 217	796 358	-	(411 476)	8 265 099	6 160 852
Transport Assets	44 062 294	4 617 829	(543 421)	-	-	48 136 702	18 274 661	2 761 292	-	(441 423)	20 594 530	27 542 172
	787 251 018	**104 849 001**	**(1 781 751)**	**-**	**(15 505 749)**	**874 812 520**	**259 170 134**	**24 795 453**	**-**	**(1 527 301)**	**282 438 286**	**592 374 234**

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11 INTANGIBLE ASSETS

Intangible Assets - Carrying Value	**2 593 790**	**2 940 814**

The carrying value of intangible Assets is reconciled as follows:

	2025	2024
Opening Carrying Value	**2 940 814**	**2 805 662**
Cost	7 371 481	7 394 877
Accumulated Amortisation	(4 430 667)	(4 589 216)
Accumulated Impairment	-	-
Additions	300 000	689 722
Amortisation	(647 024)	(546 121)
Disposal	-	(8 449)
Cost	-	(713 119)
Accumulated Amortisation	-	704 670
Closing Carrying Value	**2 593 790**	**2 940 814**
Cost	7 671 481	7 371 481
Accumulated Amortisation	(5 077 691)	(4 430 667)
Accumulated Impairment	-	-

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities.

No significant adjustments were made to the remaining useful lives as a result of the annual review of useful lives.

12 HERITAGE ASSETS

Heritage Assets - Carrying Value	**454 012**	**454 012**

The carrying value of Heritage Assets are reconciled as follows:

	2025	2024
Opening Carrying Value	**454 012**	**454 012**
Cost	454 012	454 012
Accumulated Impairment	-	-
Movement	-	-
Closing Carrying Value	**454 012**	**454 012**
Cost	454 012	454 012
Accumulated Impairment	-	-

There are no heritage assets whose title is restricted.

There are no heritage assets pledged as security for liabilities.

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

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Figures in Rand	2025	2024

13 LONG-TERM LIABILITIES

	2025	2024
Annuity Loans	132 663 172	123 389 172
Less: Current portion	(19 985 031)	(14 434 046)
Total	**112 678 141**	**108 955 126**

Long-term Liabilities were utilised as follow:

	2025	2024
Total Long-term Liabilities taken up	132 663 172	123 389 172
Used to finance Property, Plant and Equipment at cost	(126 047 275)	(119 564 489)
Unspent Borrowings	**6 615 897**	**3 824 683**

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

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 2025	Carrying Value of Liability 2024
ABSA Bank Limited (3044701437)	10.57%	2026/06/01	865 232	1 651 463
ABSA Bank Limited (3046456438)	10.12%	2027/06/30	1 725 546	2 458 773
ABSA Bank Limited (3054195743)	7.22%	2026/06/30	779 766	1 508 654
ABSA Bank Limited (3062514111)	10.64%	2035/06/30	21 036 485	-
Development Bank of Southern Africa (61001029)	12.41%	2030/06/30	9 868 035	9 869 141
Development Bank of Southern Africa (61006811)	11.53%	2031/06/30	2 214 449	2 459 286
Development Bank of Southern Africa (61006837)	11.59%	2036/06/30	7 359 115	7 099 526
Development Bank of Southern Africa (61006975)	11.33%	2032/06/30	2 426 372	2 642 585
Development Bank of Southern Africa (61007572)	9.28%	2029/06/29	3 893 097	3 562 497
Development Bank of Southern Africa (61007642)	10.07%	2030/06/30	4 066 232	4 662 734
Nedbank Limited (19/1139646400001)	11.70%	2033/06/30	12 195 441	13 072 555
Standard Bank of South Africa Limited (654527)	9.02%	2031/06/30	8 286 539	9 284 970
Standard Bank of South Africa Limited (729304)	11.05%	2032/06/30	9 439 803	10 291 124
Standard Bank of South Africa Limited (729271)	10.62%	2027/06/30	1 342 943	1 916 052
Standard Bank of South Africa Limited (797102)	10.74%	2028/06/30	9 825 197	12 465 479
Standard Bank of South Africa Limited (797125)	12.44%	2038/06/30	10 349 785	10 652 833
Standard Bank of South Africa Limited (855227)	10.31%	2029/06/30	8 849 775	10 548 400
Standard Bank of South Africa Limited (855242)	11.17%	2034/06/30	18 139 360	19 243 100
Total			**132 663 172**	**123 389 172**

All annuity loans are unsecured.

Annuity loans are payable as follows:

	2025	2024
Payable within one year	33 916 409	27 791 081
Payable within two to five years	101 090 180	98 327 931
Payable after five years	64 513 065	63 794 329
Total amount payable	**199 519 655**	**189 913 342**
Less: Outstanding Future Finance Charges	(66 856 483)	(66 524 170)
Present value of annuity loans	**132 663 172**	**123 389 172**

14 CONSUMER DEPOSITS

	2025	2024
Water and Electricity Deposits	**6 305 498**	**5 819 562**

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

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15 PAYABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Trade Payables	32 184 814	39 811 091
Retentions	96 583	-
Payments Received in Advance	6 529 292	4 951 275
Unused Pre-paid Electricity	1 630 851	1 398 842
Sundry Creditors	3 302 030	3 037 923
Sundry Deposits	157 160	138 944
Unknown Receipts	3 617 111	3 328 212
Department of Infrastructure	181 601	280 019
Accrued Interest	11 426	81 180
Total	**47 710 868**	**53 027 485**

Payables are being recognised net of any discounts received.

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

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

Sundry deposits include hall, builders and housing deposits.

Department of Infrastructure balance consist of the following:

	2025	2024
Advances received for the construction of housing top structures - note 33	-	-
Advances received in terms of principal-agent arrangements - note 61.2	181 602	280 019
Total	181 602	280 019

16 UNSPENT CONDITIONAL GOVERNMENT GRANTS

	2025	2024
National Government	10 070 935	2 491 177
Provincial Government	3 064 843	1 197 293
Other Grant Providers	443 709	452 903
Total	**13 579 487**	**4 141 373**

Detail reconciliations of all grants received and grant conditions met are included in note 24. 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.

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

17 UNSPENT PUBLIC CONTRIBUTIONS

	2025	2024
PVVK Management Services	96 973	192 819
Total	**96 973**	**192 819**

The public contribution is earmarked for the refurbishment of a youth centre.

Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met. During the year under review, no expenditure was incurred in relation to this public contribution.

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

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18 CURRENT EMPLOYEE BENEFITS

Bonuses	5 173 449	4 642 551
Staff Leave	12 585 200	10 651 085
Performance Bonuses	735 224	623 971
Overtime, Acting and Standby Allowances	1 339 876	1 283 067
Current portion of Non-Current Employee Benefits - note 20	2 824 000	3 090 000
Post Retirement Medical Benefits	1 791 000	1 793 000
Long Service Awards	1 033 000	1 297 000
Total	**22 657 749**	**20 290 674**

The movement in current employee benefits are reconciled as follows:

18.1 Bonuses

Opening Balance	4 642 551	4 078 499
Contribution during the year	9 007 211	8 067 813
Payments made	(8 476 314)	(7 503 761)
Balance at the end of the year	**5 173 449**	**4 642 551**

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

18.2 Staff Leave

Opening Balance	10 651 085	9 520 300
Contribution during the year	2 769 516	1 689 527
Payments made	(835 400)	(558 742)
Balance at the end of the year	**12 585 200**	**10 651 085**

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.

18.3 Performance Bonuses

Opening Balance	623 971	494 662
Contribution during the year	718 051	455 931
Payments made	(606 797)	(326 622)
Balance at the end of the year	**735 224**	**623 971**

Performance bonuses are being paid to the Municipal Manager, Chief Financial Officer, Director Community Services and Director Technical Services after an evaluation of performance by the Council.

18.4 Overtime, Acting and Standby Allowances

Balance at beginning of year	1 283 067	1 110 820
Contribution during the year	1 339 876	1 283 067
Payments made	(1 283 067)	(1 110 820)
Balance at the end of the year	**1 339 876**	**1 283 067**

Acting, standby and overtime worked by staff in the current financial year, but only paid in following financial year.

Figures in Rand		2025	2024
19	**CURRENT PROVISIONS**		
	Awaiting SARS Ruling - Output VAT Payable on Library Grants	-	-
	Total	**-**	**-**
	As previously reported		6 197 478
	Correction of error restatement - note 50.3		(6 197 478)
	Restated balance		-

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

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

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

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

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.

		2025	2024
20	**EMPLOYEE BENEFITS**		
	Post Retirement Medical Benefits	44 532 000	38 725 000
	Long Service Awards	7 931 000	7 711 000
	Sub-Total	**52 463 000**	**46 436 000**
	Less: Current portion of Employee Benefits	**2 824 000**	**3 090 000**
	Post Retirement Medical Benefits	1 791 000	1 793 000
	Long Service Awards	1 033 000	1 297 000
	Total	**49 639 000**	**43 346 000**

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20 EMPLOYEE BENEFITS (CONTINUED)

20.1 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	38 725 000	35 391 000
Contribution during the year	6 372 000	5 847 000
Current Service Cost	1 746 000	1 539 000
Interest Expense	4 626 000	4 308 000
Payments made	(1 710 708)	(1 699 985)
Actuarial Loss/(Gain)	1 145 708	(813 016)
Change in Financial Assumptions	1 533 000	(556 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(387 292)	(257 016)
Total balance at year-end	44 532 000	38 725 000
Less: Current portion	(1 791 000)	(1 793 000)
Total	**42 741 000**	**36 932 000**

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

	Number of individuals 2025	Number of individuals 2024	2025	2024
In-service members	214	193	20 701 000	17 963 000
In-service non-members	219	215	3 166 000	2 673 000
Continuation members	30	31	20 665 000	18 089 000
Total	**463**	**439**	**44 532 000**	**38 725 000**

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 7 August 2025.

Characteristics of defined benefit plans and risks associated with them

The Municipality provides post employment medical benefits as follows:

- All permanent employees, as well as the Municipal Manager, and the Strategic Officer and Personal Assistant in the Office of the Executive Mayor, will receive a post-employment subsidy of the contribution payable should they be a member of a medical scheme at retirement.
- The post-employment subsidy rate is 60% for those employed after 1 October 2018 and 70% for those employed before that date.
- Employees appointed after 1 October 2018 must have at least 10 years of service and belong to a medical aid scheme for the largest portion of their total service period (i.e. more than half), at retirement (or death in service) in order to qualify for the post-employment subsidy.
- At this valuation, most continuation members and their eligible dependants were in receipt of a 70% subsidy, with two members receiving a 100% subsidy and one member receiving a 60% subsidy.
- All post-employment subsidies that commence(d) after 1 October 2018 are subject to a maximum subsidy. The maximum subsidy was assumed to be R5,791 (2024 - R 5,541 per principal member per month for the year ending 30 June 2025, and has been assumed to increase annually on 1 July at 75% of salary inflation.

  Upon a member's death-in-service, surviving dependants are entitled to commence receipt of a 60% post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

Figures in Rand	2025	2024

20 EMPLOYEE BENEFITS (CONTINUED)

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

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

Significant Actuarial Assumptions

i) Financial Assumptions

	2025	2024
- Medical Aid Contribution Inflation Rate	7.0%	7.7%
- Discount Rate	11.2%	12.2%
- Net Discount Rate (Medical Aid Contributions)	3.9%	4.2%
- Net Discount Rate (Maximum Subsidy)	6.3%	6.5%

ii) Demographic Assumptions

	2025	2024
- Post-Employment Mortality The PA(90) ultimate table, adjusted down by 1 year of age, and a 1% annual compound mortality improvement from 2010.	PA(90)	PA(90)
- Average Retirement Age	62 years	62 years
- Membership continuation	75%	75%

Sensitivity Analysis - Defined Benefit Obligation at year-end

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

Assumption	Eligible Employees (R)	Continuation Members (R)	Total Obligation (R)	% Change
Current defined benefit obligation	23 867 000	20 665 000	44 532 000	
Medical Aid Contribution Inflation Rate (+ 1%)	25 627 000	22 419 000	48 046 000	8%
Medical Aid Contribution Inflation Rate (- 1%)	21 429 000	19 011 000	40 440 000	-9%
Discount Rate (+ 1%)	20 279 000	19 026 000	39 305 000	-12%
Discount Rate (- 1%)	28 378 000	22 576 000	50 954 000	14%
Post-Employment Mortality (+ 1 year)	23 385 000	20 040 000	43 425 000	-2%
Post-Employment Mortality (- 1 year)	24 334 000	21 287 000	45 621 000	2%
Average Retirement Age (- 1 year)	26 310 000	20 665 000	46 975 000	5%
Membership Continuation (- 10%)	20 892 000	20 665 000	41 557 000	-7%

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).

20 EMPLOYEE BENEFITS (CONTINUED)

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 Bracket
Future year 1 - 10	34 872 000	3%
Future year 11 - 20	99 893 000	9%
Future year 21 - 30	188 145 000	18%
Future year 31 - 40	260 031 000	25%
Future year 41 - 50	243 548 000	23%
Future year 51 - 60	157 558 000	15%
Future year 61 - 70	64 020 000	6%
Future year 71 - 80	12 798 000	1%
Future year 80 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	**1 060 865 000**	**100%**

20.2 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	7 711 000	7 491 000
Contribution during the year	1 441 000	1 406 000
Current Service Cost	637 000	615 000
Interest Expense	804 000	791 000
Payments made	(1 305 096)	(1 142 322)
Actuarial Loss/(Gain)	84 096	(43 678)
Change in Financial Assumptions	(42 000)	(50 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	126 096	6 322
Total balance at year-end	**7 931 000**	**7 711 000**
Less: Current portion	(1 033 000)	(1 297 000)
Total	**6 898 000**	**6 414 000**
As at year end, the following number of employees were eligible for Long Service Awards	428	403

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 7 August 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.

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20 EMPLOYEE BENEFITS (CONTINUED)

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

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

Significant Actuarial Assumptions

	2025	2024
i) Financial Assumptions		
- General Earnings Inflation Rate	5.1%	6.5%
- Discount Rate	10.1%	11.4%
- Net Discount Rate	4.8%	4.6%
ii) Demographic Assumptions		
- 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	9.0%	9.0%
Age: 25 - 29	8.0%	8.0%
Age: 30 - 34	6.0%	6.0%
Age: 35 - 44	5.0%	5.0%
Age: 45 - 49	4.0%	4.0%
Age: 50 - 54	3.0%	3.0%
Age: 55 +	0.0%	0.0%

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	7 931 000	
General Earnings Inflation Rate (+ 1%)	8 418 000	6%
General Earnings Inflation Rate (- 1%)	7 491 000	-6%
Discount Rate (+ 1%)	7 483 000	-6%
Discount Rate (- 1%)	8 433 000	6%
Average Retirement Age (+ 2 years)	9 223 000	16%
Average Retirement Age (- 2 years)	6 804 000	-14%
Rates of Termination of Services (x 2)	6 529 000	-18%
Rates of Termination of Services (x 0.5)	8 897 000	12%

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

Figures in Rand	2025	2024

20 EMPLOYEE BENEFITS (CONTINUED)

Expected contributions and maturity analysis

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

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

Future Year	Expected Benefit Payments R	% Contribution of Bracket
Future year 1 - 10	13 732 000	31%
Future year 11 - 20	16 125 000	37%
Future year 21 - 30	12 184 000	28%
Future year 31 - 40	1 560 000	4%
Future year 40 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	**43 601 000**	**100%**

20.3 Defined Contribution Plans

Council contributes to the following defined contribution plans:

	2025	2024
Consolidated Retirement Fund	16 409 572	14 294 386
LA Retirement Fund	946 436	939 060
Municipal Councillors Pension Fund	91 213	85 314
Municipal Workers Retirement Fund	1 956 350	1 913 125
Total	**19 403 571**	**17 231 886**

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.

21 NON-CURRENT PROVISIONS

	2025	2024
Provision for Rehabilitation of Landfill-Sites	**107 364 024**	**105 200 185**

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

	2025	2024
Opening Balance	105 200 185	115 323 231
Contribution during the year	2 163 840	(10 123 046)
Increase/(decrease) in estimate added to /(deducted from) cost of related asset	881 936	(15 505 749)
Decrease in estimate recognised in surplus	(8 125 097)	(5 201 663)
Interest Cost	9 407 001	10 584 366
Total	**107 364 024**	**105 200 185**

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 net decrease in the estimate mainly relate to the Piketberg landfill site, of which the capping footprint has been reduced by the new listed coordinates in the latest licence. This results in less material required for capping, shorter storm water channels and a shorter required security fence line, which ultimately results in lower costs.

Figures in Rand	2025	2024

21 NON-CURRENT PROVISIONS (CONTINUED)

The future obligations for rehabilitating the landfill sites has been calculated using a discount rate of 8.45% (2024 - 8.94%) which is based on the South African 5 year Government Bond yield.

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

Location	Discount Rate	Site Dimension (m²)	Rehabilitation cost per m² (Rand)	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Porterville	8.45%	55 022	1 006	49 673 721	45 262 938
Piketberg	8.45%	47 583	1 074	45 558 253	48 896 383
Aurora	8.45%	7 370	1 276	8 410 056	8 100 372
Redelinghuys	8.45%	1 340	3 107	3 721 995	2 940 491
Total				**107 364 024**	**105 200 185**

The estimate cost, based on an average inflation rate of 5.63% (2024 - 5.59%), and date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Porterville	2029	69 324 581	70 115 002
Piketberg	2029	64 883 312	77 382 682
Aurora	2029	11 871 086	12 699 322
Redelinghuys	2029	5 253 725	4 609 942
Total		**151 332 703**	**164 806 948**

22 RESERVES

	2025	2024
Capital Replacement Reserve	67 045 417	53 898 320
Housing Development Fund	260 572	260 572
Total	**67 305 989**	**54 158 892**

The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.

23 PROPERTY RATES

	2025	2024
Rateable Land and Buildings	118 674 956	107 400 455
Total	**118 674 956**	**107 400 455**

Property rate levied are based on the following rateable valuations:

	2025	2024
Residential Property	9 544 583 500	9 248 857 000
Commercial Property	1 370 233 000	1 348 246 000
Industrial Property	396 166 000	392 750 000
Agricultural and Formally Protected Areas	7 681 395 000	7 682 143 000
Public Service Infrastructure	462 956 000	461 072 000
Total Valuation	19 455 333 500	19 133 068 000

Rate that is applicable to the valuations:

	2025	2024
Residential	0.959c/R	0.897c/R
Commercial, Industrial and Public Service Infrastructure	1.055c/R	0.986c/R
Agricultural and Formally Protected Areas	0.211c/R	0.188c/R

Figures in Rand	2025	2024

23 PROPERTY RATES (CONTINUED)

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2023. 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 rebates, reductions and exemptions on the valuation and/or rates of property:

	2025	2024
- Owners who can provide proof before 30 June every year that he/she receives a pension	60%	60%
- Charities, Sports Organisations, Agricultural Societies, Hospitals and Cemeteries	100%	100%
- Agriculture use in relation where the owner provides housing, services, transport and training. Discount is assessed per application to a maximum of 85% (2024: 85%) of residential tariffs.		

24 GOVERNMENT GRANTS AND SUBSIDIES

	2025	2024
Unconditional Grants - National Government	**68 086 000**	**63 544 000**
Equitable Share	68 086 000	63 544 000
Conditional Grants - National Government	**32 444 242**	**25 707 822**
Finance Management Grant (FMG)	1 700 000	1 550 000
Municipal Infrastructure Grant (MIG)	18 743 598	12 945 823
Expanded Public Works Programme (EPWP)	1 436 000	2 712 000
Water Service Infrastructure Grant (WSIG)	9 950 644	8 500 000
Integrated National Electrification Programme (INEP)	614 000	-
Conditional Grants - Provincial Government	**19 758 278**	**39 038 142**
Proclaimed Roads	-	140 000
Regional Socio - Economic Project	1 110 704	229 239
Financial Management Capacity Building Grant	747 932	1 321 133
Department of Infrastructure	17 091 577	33 043 015
Loadshedding Emergency Relief Grant	-	880 793
Joint District and Metro Approach Grant	58 065	2 497 962
Fire Service Capacity Building Grant	-	926 000
Municipal Capacity Building Grant	750 000	-
Conditional Grants - Other Grant Providers	**430 640**	**1 186 120**
Heist op den Berg	58 115	349 866
Chieta Training Grant	372 525	836 254
Total	**120 719 160**	**129 476 084**
As previously reported		136 816 084
Correction of error restatement - note 50.3		(7 185 023)
Correction of error restatement - note 50.3		(154 977)
Restated balance		129 476 084
Disclosed as:		
Government Grants and Subsidies - Operating	80 092 094	74 573 425
Government Grants and Subsidies - Capital	40 627 066	54 902 659
Total	**120 719 160**	**129 476 084**

Figures in Rand	2025	2024

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

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

Equitable Share	68 086 000	63 544 000
Vote 1 - Municipal Manager	1 168 769	2 727 201
Vote 2 - Finance	2 447 932	2 871 133
Vote 3 - Corporate Services	372 525	836 254
Vote 4 - Technical Services	31 552 357	25 528 482
Vote 5 - Community Services	17 091 577	33 969 015
Total	**120 719 160**	**129 476 084**

The movements per grant can be summarised as follows:

24.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received / (Repaid)	68 086 000	63 544 000
Transferred to Revenue - Operating	(68 086 000)	(63 544 000)
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.

24.02 Finance Management Grant (FMG)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 700 000	1 550 000
Transferred to Revenue - Operating	(1 700 000)	(1 550 000)
Transferred to Revenue - Capital	-	-
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 Internship Programme.

24.03 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	2 491 177	-
Grants Received / (Repaid)	16 274 000	15 437 000
Transferred to Revenue - Operating	(3 153 426)	(2 407 677)
Transferred to Revenue - Capital	(15 590 172)	(10 538 146)
Closing Unspent Balance	21 579	2 491 177

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

24.04 Expanded Public Works Programme (EPWP)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 436 000	2 712 000
Transferred to Revenue - Operating	(1 436 000)	(2 712 000)
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.

Figures in Rand	2025	2024

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.05 Water Service Infrastructure Grant (WSIG)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	20 000 000	8 500 000
Transferred to Revenue - Operating	(1 297 910)	(1 108 700)
Transferred to Revenue - Capital	(8 652 734)	(7 391 300)
Closing Unspent Balance	10 049 356	-

This grant was utilised for the construction and upgrade of Piketberg waste water treatment works.

24.06 Integrated National Electrification Programme (INEP)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	614 000	-
Transferred to Revenue - Operating	(80 087)	-
Transferred to Revenue - Capital	(533 913)	-
Closing Unspent Balance	-	-

This grant was utilised for pre-engineering planning of internal and bulk electrical services for Bergrivier Low cost housing project

24.07 Proclaimed Roads

Opening Unspent Balance	-	-
Grants Received / (Repaid)	-	140 000
Transferred to Revenue - Operating	-	(140 000)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The grant was used for maintenance of provincial roads.

24.08 Regional Socio - Economic Project

Opening Unspent Balance	870 761	185
Grants Received / (Repaid)	1 000 000	1 099 815
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	(1 110 704)	(229 239)
Closing Unspent Balance	760 057	870 761

The grant was utilised for the extension of Calendula street.

24.09 Financial Management Capacity Building Grant

Opening Unspent Balance	204 868	440 660
Grants Received / (Repaid)	570 133	1 085 340
Transferred to Revenue - Operating	(747 932)	(1 321 133)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	27 069	204 868

The purpose of the grant is to develop financial human capacity within the municipal areas to enable sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial

24.10 Department of Infrastructure

Opening Unspent Balance	63 599	216 169
Grants Received / (Repaid)	19 305 695	32 890 445
Transferred to Revenue - Operating	(2 443 536)	(400 000)
Transferred to Revenue - Capital	(14 648 042)	(32 643 015)
Closing Unspent Balance	2 277 717	63 599

This grant was utilised for the feasibility studies and the construction of infrastructure for housing projects.

Figures in Rand	2025	2024

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.11 Loadshedding Emergency Relief Grant

	2025	2024
Opening Unspent Balance	-	880 793
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(880 793)
Closing Unspent Balance	-	-

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

24.12 Joint District and Metro Approach Grant

	2025	2024
Opening Unspent Balance	58 065	1 556 027
Grants Received / (Repaid)	-	1 000 000
Transferred to Revenue - Operating	(7 129)	(325 821)
Transferred to Revenue - Capital	(50 936)	(2 172 141)
Closing Unspent Balance	-	58 065

This grant was utilised for the construction and further expansion of the multi-functional youth development and training facility.

24.13 Fire Service Capacity Building Grant

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	-	926 000
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(926 000)
Closing Unspent Balance	-	-

This grant was utilised for the acquisition of a fire truck.

24.14 Municipal Capacity Building Grant

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	750 000	-
Transferred to Revenue - Operating	(750 000)	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant was utilised to construct a new pipeline between the reservoir and dam in Goedverwacht.

24.15 Heist op den Berg

	2025	2024
Opening Unspent Balance	168 141	185 456
Grants Received / (Repaid)	-	332 551
Transferred to Revenue - Operating	(17 550)	(227 841)
Transferred to Revenue - Capital	(40 565)	(122 025)
Closing Unspent Balance	110 026	168 141

This grant is federal government funding from Belgium for solid waste management.

24.16 Chieta Training Grant

	2025	2024
Opening Unspent Balance	284 762	381 034
Grants Received / (Repaid)	421 446	739 982
Transferred to Revenue - Operating	(372 525)	(836 254)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	333 683	284 762

This grant is for the training and development of municipal officials

Figures in Rand	2025	2024

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.17 Total Grants

	2025	2024
Opening Unspent Balance	4 141 374	3 660 324
Grants Received / (Repaid)	130 157 274	129 957 133
Transferred to Revenue - Operating	(80 092 094)	(74 573 425)
Transferred to Revenue - Capital	(40 627 066)	(54 902 659)
Closing Unspent Balance	**13 579 487**	**4 141 374**

25 PUBLIC CONTRIBUTIONS AND DONATIONS - CAPITAL

	2025	2024
PVVK Management Services	130 347	-
Total	**130 347**	**-**

The movements per contribution can be summarised as follows:

25.01 PVVK Management Services

	2025	2024
Opening Unspent Balance	192 819	158 319
Contributions Received	34 500	34 500
Transferred to Revenue - Capital	(130 347)	-
Closing Unspent Balance	**96 973**	**192 819**

The public contribution is utilised for the refurbishment of a youth centre.

26 AVAILABILITY CHARGES

	2025	2024
Electricity	3 818 824	3 722 620
Water	1 532 312	1 480 324
Refuse Removal	3 606 489	3 422 765
Sewerage and Sanitation	2 282 017	2 286 584
Total	**11 239 643**	**10 912 293**

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.

27 INSURANCE REFUND

	2025	2024
Insurance Refund	-	8 785
Total	**-**	**8 785**

28 FINES, PENALTIES AND FORFEITS

	2025	2024
Traffic Fines	18 933 710	23 390 240
Library Fines	11 228	8 594
Illegal Connections	23 007	16 239
Unclaimed Money	930 201	1 350 457
Building	-	10 300
Total	**19 898 146**	**24 775 830**

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

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Figures in Rand	2025	2024

29 FAIR VALUE ADJUSTMENT GAINS

	2025	2024
Actuarial Gains	-	856 693
Post Retirement Medical Benefits	-	813 016
Long Service Awards	-	43 678
Landfill Sites - iGRAP 2 Adjustments	8 125 097	5 201 663
Total	**8 125 097**	**6 058 356**

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.

Refer to note 21 on Non-current Provisions for further explanation on the decrease of the rehabilitation provision.

30 SERVICE CHARGES

	2025	2024
Electricity	186 033 200	148 440 010
Water	54 274 603	47 036 284
Refuse Removal	54 842 232	44 531 054
Sewerage and Sanitation	23 474 095	21 115 303
Total Revenue	**318 624 130**	**261 122 650**
Less: Rebates	(19 838 201)	(15 803 960)
Electricity	(2 104 145)	(1 821 027)
Water	(3 044 580)	(2 507 477)
Refuse Removal	(9 925 727)	(7 571 202)
Sewerage and Sanitation	(4 763 748)	(3 904 253)
Total	**298 785 929**	**245 318 691**

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.

31 RENTAL OF FACILITIES AND EQUIPMENT

	2025	2024
Halls	214 869	156 269
Commonage	835 565	862 639
Hawker Stalls	205 973	173 501
Land and Buildings	214 470	263 231
Total	**1 470 878**	**1 455 641**

32 INTEREST EARNED - EXTERNAL INVESTMENTS

	2025	2024
Bank Accounts	1 142 862	1 933 044
Investment Deposits	19 157 650	16 524 728
Eskom Deposits	37 326	40 257
Total	**20 337 838**	**18 498 029**

33 INTEREST EARNED - OUTSTANDING DEBTORS

	2025	2024
Outstanding Debtors	8 732 082	9 513 589
Total	**8 732 082**	**9 513 589**

Interest is levied at the prime rate plus 1% on unpaid debtor balances older than 30 days.

Figures in Rand	2025	2024

34 LICENCES AND PERMITS

Filming	-	6 391
Trading	5 923	10 234
Total	**5 923**	**16 625**

35 AGENCY SERVICES

Drivers Licences	931 144	1 004 646
Motor Vehicle Registration	3 653 648	3 476 544
Roadworthy Certificates	392 576	328 483
Total	**4 977 368**	**4 809 673**

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 61.1 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.

36 LIBRARY SERVICES

Department of Cultural Affairs and Sport	7 299 130	7 340 001
Total	**7 299 130**	**7 340 001**
As previously reported		-
Correction of error restatement - note 50.3		7 340 001
Restated balance		7 340 001

Reconciliation for the year

Opening balance	-	1
Receipts	8 394 000	8 441 000
Output VAT on receipts	(1 094 870)	(1 101 000)
Revenue Recognised	(7 299 130)	(7 340 001)
Closing balance	-	-

37 OTHER INCOME

Sales of Goods and Rendering of Services	10 463 392	9 785 480
Building Plan Approval	1 948 658	1 943 155
Camping and Entrance Fees	6 472 419	5 981 345
Cemetery and Burial	660 854	540 181
Cleaning and Removal	322 590	418 371
Clearance and Valuation Certificates	583 917	493 213
Fire Services	125 699	70 783
Photocopies and Faxes	51 935	50 498
Sub-division, Rezoning and Consolidation Fees	253 076	256 413
Tender Documents	44 244	31 522
Operational Revenue	1 033 501	692 482
Commission	127 540	111 228
Development Charges	423 171	543 739
Recoveries	447 465	7 000
Sundry Income	35 326	30 515
Total	**11 496 893**	**10 477 962**

Figures in Rand	2025	2024

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

	2025	2024
Proceeds	325 381	1 375 358
Less: Carrying value of Property, Plant and Equipment disposed	(4 127 888)	(254 450)
Less: Carrying value of Intangible Assets	-	(8 449)
Total	**(3 802 507)**	**1 112 459**

39 CONSTRUCTION CONTRACTS

	2025	2024
Construction Housing Top Structures	81 044 139	-
Total	**81 044 139**	**-**

The Municipality has assessed that it acts as the Developer for the Department of Infrastructure for the construction of top structures for the above-mentioned projects.

As the contracts with the Department of Infrastructure are non-commercial contracts with no profit margins, 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.

Reconciliation for the year

	2025	2024
Opening balance	-	-
Expenditure incurred / Revenue Recognised	81 044 139	-
Payments / Advances received	(81 044 139)	-
Gross amount claimable/(due) from/(to) Department of Infrastructure	-	-

Aggregated reconciliation

	2025	2024
Expenditure incurred / Revenue Recognised	81 044 139	-
Advances received	(81 044 139)	-
Retentions	-	-
Gross amount claimable/(due) from/(to) Department of Infrastructure	-	-

40 EMPLOYEE RELATED COSTS

	2025	2024
Basic Salaries and Wages	117 451 243	105 438 360
Pension and UIF Contributions	20 130 104	17 908 026
Medical Aid Contributions	8 374 517	7 227 621
Overtime	8 192 624	8 318 962
Motor Vehicle Allowances	6 664 368	6 107 401
Cell Phone Allowances	77 812	58 984
Housing Allowances	724 345	738 042
Other benefits and allowances	10 233 569	8 877 252
Acting Allowances	969 941	988 589
Bargaining Council Levy	61 005	57 214
Group Life Insurance	3 191 189	2 832 012
Standby Allowances	5 590 784	4 623 007
Scarcity Allowances	420 650	376 429
Contributions to Employee Benefits	14 877 778	12 367 271
Bonuses	9 007 211	8 067 813
Staff Leave	2 769 516	1 689 527
Performance Bonuses	718 051	455 931
Long Service Awards	637 000	615 000
Post Retirement Medical Benefits	1 746 000	1 539 000
Workmen's Compensation Fund	1 054 098	861 972
Total	**187 780 457**	**167 903 890**

Figures in Rand	2025	2024

40 EMPLOYEE RELATED COSTS (CONTINUED)

40.01 Remuneration of Management Personnel

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

Municipal Manager - Adv H Linde

	2025	2024
Annual Remuneration	1 210 573	1 090 732
Travelling Allowance	60 000	60 000
Contributions to UIF, Medical and Pension Funds	372 269	372 262
Performance Bonus	207 747	109 298
Total	1 850 588	1 632 292

Director: Corporate Services - Mr JWA Kotzee

	2025	2024
Annual Remuneration	996 826	936 932
Travelling Allowance	366 000	360 000
Contributions to UIF, Medical and Pension Funds	247 937	235 339
Housing Subsidy	156 000	150 000
Total	1 766 763	1 682 271

Director: Community Services - Mr DA Josephus

	2025	2024
Annual Remuneration	890 865	864 480
Travelling Allowance	192 000	240 000
Contributions to UIF, Medical and Pension Funds	213 011	208 674
Service Bonus	22 500	50 000
Performance Bonus	145 947	91 620
Total	1 464 323	1 454 774

Chief Financial Officer - Mr PW Erasmus - (appointed February 2024)

	2025	2024
Annual Remuneration	1 057 608	417 354
Cell Phone Allowances	15 350	6 396
Contributions to UIF, Medical and Pension Funds	64 261	25 744
Service Bonus	45 000	-
Performance Bonus	57 406	-
Total	1 239 624	449 493

Chief Financial Officer - Mr D Louw - (September 2022 to May 2023)

	2025	2024
Annual Remuneration	-	15 255
Contributions to UIF, Medical and Pension Funds	-	330
Performance Bonus	-	59 384
Total	-	74 968

Director: Technical Services - Mr D Van Turha (appointed January 2023)

	2025	2024
Annual Remuneration	1 007 261	851 442
Service Bonus	57 000	19 000
Travelling Allowance	12 000	12 000
Contributions to UIF, Medical and Pension Funds	232 981	205 377
Performance Bonus	153 282	46 525
Total	1 462 524	1 134 343

Figures in Rand	2025	2024

40 EMPLOYEE RELATED COSTS (CONTINUED)

Director: Technical Services - Mr V Felton (February 2022 - September 2022)

	2025	2024
Contributions to UIF, Medical and Pension Funds	-	177
Performance Bonus	-	19 795
Total	-	19 972

40.02 Employees acting in management positions

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

		Number of days in acting position			
Employee	**Acting Position**	**2025**	**2024**		
PW Erasmus	Municipal Manager	5	0	2 974	-
DA Josephus	Municipal Manager	34	21	38 827	23 215
JWA Kotzee	Municipal Manager	5	13	3 046	7 337
D Van Turha	Municipal Manager	17	10	19 414	15 912
JP Sass	Municipal Manager	0	6	-	3 205
L Janse van Rensburg	Director: Technical Services	10	0	4 799	-
JJ Breunissen	Director: Technical Services	34	34	19 901	18 598
R Stander	Director: Technical Services	0	8	-	3 980
JJ Erasmus	Director: Technical Services	0	14	-	6 186
M Crous	Chief Financial Officer	28	10	16 160	5 342
N Bothma	Chief Financial Officer	13	112	8 170	65 781
JP Sass	Chief Financial Officer	5	40	2 901	21 368
L Roos	Director: Corporate Services	0	10	-	4 525
Total				116 192	175 449

41 REMUNERATION OF COUNCILLORS

	2025	2024
Ald RM van Rooy	1 046 305	1 003 681
Ald A de Vries	796 483	765 165
Ald J Daniels	796 483	765 165
Ald AJ Du Plooy	781 425	625 768
Cllr A Small	304 143	351 537
Ald MA Wessels	846 446	812 867
Cllr I Adams	363 226	351 536
Ald SS Lesch	363 226	351 537
Ald RE Swarts	846 446	812 867
Cllr JJ Moolman	452 848	437 083
Cllr BU Maarman	363 226	351 537
Ald E Manuel	363 226	362 794
Cllr RL Laubscher	175	19 733
Cllr AC Isaacs	342 969	316 873
Total	**7 666 627**	**7 328 144**

Figures in Rand	2025	2024

41 REMUNERATION OF COUNCILLORS (CONTINUED)

	Basic Salary	Motor Vehicle Allowance	Cell Phone Allowance	Medical and Pension Contributions	Total
2025					
Executive Mayor	608 088	300 000	47 004	91 213	1 046 305
Deputy Executive Mayor	599 582	199 860	47 004	-	846 446
Speaker	799 442	-	47 004	-	846 446
Executive Committee	1 498 958	-	94 008	-	1 592 966
Other Councillors	2 812 351	85 380	368 198	68 535	3 334 464
Total	**6 318 421**	**585 240**	**603 218**	**159 748**	**7 666 627**
2024					
Executive Mayor	568 759	300 000	49 608	85 314	1 003 681
Deputy Executive Mayor	572 444	190 815	49 608	-	812 867
Speaker	763 259	-	49 608	-	812 867
Executive Committee	1 431 114	-	99 216	-	1 530 330
Other Councillors	2 646 031	81 521	394 790	46 057	3 168 399
Total	**5 981 607**	**572 336**	**642 830**	**131 371**	**7 328 144**

In-kind Benefits

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

Councillors may utilize municipal transportation when engaged in official duties.

42 DEBT IMPAIRMENT

	2025	2024
Receivables from Exchange Transactions	24 593 510	22 747 278
Receivables from Non-Exchange Transactions	20 443 175	21 147 627
Long-term Receivables	(3 432 936)	(63 511)
Total Debt Impairment	**41 603 749**	**43 831 394**
Movement in VAT included in debt impairment	2 986 967	(1 566 273)
Total	**44 590 716**	**42 265 121**

43 DEPRECIATION AND AMORTISATION

	2025	2024
Property, Plant and Equipment	25 666 310	24 795 453
Intangible Assets	647 024	546 121
Investment Property	51 294	51 294
Total	**26 364 628**	**25 392 868**
As previously reported		25 325 642
Correction of error restatement - note 50.1		67 226
Restated balance		25 392 868

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44 FINANCE CHARGES

	2025	2024
Cash	13 289 593	11 426 031
Long-term Liabilities	13 289 593	11 426 031
Non-cash	14 837 001	15 683 366
Post Retirement Medical Benefits	4 626 000	4 308 000
Long Service Awards	804 000	791 000
Rehabilitation of Landfill Sites	9 407 001	10 584 366
Total	**28 126 593**	**27 109 397**

45 BULK PURCHASES

	2025	2024
Electricity	168 133 519	144 988 077
Water	8 729 330	8 184 976
Water Purchased	9 796 111	9 167 868
Surplus generated by West Coast District Municipality (WCDM)	(1 066 781)	(982 892)
Total	**176 862 848**	**153 173 053**

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 WCDM and a number of private suppliers.

In terms of the services concession agreement, the local municipalities determine a tariff, in consultation with the WCDM, that allows the WCDM to recover the costs it incurs in the provision of the bulk water services. At year-end, WCDM calculates the surplus generated or deficit incurred from the service concession arrangement, and accordingly the surplus is distributed to / (deficit is recovered from) the local municipalities based on their water purchases for the year.

46 CONTRACTED SERVICES

	2025	2024
Accounting and Auditing	2 703 512	3 030 938
Clearing and Grass Cutting	250 468	321 456
Construction of Housing Top Structures	81 044 139	-
Communications	158 707	767 769
Drivers Licence Cards	303 518	347 284
Ecological Services	388 000	953 328
Engineering Services	4 796 628	629 391
Human Resources	294 582	187 895
Laboratory Services	462 075	381 291
Legal Cost	427 135	362 124
Maintenance Services	7 332 875	5 902 635
Meter Management	313 910	477 230
Organisational	1 904 377	3 743 109
Project Management (Revenue Enhancement)	142 319	1 764 426
Refuse Removal	13 293 838	10 653 900
Research and Advisory	577 498	50 540
Security Services	2 410 264	1 156 272
Traffic Fines Management	3 842 441	3 914 493
Valuer and Assessors	166 000	412 820
Other Consulting and Professional Fees	2 168 496	3 105 773
Total	**122 980 780**	**38 162 672**

Other Consulting and Professional Fees consist out of a variety of services, including but not limited to the following:

- Event Promoters
- Audit Committee
- Burial Service
- Catering Services
- Veterinary Services
- Land and Quantity Surveyors

Figures in Rand	2025	2024

47 TRANSFERS AND GRANTS

	2025	2024
Animal Welfare	68 000	36 000
Bergrivier Canoe Marathon	72 000	67 000
Bergrivier Estuary Management Forum	700 000	676 000
External Bursaries	525 461	634 095
Museums	341 000	521 250
Port Owen Marine Authority	1 733 000	1 660 000
Society for the Prevention of Cruelty to Animals (SPCA)	200 000	100 570
Sport Councils	755 000	670 600
St Helena Bay Water Quality Trust	-	53 000
Tourism	2 000 000	2 587 500
Social Relief	2 241 008	3 163 375
Indigent Dwelling Restoration	170 288	151 532
Feeding of Homeless	64 422	85 461
Ward Committees Projects	970 141	738 391
Community Development Projects	1 036 157	2 187 990
Total	**8 635 469**	**10 169 390**

48 OTHER EXPENDITURE

	2025	2024
Advertising, Publicity and Marketing	754 295	1 033 695
Bank Charges, Facility and Card Fees	1 167 915	921 391
Bursaries to Employees	218 056	168 020
Chemicals	1 548 865	1 399 757
Commission - Prepaid Electricity	3 316 665	2 469 066
Communication	3 010 251	3 079 388
Cellular Contract (Subscription and Calls)	718 428	593 385
Licences (Radio and Television)	138 835	135 749
Postage, Stamps and Franking Machines	356 157	525 507
Telephone, Fax, Telegraph and Telex	1 796 832	1 824 748
Electricity - Internal usage	3 515 811	3 256 460
Entertainment	80 395	70 344
External Audit Fees	3 871 789	3 523 709
External Computer Service	3 199 291	2 082 772
Fuel	6 026 868	8 025 793
Hire Charges	1 070 376	1 180 513
Insurance	1 770 277	2 655 955
Learnerships and Internships	570 247	494 252
Maintenance Materials	8 959 630	5 838 668
Motor Vehicle Licence and Registrations	460 488	446 344
Printing and Stationary	1 039 343	1 183 921
Professional Bodies, Membership and Subscription	1 874 042	1 753 758
Refuse bags	1 883 595	1 499 029
Registration Fees	216 100	592 833
Signage	293 618	251 428
Skills Development Fund Levy	1 516 304	1 338 414
Small Tools and Equipment	715 515	445 884
Training	417 312	171 245
Travel and Subsistence	1 549 199	2 222 957
Uniform and Protective Clothing	990 508	503 373
Union Representative	142 006	135 154
Vehicle Tracking	282 502	250 921
Ward Committees	162 000	169 086
Sundries and Other Consumables	978 686	804 291
Total	**51 601 949**	**47 968 420**

Figures in Rand	2025	2024

49 FAIR VALUE ADJUSTMENT LOSSES

	2025	2024
Actuarial Losses	1 229 804	-
Post Retirement Medical Benefits	1 145 708	-
Long Service Awards	84 096	-
Total	**1 229 804**	**-**

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.

50 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

50.1 Property, Plant and Equipment

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

- Movable assets previously not included in the asset register were identified during the current year's asset verification with a carrying value of R176 975.
- Completed projects amounting to R1 842 029 were incorrectly included as work in progress which resulted that depreciation amounting to R40 664 was not recognised on the said completed projects.

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

- Property, Plant and Equipment - note 10	Understated	136 311
- Depreciation and Amortisation - note 43	Understated	67 226
- Accumulated Surplus - note 50.4	Understated	203 537

50.2 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	5 199 450
- Taxes (Current Liabilities) - note 5	Understated	5 199 450

50.3 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 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 futher 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 net effect of the above-mentioned were as follows:

- Taxes - note 5	Overstated	(6 197 478)
- Current Provisions - note 19	Overstated	(6 197 478)
- Government Grants and Subsidies - Operating - note 24	Overstated	(7 185 023)
- Government Grants and Subsidies - Capital - note 24	Overstated	(154 977)
- Library Services - note 36	Understated	7 340 001

50.4 Accumulated Surplus

Property, Plant and Equipment - note 50.1	203 537
Total	203 537

50.5 Cash Flow Statement

The effect on the Cash Flow Statement as a result of the restatement as per note 50.3 were as follows:

- Other Revenue and receipts	Understated	
- Government Grants	Overstated	(8 441 001)

Figures in Rand	2025	2024
51 NET CASH FROM OPERATING ACTIVITIES		
Net Surplus for the year	53 295 150	57 701 518
Adjusted for:		
Non-cash revenue included in Net Surplus	(8 124 596)	(7 164 986)
Fair Value Adjustment Gains	(8 125 097)	(6 058 356)
Actuarial Gains	-	(856 693)
Landfill Sites - iGRAP 2 Adjustments	(8 125 097)	(5 201 663)
Rental of Facilities and Equipment - movement in operating lease asset	501	5 829
Gain on disposal of Non-Monetary Assets	-	(1 112 459)
Non-cash expenditure included in Net Surplus	107 045 272	97 007 010
Employee Related Costs - Contributions towards	16 217 653	13 650 339
Post Retirement Medical Benefits	1 746 000	1 539 000
Long Service Awards	637 000	615 000
Bonuses	9 007 211	8 067 813
Staff Leave	2 769 516	1 689 527
Performance Bonuses	718 051	455 931
Overtime, Acting and Standby Allowances	1 339 876	1 283 067
Debt Impairment	44 590 716	42 265 121
Depreciation and Amortisation	26 364 628	25 392 868
Finance Charges	14 837 001	15 683 366
Post Retirement Medical Benefits	4 626 000	4 308 000
Long Service Awards	804 000	791 000
Provision for Rehabilitation of Landfill-Sites	9 407 001	10 584 366
Other Expenditure - movement in operating lease liability	2 964	15 317
Loss on disposal of Non-Monetary Assets	3 802 507	-
Fair Value Adjustment Losses	1 229 804	-
Cash expenditure not included in Net Surplus	(14 217 382)	(12 342 251)
Post Retirement Medical Benefits	(1 710 708)	(1 699 985)
Long Service Awards	(1 305 096)	(1 142 322)
Bonuses	(8 476 314)	(7 503 761)
Staff Leave	(835 400)	(558 742)
Performance Bonuses	(606 797)	(326 622)
Overtime, Acting and Standby Allowances	(1 283 067)	(1 110 820)
Operating Surplus before changes in working capital	137 998 444	135 201 291
Movement in working capital	(34 310 775)	(33 000 002)
Receivables from Exchange Transactions	(22 379 964)	(27 361 974)
Receivables from Non-Exchange Transactions	(13 988 565)	(18 148 545)
Inventory	(3 055 668)	(672 969)
Long-term Receivables	1 785 860	288 399
Consumer Deposits	485 935	529 668
Payables from exchange transactions - Operating	266 387	9 497 565
Payables from exchange transactions - Total	(5 316 617)	13 198 240
Add back: Capital included in Trade Payables	5 679 587	(3 829 947)
Add back: Retentions	(96 583)	129 273
Unspent Conditional Government Grants	9 438 114	481 049
Unspent Public Contributions	(95 846)	34 500
Taxes	(6 767 028)	2 352 305
Cash Flow from Operating Activities	**103 687 669**	**102 201 289**

Figures in Rand	2025	2024

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

Cash and Cash Equivalents comprise out of the following:

	2025	2024
Primary Bank Account	6 158 092	6 080 636
Call and Notice Deposits	215 314 819	188 273 917
Cash Floats	19 850	19 850
Total	**221 492 762**	**194 374 403**

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

53 BUDGET COMPARISONS

53.1 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:

<u>Statement of Financial Position</u>

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

<u>Statement of Financial Performance</u>

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

	Note	Actuals per Statement of Financial Performance R	Reclassification due mSCOA vs GRAP classification R	Actuals per Budget Comparison R
REVENUE				
Exchange Revenue		**353 106 040**	**(10 149 496)**	**342 956 544**
Service Charges - Electricity	**30**	183 929 055	-	183 929 055
Service Charges - Water	**30**	51 230 023	-	51 230 023
Service Charges - Waste Water Management	**30**	18 710 346	-	18 710 346
Service Charges - Waste Management	**30**	44 916 504	-	44 916 504
Sale of Goods and Rendering of Services	**37**	10 463 392	-	10 463 392
Agency services	**35**	4 977 368	-	4 977 368
Interest Earned from Receivables (Exchange)	**33**	8 732 082	(3 353 238)	5 378 844
Interest Earned from Current and Non Current Assets	**32**	20 337 838	-	20 337 838
Rental from Fixed Assets	**31**	1 470 878	-	1 470 878
Licences and Permits	**34**	5 923	-	5 923
Operational Revenue (Exchange)	**36 & 37**	8 332 632	(6 796 259)	1 536 373
Non-Exchange Revenue		**238 029 935**	**91 294 489**	**329 324 424**
Property Rates	**23**	118 674 956	-	118 674 956
Fines, Penalties and Forfeits	**28**	19 898 146	-	19 898 146
Transfers and Subsidies - Operational	**24**	80 092 094	87 941 252	168 033 345
Interest Earned from Receivables (Non-Exchange)		-	3 353 238	3 353 238
Operational Revenue (Non-Exchange)	**26 & 27**	11 239 643	-	11 239 643
Other Gains	**29**	8 125 097	-	8 125 097
Construction Contracts	**39**	81 044 139	(81 044 139)	-
Total Revenue (excluding capital transfers)		**672 180 114**	**100 854**	**672 280 968**

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53 BUDGET COMPARISONS (CONTINUED)

		Actuals per Statement of Financial Performance R	Reclassification due mSCOA vs GRAP classification R	Actuals per Budget Comparison R
EXPENDITURE				
Employee Related Costs	**40**	187 780 457	(1 054 098)	186 726 359
Remuneration of Councillors	**41**	7 666 627	-	7 666 627
Bulk Purchases	**45**	176 862 848	(8 729 330)	168 133 519
Inventory Consumed		-	22 945 076	22 945 076
Debt Impairment	**42**	44 590 716	-	44 590 716
Depreciation and Amortisation	**43**	26 364 628	-	26 364 628
Interest	**44**	28 126 593	-	28 126 593
Contracted Services	**46**	122 980 780	-	122 980 780
Transfers and Subsidies	**47**	8 635 469	-	8 635 469
Operational Costs	**48**	51 601 949	(13 161 648)	38 440 300
Losses on disposal of Assets	**38**	3 802 507	-	3 802 507
Other Losses	**49**	1 229 804	-	1 229 804
Total Expenditure		**659 642 377**	**-**	**659 642 377**
Surplus/(Deficit)		**12 537 737**	**100 854**	**12 638 591**
Transfers and Subsidies - Capital (monetary allocations	**24 & 25**	40 757 413	(100 854)	40 656 559
Surplus/(Deficit) for the year		**53 295 150**	**-**	**53 295 150**

The items reclassified can be summarised as follow:

Item	GRAP Classification	Budget Classification	Amount
Revenue			
Outstanding Debtors	Interest Earned - Outstanding Debtors	Interest Earned from Receivables (Non-Exchange)	3 353 238
Chieta Training Grant	Government Grants and Subsidies - Operating	Operational Revenue (Exchange)	372 525
Construction Housing Top Structures	Construction Contracts	Transfers and Subsidies - Operational	81 044 139
PVVK Management Services	Transfers and Subsidies - Capital (monetary allocations)	Operational Revenue (Exchange)	130 347
Department of Cultural Affairs and Sport	Library Services	Transfers and Subsidies - Operational	7 269 638
Department of Cultural Affairs and Sport	Library Services	Transfers and subsidies - capital (monetary allocations)	29 493
Expenditure			
Workmen's Compensation Fund	Employee Related Costs	Operational Costs	1 054 098
Water	Bulk Purchases	Inventory Consumed	8 729 330
Chemicals	Other Expenditure	Inventory Consumed	1 548 865
Fuel	Other Expenditure	Inventory Consumed	60 486
Maintenance Materials	Other Expenditure	Inventory Consumed	8 959 630
Printing and Stationary	Other Expenditure	Inventory Consumed	847 987
Refuse bags	Other Expenditure	Inventory Consumed	1 883 595
Sundries and Other Consumables	Other Expenditure	Inventory Consumed	915 184

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53 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".
- Interest on Outstanding Debtors are budgeted under "Interest", but for GRAP purposes are disclosed as "Service Charges and Interest on Outstanding Debtors".
- 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
Service Charges and Interest on Outstanding Debtors / Service Charges	297 182 916	(2 989 631)	294 193 286
Other Revenue and Receipts / Other Revenue	117 308 599	(89 924 074)	27 384 525
Government Grants / Transfers and Subsidies	130 157 274	89 438 139	219 595 413
Investment Income / Interest	20 300 512	2 989 631	23 290 142
Increase / (decrease) in Consumer Deposits	-	485 935	485 935

53.2 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 Call Investment Deposits	More cash was available at year-end due to general savings on operating budget and an underspending on capital expenditure.
Receivables from Non-Exchange Transactions	Actuals were less than budget due to a significant increase in payments made by property developers towards availability charges and property rates.
VAT (Current Assets and Liabilities)	For budget purposes, the VAT amounts are aggregated and reported as either an asset or liability. For GRAP purposes, the is VAT separately disclosed as an asset (Input VAT) and liability (Output VAT). When being aggregated, the budget variance is immaterial.
Property, Plant and Equipment	Actuals were less than budget as the capital budget was not spent in full (90% 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.
Provisions (Non Current Liabilities)	The net decrease in the provision relate to the Piketberg landfill site, of which the capping footprint has been reduced by the new listed coordinates in the latest licence as referred to in note 21.
Accumulated Surplus	Actuals are more than budget as a result of the items listed under the "Statement of Financial Performance" section.
Funds and Reserves	Contribution towards reserves are based on the discretion of the Accounting Officer.

53 BUDGET COMPARISONS (CONTINUED)

53.3 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.
Transfers and Subsidies - Operational	Funds from the Department of Infrastructure earmarked for 2025/26, was reallocated to the 2024/25 financial year due to projects that advanced faster than anticipated.
Bulk Purchases	Increased in line with the increase in electricity revenue due to the suspension of loadshedding.
Debt Impairment	Increased due to a lower collection rate than initially anticipated. Debt Impairment was initially calculated on a collection rate of 95.0%, but was subsequently decreased to 93.2% based on the prior year's actual results.
Contracted Services	Funds from the Department of Infrastructure earmarked for 2025/26, was reallocated to the 2024/25 financial year due to projects that advanced faster than anticipated.
Transfers and Subsidies - Capital (monetary allocations)	Funds from the Department of Infrastructure earmarked for 2025/26, was reallocated to the 2024/25 financial year due to projects that advanced faster than anticipated.

Virements

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

Actual Amounts vs Final Budget

Transfers and Subsidies - Operational	Actuals less than budget as the budget relating to the construction of housing top structure could not be fully utilised during the financial year as the full allocation from the Department of Infrastructure was not transferred to the Municipality before 30 June 2025.
Other Gains	Actuals more than budget due to iGRAP 2 adjustment of the Piketberg landfill site as referred to in note 21.
Employee Related Costs	Actuals less than budget as 33 budgeted positions were still vacant at year-end.
Contracted Services	Actuals less than budget as the budget relating to the construction of housing top structure could not be fully utilised during the financial year as the full allocation from the Department of Infrastructure was not transferred to the Municipality before 30 June 2025. Consequently, expenditure relating to the construction of the housing top structure had to be curtailed to align with the actual funds received.
Operational Costs	Actuals were less than budget due to general savings.

Figures in Rand	2025	2024

53 BUDGET COMPARISONS (CONTINUED)

53.4 Cash Flow Statement

Adjustments to Original Budget

Net Cash from/(used) Operating Activities	Property Rates receipts decreased due to a decrease in the collection rate from 95.0% to 93.2%. Service Charges receipts increased mainly due to the increase in electricity sales as a result of loadshedding being suspended. Transfers and Subsidies receipts increased due to funding from the Department of Infrastructure earmarked for 2025/26, which was reallocated to the 2024/25 financial year. Payments of Suppliers and Employees increased due to an increase in electricity sales, which resulted in an increase in bulk electricity purchases. In addition, the increase in funding from the Department of Infrastructure, also resulted in a increase in the associated expenditure related to the funding.
Net Cash from/(used) Investing Activities	Capital Assets payments increased due to the increase in funding from the Department of Infrastructure.
Net Cash from/(used) Financing Activities	No material adjustments were made.

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 93.2%, whereas the actual collection rate achieved is calculated at 94.7%. Payments 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 of this note.
Net Cash from/(used) Investing Activities	No material variance noted.
Net Cash from/(used) Financing Activities	No material variance noted.

54 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

54.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

	2025	2024
Opening balance	-	-
Unauthorised expenditure current year - operating	-	-
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	-
Unauthorised expenditure awaiting further action	**-**	**-**

Figures in Rand	2025	2024

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

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

	2025 (Actual) R	2025 (Final Budget) R	2025 (Unauthorised) R	2024 (Unauthorised) R
Expenditure - Operating				
Vote 1 - Municipal Manager	35 566 532	37 945 420	-	-
Vote 2 - Finance	53 748 320	55 937 700	-	-
Vote 3 - Corporate Services	39 328 532	44 314 889	-	-
Vote 4 - Technical Services	364 915 354	379 387 733	-	-
Vote 5 - Community Services	166 083 639	178 847 922	-	-
Total	**659 642 377**	**696 433 664**	**-**	**-**
Expenditure - Capital				
Vote 1 - Municipal Manager	1 624 042	2 538 065	-	-
Vote 2 - Finance	1 071 685	1 100 000	-	-
Vote 3 - Corporate Services	1 152 191	1 155 000	-	-
Vote 4 - Technical Services	71 506 363	79 583 651	-	-
Vote 5 - Community Services	5 231 407	5 275 056	-	-
Total	**80 585 687**	**89 651 772**	**-**	**-**

54.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

	2025	2024
Opening balance	-	8 223
Fruitless and wasteful expenditure incurred - prior years	620 453	-
Fruitless and wasteful expenditure incurred - current year	63 292	-
Recovered from Employees	(93 592)	-
Approved by Council	-	(8 223)
Fruitless and wasteful expenditure awaiting further action	**590 153**	**-**

Details of fruitless and wasteful expenditure incurred

	2025	2024
(a) Medical deductions incorrectly recovered from employees	590 153	-
(b) Housing subsidy paid to employee without housing bond	93 592	-
Total	**683 745**	**-**

Details of fruitless and wasteful expenditure awaiting further action:

	2025	2024
(a) Medical deductions incorrectly recovered from employees	590 153	-
(b) Housing subsidy paid to employee without housing bond	-	-
Total	**590 153**	**-**

The status of each incident are as follows:

(a) Human Resources has been tasked to negotiate with employees on possible repayment. This process has not been finalised at reporting date.

(b) This matter has been finalised and the amount will be recovered from the employee.

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

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

54.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

	2025	2024
Opening balance	11 089 947	1 368 884
Irregular expenditure incurred - current year	7 208 992	3 168 218
Irregular expenditure incurred - prior periods	-	9 000 653
Recovered from Employees	(534)	(4 492)
Approved by Council	(14 513 886)	(2 443 314)
Irregular expenditure awaiting further action	**3 784 519**	**11 089 947**

Details of irregular expenditure incurred:

	2025	2024
(a) Quotations awarded without suppliers submitting a declaration of interest	-	-
(b) Non-compliance of MFMA Section 110(2)(a) - Supplier not considered an organ of state	865 676	10 149 207
(c) Non-compliance of SCM Regulation 17(1) - less than three formal quotes	-	183 610
(d) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	-	1 611 540
(e) Continuation of a contract without SCM extension of the contract	-	104 615
(f) Non-performance of supplier in terms of SCM Regulation 42	-	65 000
(g) Ratification of minor breaches of SCM Regulation 36(2)	534	54 899
(h) Prepaid electricity vending without a contract in breach of Section 116(3) of the MFMA	3 814 165	-
(i) Transfers deemed to be excluded from the context of section 67 of the MFMA, and considered to be the procurement of goods and services of which no procurement processes were followed.	2 340 000	-
(j) Expenditure incurred in excess of the approved contract amount awarded to supplier	32 154	-
(k) Awards made for which no procurement process was followed	156 464	-
Total	**7 208 992**	**12 168 870**

Details of irregular expenditure awaiting further action:

	2025	2024
(a) Quotations awarded without suppliers submitting a declaration of interest	-	46 600
(b) Non-compliance of MFMA Section 110(2)(a) - Supplier not considered an organ of state	-	10 149 207
(c) Non-compliance of SCM Regulation 17(1) - less than three formal quotes	-	183 610
(d) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	-	710 530
(e) Continuation of a contract without SCM extension of the contract	-	-
(f) Non-performance of supplier in terms of SCM Regulation 42	-	-
(g) Ratification of minor breaches of SCM Regulation 36(2)	-	-
(h) Prepaid electricity vending without a contract in breach of Section 116(3) of the MFMA	1 255 901	-
(i) Transfers deemed to be excluded from the context of section 67 of the MFMA, and considered to be the procurement of goods and services of which no procurement processes were followed.	2 340 000	-
(j) Expenditure incurred in excess of the approved contract amount awarded to supplier	32 154	-
(k) Awards made for which no procurement process was followed	156 464	-
Total	**3 784 519**	**11 089 947**

Incidents/cases identified in the current year include:

	2025	2024
(a) Quotations awarded without suppliers submitting a declaration of interest	0	0
(b) Non-compliance of MFMA Section 110(2)(a) - Supplier not considered an organ of state	0	1
(c) Non-compliance of SCM Regulation 17(1) - less than three formal quotes	0	2
(d) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	0	148
(e) Continuation of a contract without SCM extension of the contract	0	1
(f) Non-performance of supplier in terms of SCM Regulation 42	0	1
(g) Ratification of minor breaches of SCM Regulation 36(2)	1	3
(h) Prepaid electricity vending without a contract in breach of Section 116(3) of the MFMA	1	0
(i) Transfers deemed to be excluded from the context of section 67 of the MFMA, and considered to be the procurement of goods and services of which no procurement processes were followed.	3	0
(j) Expenditure incurred in excess of the approved contract amount awarded to supplier	1	0
(k) Awards made for which no procurement process was followed	2	0

No criminal proceedings required as no criminal offences occurred. Disciplinary steps instituted in all relevant matters.

Figures in Rand	2025	2024

55 MATERIAL LOSSES

55.1 Water distribution losses

	2025	2024
Kilo litres disinfected/purified/purchased	2 777 365	2 620 901
Kilo litres sold and free basic services	2 316 803	2 302 648
Kilo litres lost during distribution	460 562	318 253
Percentage lost during distribution	16.58%	12.14%

Water losses can mainly be ascribed to a combination of major pipe bursts, field leakages and ageing meter infrastructure. A concerted effort is underway to replace meters, water mains and metering systems to address the water losses.

55.2 Electricity distribution losses

	2025	2024
Units purchased (Kwh)	80 631 283	75 029 238
Units sold, free basic services and standard friction losses	71 262 639	65 703 484
Units lost during distribution (Kwh)	9 368 644	9 325 753
Percentage lost during distribution	11.62%	12.43%

Electricity losses can be ascribed to a combination of friction, transformer and losses associated with meter infrastructure. A meter replacement program in respect of electricity meters is underway to curb unaccounted losses.

56 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

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

	2025	2024
Opening balance	(1 334 804)	(1 280 196)
Expenditure incurred	1 829 278	1 725 130
Payments	(1 977 900)	(1 779 738)
Payments in advance	**(1 483 425)**	**(1 334 804)**

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

	2025	2024
Opening balance	-	55 202
Expenditure incurred	4 544 361	4 139 404
External Audit - Auditor-General	3 871 789	3 523 709
VAT on External Audit	580 768	528 556
Audit Committee	91 803	87 139
Payments	(4 544 361)	(4 194 606)
Outstanding Balance	-	-

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

	2025	2024
Opening balance	1 568 321	1 725 617
Net amount claimed / (declared) during the year	16 262 544	7 353 686
Net amount paid / (received) during the year	(11 134 738)	(7 510 981)
Outstanding Balance	**6 696 127**	**1 568 321**

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.

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

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

	2025	2024
Opening balance	-	-
Payroll deductions and Council Contributions during the year	29 551 225	25 570 144
Payments	(29 551 225)	(25 570 144)
Outstanding Balance	**-**	**-**

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

	2025	2024
Opening balance	-	-
Payroll deductions and Council Contributions during the year	45 350 717	40 023 803
Payments made to pension and medical fund	(45 350 717)	(40 023 803)
Outstanding Balance	**-**	**-**

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

No Councillors had arrear accounts outstanding for more than 90 days during the year.

56.7 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	1 817 230	72 823
Section 36(1)(a)(ii) - Single provider	50 773	1 003 464
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical to follow official procurement process	-	966 316
Total	**1 868 003**	**2 042 603**

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

	2025	2024
Vote 1 - Municipal Manager	-	-
Vote 2 - Finance	34 443	-
Vote 3 - Corporate Services	-	1 003 464
Vote 4 - Technical Services	1 712 680	659 318
Vote 5 - Community Services	120 880	379 821
Total	**1 868 003**	**2 042 603**

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

57 CAPITAL COMMITMENTS

	2025	2024
Approved and contracted for	**7 448 418**	**19 587 697**
Infrastructure	6 555 442	19 461 505
Community Assets	892 976	126 192
This expenditure will be financed from:		
Government Grants	7 448 418	19 587 697
Borrowing	-	-
Own Funding	-	-
Total	**7 448 418**	**19 587 697**

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

Figures in Rand	2025	2024

58 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

58.1 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	221 472 912	194 354 553
Receivables from exchange transactions	45 878 609	48 251 012
Receivables from non-exchange transactions	3 783 809	6 331 404
Long-term Receivables	7 596 294	5 949 218
Total	**278 731 624**	**254 886 187**

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	3 150 299	2 652 884
Water	4 368 775	5 300 059
Refuse	4 942 406	6 622 537
Sewerage	2 170 076	3 324 816
Interest	4 858 888	6 803 371
Other	1 153 014	2 271 738
Availability Charges	3 076 767	5 572 200
Total	**23 720 225**	**32 547 607**

Past due receivables are aged as follow:

	2025	2024
Past Due (31 - 60 Days)	4 923 189	4 515 968
Past Due (61 - 90 Days)	1 692 887	1 908 660
Past Due (90 Days +)	17 104 149	26 122 978
Total	**23 720 225**	**32 547 607**

Figures in Rand	2025	2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 Currency risk (Market Risk)

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

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

58.3 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)	221 472 912	194 354 553
Long-term Liabilities (including current portion)	-	-
Net balance exposed	**221 472 912**	**194 354 553**

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	1 107 365	971 773
0.5% (2024 - 0.5%) decrease in interest rates	(1 107 365)	(971 773)

58.4 Liquidity risk

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

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

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
30 JUNE 2025				
Annuity Loans	33 916 409	101 090 180	64 513 065	199 519 655
Payables from exchange transactions	39 550 725	-	-	39 550 725
Total	**73 467 134**	**101 090 180**	**64 513 065**	**239 070 380**
30 JUNE 2024				
Annuity Loans	27 791 081	98 327 931	63 794 329	189 913 342
Payables from exchange transactions	46 677 369	-	-	46 677 369
Total	**74 468 450**	**98 327 931**	**63 794 329**	**236 590 710**

58.5 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

59 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

Financial Assets

	2025	2024
Cash and Cash Equivalents	221 472 912	194 354 553
Bank Accounts	6 158 092	6 080 636
Investment Deposits	215 314 819	188 273 917
Receivables from Exchange Transactions	45 878 609	48 251 012
Electricity	16 385 046	13 678 062
Water	9 240 228	9 710 968
Refuse	8 827 731	9 449 038
Sewerage	3 745 941	4 679 578
Interest	5 277 382	7 150 917
Other	1 175 483	2 452 123
West Coast District Municipality	1 226 798	1 130 326
Receivables from Non-Exchange Transactions	3 783 809	6 331 404
Availability Charges	3 783 809	6 331 404
Long-term Receivables	7 596 294	5 949 218
Receivables with repayment arrangements	7 596 294	5 949 218
Total	**278 731 624**	**254 886 187**

Financial Liabilities

	2025	2024
Payables from Exchange Transactions	39 550 725	46 677 369
Trade Payables	32 184 814	39 811 091
Retentions	96 583	-
Sundry Creditors	3 302 030	3 037 923
Sundry Deposits	157 160	138 944
Unknown Receipts	3 617 111	3 328 212
Department of Infrastructure	181 601	280 019
Accrued Interest	11 426	81 180
Long-term Liabilities	132 663 172	123 389 172
Annuity Loans	132 663 172	123 389 172
Total	**172 213 897**	**170 066 540**

60 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	31 144 720	35 260 782
Rates	28 626 275	32 399 440
Fines	2 518 445	2 861 342
Taxes - VAT Claimable from SARS	-	-
Total	**31 144 720**	**35 260 782**

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

Property Rates are levied in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004). Refer to note 23 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 28 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.

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Figures in Rand	2025	2024

60 STATUTORY RECEIVABLES (CONTINUED)

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

Property Rates		
- Past due at the reporting date, and which have been impaired	8 398 070	14 591 550
- Past due that have not been impaired	20 178 940	24 990 267

61 PRINCIPAL-AGENT ARRANGEMENTS

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

61.1 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	288 024	303 121
Revenue collected from third parties	25 151 292	23 886 815
Commission earned on collections included in note 35	(3 653 648)	(3 476 544)
VAT on commission earned payable to the South African Revenue Services	(548 047)	(521 482)
Collections paid over to The Department	(20 841 672)	(19 903 886)
Collections payable to the Department at year-end	**395 949**	**288 024**

61.2 Department of Infrastructure

The Municipality acts as an agent for the Department of Infrastructure which includes, but is not limited to, assistance of emergency housing programmes (EHP's) and transfer of title deeds to beneficiaries.

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

	2025	2024
Balance at beginning of year	280 019	(411 604)
Expenditure incurred on behalf of Department	(98 418)	(47 163)
Written off	-	738 786
Balance at year-end	**181 602**	**280 019**

The balance at year-end is disclosed as follow:

	2025	2024
Advance received included in note 15	181 602	280 019

No resources (other than cash received in the form of an advance) are held on behalf of the Department of Infrastructure.

The Municipality does not receive any compensation from the department for the management of the beneficiary arrangement.

61.3 Other Arrangements

The Municipality has entered into arrangements with service providers to provide services to the public on behalf of the Municipality. The nature of these arrangements were assessed and the transactions are not considered to fall within the scope of GRAP 109. The types of arrangements considered for this purpose are:

- Traffic Fines Management

  The service provider is responsible for maintaining the fines register, sending of reminders for payment, issue and delivery of summonses and preparation of warrants of arrest. All fines revenue are collected by the Municipality in full. The service provider is paid a fixed amount for each fine collected.

- Prepaid Electricity Vendors

  Various prepaid electricity vendors sell electricity on the Municipality's behalf. The software used results in all transactions being recorded in the Municipality's sub-system. The Municipality collects the cash receipts from the vendors on a daily basis and therefore collects the revenue in full. Prepaid vendors earn commission on the value of each transaction.

Figures in Rand	2025	2024

62 EVENTS AFTER REPORTING DATE

Subsequent to the reporting date, the Municipality received a notice of motion to an urgent application in Court regarding a case where a tenderer appealed the outcome of a tender awarded. The Court date is set for 2 September 2025. This event, occurring after the reporting date, is considered a non-adjusting event as it does not relate to conditions that existed at the reporting date.

63 IN-KIND DONATIONS AND ASSISTANCE

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

64 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

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

65 CONTINGENT LIABILITIES

The Municipality is not currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.

66 RELATED PARTIES

66.1 Related Party Transactions

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

Other related parties transactions relate 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.

66.2 Related Party Loans

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

66.3 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 40 and 41.

66.4 Current Employee Benefits

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

			2025	2024
Adv H Linde	-	Municipal Manager	21 305	46 427
Mr JWA Kotzee	-	Director: Corporate Services	59 304	53 915
Mr DA Josephus	-	Director: Community Services	81 072	52 009
Mr PW Erasmus	-	Director: Financial Services	55 830	31 772
Mr DC Van Turha	-	Director: Technical Services	55 887	48 559
Total			**273 398**	**232 682**

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

			2025	2024
Mr DA Josephus	-	Director: Community Services	11 667	11 667
Mr DC Van Turha	-	Director: Technical Services	33 250	33 250
Mr PW Erasmus	-	Director: Financial Services	29 167	29 167
Total			**74 083**	**74 083**

Figures in Rand		2025	2024

66 RELATED PARTIES (CONTINUED)

66.5 Other related party transactions

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

67 OTHER 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	**Family member in service of the state**	2025	2024
Sonneberg Taxis Transport	S Sonneberg (Administration Officer at the Municipality)	42 050	70 300
Pison Hawila Construction	G Scheepers (Law Enforcement Officer at the Municipality)	2 744 229	432 344
Carien van Wyk	HP van Wyk (Senior Stores Worker at the Municipality)	137 400	90 000
Nissen Holdings	SG Nissen (Teacher at WCED)	13 500	7 500
Prinro Building	L Esau (Teacher at WCED)	282 387	179 074
JPCE (Pty) Ltd	JA Minnie (Manager of Disaster Management at CoCT)	807 155	-
Conlog (Pty) Ltd	N Moodley (Director at KZN DoH)	108 790	-
IX Engineers	RJ Mashegana (Nurse at GDoH)	1 702 427	786 790
Dinah Traders	N Hendricks (Cleaner at WCED)	-	103 490
Mubesko Africa	L Saaiman (Curriculum advisor at WCED) J Niehaus (Dietician at NCDoH)	2 000 398	1 211 972
TTR	N Matube (Finance clerk at WCLA)	-	32 266
Van der Spuy en Vennote	M van Zyl (Head Mistress at WCED)	61 384	54 215
JJJ Enterprise	S Kotze (e-Natis Clerc at Cederberg Municipality)	-	35 200
Nedbank	V Subramoney (Teacher GDE)	1 107 012	921 391
WEC - Consult (Pty) Ltd	Y Daniels (Finance and Records Officer at WCED)	132 825	100 338
Niel Lyners	A Potgieter (Professional Officer at CoCT)	-	3 628 580
National Sea Rescue Institute	SM Robertson (Operations Manager at WCED)	450 823	379 821
Hiload Inyandga Construction	A van Wyk (Teacher at WCED)	9 317 755	17 332 542
M & H Catering	G Scheepers (Law Enforcement Officer at the Municipality)	44 610	56 870
Total		**18 952 745**	**25 422 691**

The comparative figures have been restated from R25 418 691 to R25 422 691 due to trivial corrections amounting to R4 000.

The following abbreviations are applicable to this note:

CoCT	-	City of Cape Town Metropolitan Municipality
GDE	-	Gauteng Department of Education
GDoH	-	Gauteng Department of Health
KZN DoH	-	Kwazulu-Natal Department of Health
NCDoH	-	Northern Cape Department of Heath
WCED	-	Western Cape Education Department
WCLA	-	Western Cape Liquor Authority

68 CONTINGENT ASSET

The Municipality is not aware of any contingent assets.

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69 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.

70 iGRAP 18 - RECOGNITION AND DERECOGNITION OF LAND

The Municipality has assessed that it does not control certain portions of land of which it is the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly excluded from the jurisdictional area of the Municipality. The title deeds of the said erven has not been transferred.

71 NON-LIVING RESOURCES

Other than land, the Municipality identified an aquifer in the Aurora area as the only non-living resource of which the water is being extracted with the use of boreholes.

72 SEGMENT REPORTING

72.1 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, swimming pools, halls, cemeteries, parks, housing 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	Road transport	Construction and maintenance of roads and storm water
7	Energy sources	Electricity services
8	Water management	Water services
9	Waste water management	Sewerage services
10	Waste management	Refuse removal

72.2 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.

72.3 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.

72.4 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.

72 SEGMENT REPORTING (CONTINUED)

	Governance and administration	Community Services	Holiday Resorts	Public Safety	Planning and development	Road transport	Energy sources	Water management	Waste water management	Waste management	Total
	R	R	R	R	R	R	R	R	R	R	R
2025											
REVENUE											
External Revenue from Non-Exchange Transactions	**171 972 529**	**17 102 805**	**-**	**18 933 710**	**19 493 598**	**1 436 000**	**6 550 376**	**14 537 137**	**7 045 765**	**21 715 428**	**278 787 348**
Property Rates	118 674 956	-	-	-	-	-	-	-	-	-	118 674 956
Government Grants and Subsidies - Operating	51 075 385	2 443 536	-	-	3 903 426	1 436 000	2 184 232	4 342 490	4 763 748	9 943 277	80 092 094
Government Grants and Subsidies - Capital	1 161 641	14 648 042	-	-	15 590 172	-	533 913	8 652 734	-	40 565	40 627 066
Public Contributions and Donations - Capital	130 347	-	-	-	-	-	-	-	-	-	130 347
Availability Charges	-	-	-	-	-	-	3 818 824	1 532 312	2 282 017	3 606 489	11 239 643
Fines, Penalties and Forfeits	930 201	11 228	-	18 933 710	-	-	13 407	9 600	-	-	19 898 146
Fair Value Adjustment Gains	-	-	-	-	-	-	-	-	-	8 125 097	8 125 097
External Revenue from Exchange Transactions	**25 957 129**	**8 514 099**	**6 483 599**	**5 108 990**	**2 201 734**	**230 134**	**184 572 271**	**52 873 723**	**19 847 436**	**47 316 926**	**353 106 040**
Service Charges	-	-	-	-	-	-	183 929 055	51 230 023	18 710 346	44 916 504	298 785 929
Rental of Facilities and Equipment	1 050 036	393 103	27 739	-	-	-	-	-	-	-	1 470 878
Interest Earned - External Investments	20 337 838	-	-	-	-	-	-	-	-	-	20 337 838
Interest Earned - Outstanding Debtors	3 355 781	-	-	-	-	-	430 175	1 643 700	1 131 888	2 170 537	8 732 082
Licences and Permits	-	-	-	5 923	-	-	-	-	-	-	5 923
Agency Services	-	-	-	4 977 368	-	-	-	-	-	-	4 977 368
Library Services	-	7 299 130	-	-	-	-	-	-	-	-	7 299 130
Other Income	1 213 474	821 865	6 455 860	125 699	2 201 734	230 134	213 040	-	5 201	229 885	11 496 893
Construction Contracts	**-**	**81 044 139**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**81 044 139**
TOTAL REVENUE	**197 929 658**	**106 661 042**	**6 483 599**	**24 042 700**	**21 695 332**	**1 666 134**	**191 122 647**	**67 410 860**	**26 893 201**	**69 032 355**	**712 937 527**
EXPENDITURE											
Employee Related Costs	63 587 037	24 805 772	4 705 578	18 722 753	12 246 285	24 558 318	10 398 440	7 923 520	5 106 306	15 726 448	187 780 457
Remuneration of Councillors	7 666 627	-	-	-	-	-	-	-	-	-	7 666 627
Debt Impairment	14 528 703	-	-	11 928 815	-	-	605 928	5 690 050	3 710 974	8 126 245	44 590 716
Depreciation and Amortisation	2 957 702	2 912 518	148 298	673 492	527 564	7 051 924	2 633 614	4 177 144	4 036 781	1 245 589	26 364 628
Finance Charges	9 049 454	1 035 408	-	27 840	201 357	2 013 712	1 602 268	3 372 656	783 873	10 040 026	28 126 593
Bulk Purchases	-	-	-	-	-	-	168 133 519	8 729 330	-	-	176 862 848
Contracted Services	10 662 780	83 325 458	909 189	5 693 516	1 253 693	1 178 258	2 738 756	896 657	2 012 029	14 310 445	122 980 780
Transfers and Grants	8 635 469	-	-	-	-	-	-	-	-	-	8 635 469
Other Expenditure	20 585 380	3 457 134	792 145	2 196 459	435 387	4 561 488	7 674 694	6 725 526	950 946	4 222 790	51 601 949
Loss on disposal of Non-Monetary Assets	3 802 507	-	-	-	-	-	-	-	-	-	3 802 507
Fair Value Adjustment Losses	1 229 804	-	-	-	-	-	-	-	-	-	1 229 804
Total Expenditure	**142 705 463**	**115 536 290**	**6 555 210**	**39 242 875**	**14 664 286**	**39 363 700**	**193 787 219**	**37 514 882**	**16 600 909**	**53 671 543**	**659 642 377**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**55 224 195**	**(8 875 247)**	**(71 611)**	**(15 200 175)**	**7 031 046**	**(37 697 566)**	**(2 664 573)**	**29 895 977**	**10 292 292**	**15 360 812**	**53 295 150**
Less: Government Grants and Subsidies - Capital	(1 161 641)	(14 648 042)	-	-	(15 590 172)	-	(533 913)	(8 652 734)	-	(40 565)	(40 627 066)
Less: Public Contributions and Donations - Capital	(130 347)	-	-	-	-	-	-	-	-	-	(130 347)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**53 932 208**	**(23 523 289)**	**(71 611)**	**(15 200 175)**	**(8 559 126)**	**(37 697 566)**	**(3 198 486)**	**21 243 243**	**10 292 292**	**15 320 246**	**12 537 737**
CAPITAL EXPENDITURE FOR THE YEAR	**8 050 677**	**4 004 947**	**90 479**	**1 135 981**	**570 890**	**8 528 081**	**33 729 195**	**11 551 874**	**11 735 881**	**1 187 682**	**80 585 687**

72 SEGMENT REPORTING (CONTINUED)

	Governance and administration R	Community Services R	Holiday Resorts R	Public Safety R	Planning and development R	Road transport R	Energy sources R	Water management R	Waste water management R	Waste management R	Total R
2024											
REVENUE											
External Revenue from Non-Exchange Transactions	**163 786 148**	**33 051 609**	**-**	**24 321 110**	**12 956 123**	**2 852 000**	**6 440 680**	**12 487 800**	**6 190 838**	**16 545 497**	**278 631 803**
Property Rates	107 400 455	-	-	-	-	-	-	-	-	-	107 400 455
Government Grants and Subsidies - Operating	51 773 248	400 000	-	-	2 407 677	2 852 000	1 821 027	3 616 176	3 904 253	7 799 043	74 573 425
Government Grants and Subsidies - Capital	2 401 380	32 643 015	-	926 000	10 538 146	-	880 793	7 391 300	-	122 025	54 902 659
Availability Charges	-	-	-	-	-	-	3 722 620	1 480 324	2 286 584	3 422 765	10 912 293
Insurance Refund	3 916	-	-	4 870	-	-	-	-	-	-	8 785
Fines, Penalties and Forfeits	1 350 457	8 594	-	23 390 240	10 300	-	16 239	-	-	-	24 775 830
Fair Value Adjustment Gains	856 693	-	-	-	-	-	-	-	-	5 201 663	6 058 356
External Revenue from Exchange Transactions	**24 800 460**	**8 305 269**	**5 969 095**	**4 897 081**	**2 199 567**	**284 739**	**147 283 738**	**46 239 749**	**18 539 122**	**40 023 849**	**298 542 670**
Service Charges	-	-	-	-	-	-	146 618 983	44 528 807	17 211 049	36 959 851	245 318 691
Rental of Facilities and Equipment	1 125 870	323 205	6 565	-	-	-	-	-	-	-	1 455 641
Interest Earned - External investments	18 498 029	-	-	-	-	-	-	-	-	-	18 498 029
Interest Earned - Outstanding Debtors	3 416 443	-	-	-	-	-	384 861	1 710 941	1 319 366	2 681 977	9 513 589
Licences and Permits	-	-	-	16 625	-	-	-	-	-	-	16 625
Agency Services	-	-	-	4 809 673	-	-	-	-	-	-	4 809 673
Library Services	-	7 340 001	-	-	-	-	-	-	-	-	7 340 001
Other Income	647 658	642 063	5 962 530	70 783	2 199 567	284 739	279 893	-	8 707	382 021	10 477 962
Gain on disposal of Non-Monetary Assets	1 112 460	-	-	-	-	-	-	-	-	-	1 112 460
TOTAL REVENUE	**188 586 609**	**41 356 878**	**5 969 095**	**29 218 191**	**15 155 690**	**3 136 739**	**153 724 417**	**58 727 549**	**24 729 960**	**56 569 346**	**577 174 473**
EXPENDITURE											
Employee Related Costs	56 771 996	22 491 016	4 346 419	16 076 599	12 600 128	21 533 414	9 323 596	7 097 017	4 382 805	13 280 901	167 903 890
Remuneration of Councillors	7 328 144	-	-	-	-	-	-	-	-	-	7 328 144
Debt Impairment	12 703 972	-	-	16 492 775	-	-	426 212	3 864 020	2 876 324	5 901 817	42 265 121
Depreciation and Amortisation	2 575 198	2 557 561	161 697	638 161	344 539	6 128 711	2 460 406	3 133 770	3 251 866	4 140 959	25 392 868
Finance Charges	8 628 665	417 296	-	43 666	2 236	2 058 069	1 582 968	2 405 303	708 133	11 263 061	27 109 397
Bulk Purchases	-	-	-	-	-	-	144 988 077	8 184 976	-	-	153 173 053
Contracted Services	10 757 127	1 829 367	774 157	5 713 901	1 778 511	1 145 163	1 740 906	1 514 442	1 452 399	11 456 698	38 162 672
Transfers and Grants	10 169 390	-	-	-	-	-	-	-	-	-	10 169 390
Other Expenditure	20 393 791	3 317 078	737 482	2 421 445	558 944	5 378 744	5 248 405	5 526 100	991 613	3 394 818	47 968 420
Total Expenditure	**129 328 283**	**30 612 317**	**6 019 755**	**41 386 547**	**15 284 359**	**36 244 100**	**165 770 571**	**31 725 628**	**13 663 139**	**49 438 255**	**519 472 954**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**59 258 326**	**10 744 560**	**(50 660)**	**(12 168 356)**	**(128 669)**	**(33 107 361)**	**(12 046 154)**	**27 001 921**	**11 066 821**	**7 131 091**	**57 701 519**
Less: Government Grants and Subsidies - Capital	(2 401 380)	(32 643 015)	-	(926 000)	(10 538 146)	-	(880 793)	(7 391 300)	-	(122 025)	(54 902 659)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**56 856 946**	**(21 898 455)**	**(50 660)**	**(13 094 356)**	**(10 666 815)**	**(33 107 361)**	**(12 926 947)**	**19 610 621**	**11 066 821**	**7 009 066**	**2 798 860**
CAPITAL EXPENDITURE FOR THE YEAR	**10 157 235**	**7 311 005**	**381 019**	**2 236 044**	**37 577 342**	**7 726 574**	**7 544 308**	**19 723 428**	**11 880 771**	**1 000 998**	**105 538 723**

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDED 30 JUNE 2025

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2024	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2025
ANNUITY LOANS							
ABSA Bank Limited	3044701437	10.57%	2026/06/01	1 651 463	-	(786 231)	865 232
ABSA Bank Limited	3046456438	10.12%	2027/06/30	2 458 773	-	(733 227)	1 725 546
ABSA Bank Limited	3054195743	7.22%	2026/06/30	1 508 654	-	(728 888)	779 766
ABSA Bank Limited	3062514111	10.64%	2035/06/30	-	21 036 485	-	21 036 485
Development Bank of Southern Africa	61001029	12.41%	2030/06/30	9 869 141	-	(1 106)	9 868 035
Development Bank of Southern Africa	61006811	11.53%	2031/06/30	2 459 286	-	(244 837)	2 214 449
Development Bank of Southern Africa	61006837	11.59%	2036/06/30	7 099 526	-	259 589	7 359 115
Development Bank of Southern Africa	61006975	11.33%	2032/06/30	2 642 585	-	(216 213)	2 426 372
Development Bank of Southern Africa	61007572	9.28%	2029/06/29	3 562 497	-	330 600	3 893 097
Development Bank of Southern Africa	61007642	10.07%	2030/06/30	4 662 734	-	(596 502)	4 066 232
Nedbank Limited	19/1139646400001	11.70%	2033/06/30	13 072 555	-	(877 114)	12 195 441
Standard Bank of South Africa Limited	654527	9.02%	2031/06/30	9 284 970	-	(998 431)	8 286 539
Standard Bank of South Africa Limited	729304	11.05%	2032/06/30	10 291 124	-	(851 321)	9 439 803
Standard Bank of South Africa Limited	729271	10.62%	2027/06/30	1 916 052	-	(573 109)	1 342 943
Standard Bank of South Africa Limited	797102	10.74%	2028/06/30	12 465 479	-	(2 640 282)	9 825 197
Standard Bank of South Africa Limited	797125	12.44%	2038/06/30	10 652 833	-	(303 048)	10 349 785
Standard Bank of South Africa Limited	855227	10.31%	2029/06/30	10 548 400	-	(1 698 625)	8 849 775
Standard Bank of South Africa Limited	855242	11.17%	2034/06/30	19 243 100	-	(1 103 740)	18 139 360
Total Annuity Loans				**123 389 172**	**21 036 485**	**(11 762 485)**	**132 663 172**

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APPENDIX B (UNAUDITED)

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

NATIONAL GOVERNMENT	OPENING BALANCE R	GRANTS RECEIVED R	GRANTS REPAID R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	CLOSING BALANCE R
Equitable Share	-	68 086 000	-	(68 086 000)	-	-
Finance Management Grant (FMG)	-	1 700 000	-	(1 700 000)	-	-
Municipal Infrastructure Grant (MIG)	2 491 177	16 274 000	-	(3 153 426)	(15 590 172)	21 579
Expanded Public Works Programme (EPWP)	-	1 436 000	-	(1 436 000)	-	-
Water Service Infrastructure Grant (WSIG)	-	20 000 000	-	(1 297 910)	(8 652 734)	10 049 356
Integrated National Electrification Programme (INEP)	-	614 000	-	(80 087)	(533 913)	-
Total	**2 491 177**	**108 110 000**	**-**	**(75 753 423)**	**(24 776 819)**	**10 070 935**
PROVINCIAL GOVERNMENT						
Regional Socio - Economic Project	870 761	1 000 000	-	-	(1 110 704)	760 057
Financial Management Capacity Building Grant	204 868	775 000	(204 867)	(747 932)	-	27 069
Department of Infrastructure	63 599	19 369 294	(63 599)	(2 443 536)	(14 648 042)	2 277 717
Joint District and Metro Approach Grant	58 065	-	-	(7 129)	(50 936)	-
Municipal Capacity Building Grant	-	750 000	-	(750 000)	-	-
Total	**1 197 293**	**21 894 294**	**(268 466)**	**(3 948 596)**	**(15 809 682)**	**3 064 843**
OTHER GRANT PROVIDERS						
Heist op den Berg	168 141	-	-	(17 550)	(40 565)	110 026
Chieta Training Grant	284 762	421 446	-	(372 525)	-	333 683
Total	**452 903**	**421 446**	**-**	**(390 075)**	**(40 565)**	**443 709**
ALL SPHERES OF GOVERNMENT	**4 141 373**	**130 425 740**	**(268 466)**	**(80 092 094)**	**(40 627 066)**	**13 579 487**

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
Financial Performance						
Property rates	118 480 000	(588 000)	117 892 000	118 674 956	782 956	107 400 455
Service charges	265 539 000	27 867 000	293 406 000	298 785 929	5 379 929	245 318 691
Investment revenue	19 873 000	2 162 000	22 035 000	20 337 838	(1 697 162)	18 498 029
Transfers recognised - operational	110 356 870	64 567 702	174 924 572	168 033 345	(6 891 227)	80 922 194
Other own revenue	69 106 000	(2 387 153)	66 718 847	66 448 900	(269 947)	69 977 467
Total Operating Revenue (excluding capital transfers)	**583 354 870**	**91 621 549**	**674 976 419**	**672 280 968**	**(2 695 451)**	**522 116 836**
Employee costs	195 468 940	(2 718 474)	192 750 466	186 726 359	(6 024 107)	167 041 919
Remuneration of councillors	7 617 639	137 361	7 755 000	7 666 627	(88 373)	7 328 144
Depreciation & asset impairment	62 537 000	7 653 000	70 190 000	70 955 343	765 343	67 657 989
Finance charges	32 205 500	(4 009 700)	28 195 800	28 126 593	(69 207)	27 109 397
Inventory consumed and bulk purchases	171 643 500	28 473 357	200 116 857	191 078 594	(9 038 263)	163 417 067
Transfers and subsidies	8 841 000	778 679	9 619 679	8 635 469	(984 210)	10 169 390
Other expenditure	113 102 840	74 703 022	187 805 862	166 453 391	(21 352 471)	76 749 049
Total Expenditure	**591 416 419**	**105 017 245**	**696 433 664**	**659 642 377**	**(36 791 287)**	**519 472 954**
Surplus/(Deficit)	**(8 061 549)**	**(13 395 696)**	**(21 457 245)**	**12 638 591**	**34 095 836**	**2 643 882**
Transfers and subsidies - capital (monetary allocations)	23 723 130	17 407 118	41 130 248	40 656 559	(473 689)	55 057 636
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-
Surplus/(Deficit) for the year	**15 661 581**	**4 011 422**	**19 673 003**	**53 295 150**	**33 622 147**	**57 701 519**
Capital expenditure & funds sources						
Capital expenditure	**75 594 298**	14 057 474	**89 651 772**	**80 585 687**	(9 066 085)	**105 538 723**
Transfers recognised - capital	23 723 130	17 407 118	41 130 248	40 511 685	(618 563)	54 947 726
Borrowing	23 774 848	1 086 320	24 861 168	18 245 271	(6 615 897)	32 520 817
Internally generated funds	28 096 320	(4 435 964)	23 660 356	21 828 732	(1 831 624)	18 070 180
Total sources of capital funds	**75 594 298**	**14 057 474**	**89 651 772**	**80 585 687**	**(9 066 085)**	**105 538 723**
Cash flows						
Net cash from (used) operating	59 200 079	6 038 894	65 238 973	103 201 733	37 962 760	101 671 621
Net cash from (used) investing	(74 525 298)	(14 057 474)	(88 582 772)	(85 843 310)	2 739 461	(100 462 691)
Net cash from (used) financing	10 814 372	(3 805 827)	7 008 546	9 759 935	2 751 390	18 454 631
Net Cash Movement for the year	(4 510 847)	(11 824 406)	(16 335 253)	27 118 358	43 453 611	19 663 561
Cash/cash equivalents at beginning of year	160 426 807	33 947 596	194 374 403	194 374 403	-	174 710 842
Cash/cash equivalents at the year end	**155 915 960**	**22 123 190**	**178 039 150**	**221 492 761**	**43 453 611**	**194 374 403**

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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	68 150 000	(19 403 000)	48 747 000	48 334 669	(412 331)	47 835 280
Finance and administration	151 203 000	2 862 528	154 065 528	148 295 873	(5 769 655)	138 024 128
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	9 415 000	73 000	9 488 000	8 414 029	(1 073 971)	8 260 405
Sport and recreation	6 276 000	-	6 276 000	6 594 897	318 897	6 022 553
Public safety	24 259 000	(2 772 000)	21 487 000	19 065 331	(2 421 669)	24 408 518
Housing	26 413 000	76 055 686	102 468 686	98 135 716	(4 332 970)	33 043 015
Economic and environmental services						
Planning and development	19 782 000	3 534 312	23 316 312	22 994 448	(321 864)	17 882 891
Road transport	7 016 000	510 000	7 526 000	6 643 502	(882 498)	7 946 412
Trading services						
Energy sources	161 145 000	27 376 000	188 521 000	191 122 647	2 601 647	153 724 417
Water management	58 477 000	6 981 000	65 458 000	67 410 860	1 952 860	58 727 549
Waste water management	22 331 000	4 841 000	27 172 000	26 893 201	(278 799)	24 729 960
Waste management	52 611 000	8 970 141	61 581 141	69 032 355	7 451 214	56 569 346
Total Revenue - Standard	**607 078 000**	**109 028 667**	**716 106 667**	**712 937 527**	**(3 169 140)**	**577 174 473**
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	29 043 544	1 000 614	30 044 158	28 479 595	(1 564 563)	28 680 909
Finance and administration	97 641 484	13 688 962	111 330 446	107 138 931	(4 191 515)	94 380 156
Internal audit	2 142 429	(193 929)	1 948 500	1 910 016	(38 484)	1 044 286
Community and public safety						
Community and social services	16 575 927	(16 138)	16 559 789	15 217 088	(1 342 701)	14 138 192
Sport and recreation	25 122 601	364 946	25 487 547	23 258 251	(2 229 296)	20 192 675
Public safety	43 666 333	(1 947 183)	41 719 150	37 488 488	(4 230 662)	39 592 869
Housing	28 792 152	60 404 860	89 197 012	83 616 161	(5 580 851)	2 301 205
Economic and environmental services						
Planning and development	20 847 561	293 201	21 140 762	19 841 207	(1 299 555)	20 507 290
Road transport	42 825 194	(1 059 594)	41 765 600	39 847 772	(1 917 828)	37 023 886
Trading services						
Energy sources	178 342 267	24 970 733	203 313 000	193 787 219	(9 525 781)	165 770 571
Water management	36 272 759	3 628 741	39 901 500	37 514 882	(2 386 618)	31 725 628
Waste water management	18 676 815	1 057 785	19 734 600	17 871 224	(1 863 376)	14 677 032
Waste management	51 467 353	2 824 247	54 291 600	53 671 543	(620 057)	49 438 255
Total Expenditure - Standard	**591 416 419**	**105 017 245**	**696 433 664**	**659 642 377**	**(36 791 287)**	**519 472 954**
Surplus/(Deficit) for the year	**15 661 581**	**4 011 422**	**19 673 003**	**53 295 150**	**33 622 147**	**57 701 519**

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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Municipal Manager	69 150 000	(18 246 865)	50 903 135	49 633 785	(1 269 350)	50 562 480
Vote 2 - Finance	145 388 000	2 605 000	147 993 000	146 957 092	(1 035 908)	134 682 126
Vote 3 - Corporate Services	3 477 000	333 528	3 810 528	627 821	(3 182 707)	1 951 434
Vote 4 - Technical Services	317 447 000	51 300 318	368 747 318	378 531 487	9 784 169	313 434 269
Vote 5 - Community Services	71 616 000	73 036 686	144 652 686	137 187 341	(7 465 345)	76 544 163
Total Revenue by Vote	**607 078 000**	**109 028 667**	**716 106 667**	**712 937 527**	**(3 169 140)**	**577 174 473**
EXPENDITURE						
Vote 1 - Municipal Manager	37 073 651	871 769	37 945 420	35 566 532	(2 378 888)	34 948 126
Vote 2 - Finance	45 400 420	10 537 280	55 937 700	53 748 320	(2 189 380)	49 722 598
Vote 3 - Corporate Services	44 762 696	(447 807)	44 314 889	39 328 532	(4 986 357)	38 417 358
Vote 4 - Technical Services	345 184 028	34 203 705	379 387 733	364 915 354	(14 472 379)	314 684 913
Vote 5 - Community Services	118 995 624	59 852 298	178 847 922	166 083 639	(12 764 283)	81 699 958
Total Expenditure by Vote	**591 416 419**	**105 017 245**	**696 433 664**	**659 642 377**	**(36 791 287)**	**519 472 954**
Surplus/(Deficit) for the year	**15 661 581**	**4 011 422**	**19 673 003**	**53 295 150**	**33 622 147**	**57 701 519**

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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE BY SOURCE AND EXPENDITURE BY TYPE						
Exchange Revenue						
Service Charges - Electricity	155 913 000	25 176 000	181 089 000	183 929 055	2 840 055	146 618 983
Service Charges - Water	45 105 000	3 595 000	48 700 000	51 230 023	2 530 023	44 528 807
Service Charges - Waste Water Management	18 559 000	61 000	18 620 000	18 710 346	90 346	17 211 049
Service Charges - Waste Management	45 962 000	(965 000)	44 997 000	44 916 504	(80 496)	36 959 851
Sale of Goods and Rendering of Services	10 280 000	(813 000)	9 467 000	10 463 392	996 392	9 785 480
Agency services	5 253 000	(320 000)	4 933 000	4 977 368	44 368	4 809 673
Interest Earned from Receivables (Exchange)	6 532 000	463 000	6 995 000	5 378 844	(1 616 156)	6 201 858
Interest Earned from Current and Non Current Assets	19 873 000	2 162 000	22 035 000	20 337 838	(1 697 162)	18 498 029
Rental from Fixed Assets	1 850 000	25 000	1 875 000	1 470 878	(404 122)	1 455 641
Licences and Permits	30 000	(9 000)	21 000	5 923	(15 077)	10 234
Operational Revenue (Exchange)	1 375 000	478 847	1 853 847	1 536 373	(317 474)	1 537 521
Non-Exchange Revenue						
Property Rates	118 480 000	(588 000)	117 892 000	118 674 956	782 956	107 400 455
Fines, Penalties and Forfeits	24 947 000	(2 823 000)	22 124 000	19 898 146	(2 225 854)	24 775 830
Licences or Permits	10 000	-	10 000	-	(10 000)	6 391
Transfers and Subsidies - Operational	110 356 870	64 567 702	174 924 572	168 033 345	(6 891 227)	80 922 194
Interest Earned from Receivables (Non-Exchange)	3 733 000	341 000	4 074 000	3 353 238	(720 762)	3 311 732
Operational Revenue (Non-Exchange)	11 101 000	270 000	11 371 000	11 239 643	(131 357)	10 912 293
Gains on Disposal of Assets	1 069 000	-	1 069 000	-	(1 069 000)	1 112 460
Other Gains	2 926 000	-	2 926 000	8 125 097	5 199 097	6 058 356
Total Revenue (excluding capital transfers)	**583 354 870**	**91 621 549**	**674 976 419**	**672 280 968**	**(2 695 451)**	**522 116 836**
Employee Related Costs	195 468 940	(2 718 474)	192 750 466	186 726 359	(6 024 107)	167 041 919
Remuneration of Councillors	7 617 639	137 361	7 755 000	7 666 627	(88 373)	7 328 144
Bulk Purchases	145 913 000	26 780 000	172 693 000	168 133 519	(4 559 482)	144 988 077
Inventory Consumed	25 730 500	1 693 357	27 423 857	22 945 076	(4 478 781)	18 428 990
Debt Impairment	32 363 000	11 104 000	43 467 000	44 590 716	1 123 716	42 265 121
Depreciation and Amortisation	30 174 000	(3 451 000)	26 723 000	26 364 628	(358 372)	25 392 868
Interest	32 205 500	(4 009 700)	28 195 800	28 126 593	(69 207)	27 109 397
Contracted Services	63 208 400	73 608 399	136 816 799	122 980 780	(13 836 019)	38 175 872
Transfers and Subsidies	8 841 000	778 679	9 619 679	8 635 469	(984 210)	10 169 390
Operational Costs	46 963 440	1 094 623	48 058 063	38 440 300	(9 617 763)	38 573 178
Losses on disposal of Assets	-	-	-	3 802 507	3 802 507	-
Other Losses	2 931 000	-	2 931 000	1 229 804	(1 701 196)	-
Total Expenditure	**591 416 419**	**105 017 245**	**696 433 664**	**659 642 377**	**(36 791 287)**	**519 472 954**
Surplus/(Deficit)	**(8 061 549)**	**(13 395 696)**	**(21 457 245)**	**12 638 591**	**34 095 836**	**2 643 882**
Transfers and Subsidies - Capital (monetary allocations)	23 723 130	17 407 118	41 130 248	40 656 559	(473 689)	55 057 636
Transfers and Subsidies - Capital (in-kind)	-	-	-	-	-	-
Surplus/(Deficit) for the year	**15 661 581**	**4 011 422**	**19 673 003**	**53 295 150**	**33 622 147**	**57 701 519**

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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CAPITAL EXPENDITURE						
CAPITAL EXPENDITURE (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Municipal Manager	-	-	-	-	-	-
Vote 2 - Finance	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	434 478
Vote 4 - Technical Services	38 871 282	(4 825 910)	34 045 372	26 254 170	(7 791 202)	54 808 735
Vote 5 - Community Services	825 000	336 656	1 161 656	1 161 655	(1)	400 724
Total Multi-year expenditure	**39 696 282**	**(4 489 254)**	**35 207 028**	**27 415 825**	**(7 791 203)**	**55 643 938**
Single-year expenditure						
Vote 1 - Municipal Manager	1 433 320	1 104 745	2 538 065	1 624 042	(914 023)	2 847 981
Vote 2 - Finance	700 000	400 000	1 100 000	1 071 685	(28 315)	497 769
Vote 3 - Corporate Services	1 010 000	145 000	1 155 000	1 152 191	(2 809)	1 636 471
Vote 4 - Technical Services	27 184 696	18 353 583	45 538 279	45 252 193	(286 086)	34 891 883
Vote 5 - Community Services	5 570 000	(1 456 600)	4 113 400	4 069 752	(43 648)	10 020 681
Total Single-year expenditure	**35 898 016**	**18 546 728**	**54 444 744**	**53 169 862**	**(1 274 882)**	**49 894 785**
Total Capital Expenditure by Vote	**75 594 298**	**14 057 474**	**89 651 772**	**80 585 687**	**(9 066 085)**	**105 538 723**
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	45 000	(7 267)	37 733	37 731	(2)	21 133
Finance and administration	3 265 000	3 231 181	6 496 181	6 426 635	(69 546)	7 309 254
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	785 000	323 877	1 108 877	1 068 752	(40 125)	2 084 274
Sport and recreation	4 740 000	(2 356 406)	2 383 594	2 383 581	(13)	2 683 520
Public safety	870 000	269 485	1 139 485	1 135 981	(3 504)	2 236 044
Housing	-	643 100	643 100	643 093	(7)	2 924 229
Economic and environmental services						
Planning and development	4 403 320	(1 287 988)	3 115 332	2 157 201	(958 131)	40 404 189
Road transport	8 755 000	(348 305)	8 406 695	6 753 022	(1 653 673)	4 767 845
Trading services						
Energy sources	25 544 957	12 300 211	37 845 168	33 729 195	(4 115 973)	7 544 308
Water management	12 817 803	16 952	12 834 755	11 551 874	(1 282 881)	19 723 428
Waste water management	12 703 218	1 652 493	14 355 711	13 510 940	(844 771)	14 839 499
Waste management	1 665 000	(379 859)	1 285 141	1 187 682	(97 459)	1 000 998
Total Capital Expenditure - Standard	**75 594 298**	**14 057 474**	**89 651 772**	**80 585 687**	**(9 066 085)**	**105 538 723**

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CAPITAL EXPENDITURE (CONTINUED)						
FUNDING SOURCES						
National Government	22 693 130	2 145 372	24 838 502	24 776 819	(61 683)	17 929 446
Provincial Government	1 030 000	15 111 114	16 141 114	15 643 364	(497 750)	34 724 115
District Municipality	-	50 491	50 491	50 936	445	2 172 140
Transfers and subsidies - capital (other monetary allocations)	-	100 141	100 141	40 565	(59 576)	122 025
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-
Transfers recognised - capital	23 723 130	17 407 118	41 130 248	40 511 684.55	(618 563)	54 947 726
Borrowing	23 774 848	1 086 320	24 861 168	18 245 271	(6 615 897)	32 520 817
Internally generated funds	28 096 320	(4 435 964)	23 660 356	21 828 732	(1 831 624)	18 070 180
Total Capital Funding	**75 594 298**	**14 057 474**	**89 651 772**	**80 585 687**	**(9 066 085)**	**105 538 723**

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CASH FLOWS						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	119 140 433	(6 671 465)	112 468 968	113 573 072	1 104 104	102 282 595
Service charges	265 303 519	22 566 206	287 869 725	294 193 286	6 323 561	243 425 738
Other revenue	24 581 000	188 266	24 769 266	27 384 525	2 615 259	24 209 666
Transfers and Subsidies - Operational	110 356 870	63 901 856	174 258 726	178 938 854	4 680 128	83 340 496
Transfers and Subsidies - Capital	23 723 130	24 216 363	47 939 493	40 656 559	(7 282 934)	55 057 636
Interest	24 629 445	1 401 464	26 030 909	23 290 142	(2 740 767)	21 826 884
Payments						
Suppliers and employees	(484 680 819)	(100 424 816)	(585 105 635)	(552 839 889)	32 265 746	(406 912 235)
Finance charges	(15 012 500)	1 654 700	(13 357 800)	(13 359 347)	(1 547)	(11 389 770)
Transfers and grants	(8 841 000)	(793 679)	(9 634 679)	(8 635 469)	999 210	(10 169 390)
NET CASH FROM OPERATING ACTIVITIES	**59 200 079**	**6 038 894**	**65 238 973**	**103 201 733**	**37 962 760**	**101 671 621**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	1 069 000	-	1 069 000	325 381	(743 619)	1 375 358
Payments		-				
Capital assets	(75 594 298)	(14 057 474)	(89 651 772)	(86 168 692)	3 483 080	(101 838 049)
NET CASH USED IN INVESTING ACTIVITIES	**(74 525 298)**	**(14 057 474)**	**(88 582 772)**	**(85 843 310)**	**2 739 461**	**(100 462 691)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	23 774 848	(2 738 363)	21 036 485	21 036 485	-	29 791 500
Increase (decrease) in consumer deposits	503 812	(97 706)	406 106	485 935	79 829	529 668
Payments						
Repayment of borrowing	(13 464 288)	(969 758)	(14 434 046)	(11 762 485)	2 671 561	(11 866 537)
NET CASH FROM FINANCING ACTIVITIES	**10 814 372**	**(3 805 827)**	**7 008 546**	**9 759 935**	**2 751 390**	**18 454 631**
NET INCREASE/ (DECREASE) IN CASH HELD	**(4 510 847)**	**(11 824 406)**	**(16 335 253)**	**27 118 358**	**43 453 611**	**19 663 561**
Cash/cash equivalents at the year begin:	160 426 807	33 947 596	194 374 403	194 374 403	-	174 710 842
Cash/cash equivalents at the year end:	155 915 960	22 123 190	178 039 150	221 492 762	43 453 611	194 374 403

AUDITOR-GENERAL SOUTH AFRICA

30 Nov '25

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX D (UNAUDITED)

OPERATING DEPARTMENTAL REVENUE AND EXPENDITURE FOR THE YEAR END 30 JUNE 2025

	OPERATING REVENUE				OPERATING EXPENDITURE			
	ORIGINAL BUDGET R	FINAL BUDGET R	ACTUAL OUTCOME R	BUDGET VARIANCE %	ORIGINAL BUDGET R	FINAL BUDGET R	ACTUAL OUTCOME R	BUDGET VARIANCE %
Vote 1 - Municipal Manager	**68 150 000**	**48 981 893**	**48 472 144**	**-1%**	**37 073 651**	**37 945 420**	**35 566 532**	**-6%**
Mayor and Council	-	-	-	0%	13 772 275	14 429 639	14 098 145	-2%
Municipal Manager	68 150 000	48 747 000	48 334 669	-1%	15 271 269	15 614 519	14 381 450	-8%
Economic DevelopmentPlanning	-	234 893	137 475	-41%	5 887 678	5 952 762	5 176 921	-13%
Internal Audit	-	-	-	0%	2 142 429	1 948 500	1 910 016	-2%
Vote 2 - Finance	**145 388 000**	**147 993 000**	**146 957 092**	**-1%**	**45 400 420**	**55 937 700**	**53 748 320**	**-4%**
Finance	145 356 000	147 961 000	146 472 618	-1%	29 002 878	39 473 100	38 208 161	-3%
Budget and Treasury Office	-	-	-	0%	3 225 065	3 028 600	2 746 404	-9%
Supply Chain Management	32 000	32 000	484 474	1414%	11 216 248	11 180 600	10 614 331	-5%
Director Finance Services	-	-	-	0%	1 956 229	2 255 400	2 179 425	-3%
Vote 3 - Corporate Services	**3 477 000**	**3 810 528**	**627 821**	**-84%**	**44 762 696**	**44 314 889**	**39 328 532**	**-11%**
Planning and Development	198 000	274 000	253 076	-8%	6 455 235	6 515 400	6 284 665	-4%
Human Resources	3 276 000	3 533 528	372 525	-89%	19 082 581	18 892 699	16 775 274	-11%
Information Technology	-	-	-	0%	7 159 966	7 303 590	6 362 286	-13%
Administrative and Corporate Support	3 000	3 000	2 221	-26%	9 489 664	8 995 200	7 427 804	-17%
Director Corporate Services	-	-	-	0%	2 575 250	2 608 000	2 478 504	-5%
Vote 4 - Technical Services	**294 753 870**	**343 808 675**	**353 714 103**	**3%**	**345 184 028**	**379 387 733**	**364 915 354**	**-4%**
Building Control	2 286 000	1 371 000	1 948 658	42%	3 520 295	3 344 100	3 008 496	-10%
Project Management Unit	2 834 435	3 906 240	3 903 426	0%	4 984 353	5 328 500	5 371 125	1%
Fleet Management	-	-	-	0%	572 233	-	-	0%
Property Services	2 536 000	2 536 000	964 036	-62%	8 434 964	8 705 000	7 918 881	-9%
Director Technical Services	-	-	-	0%	2 128 456	4 858 533	7 678 599	58%
Solid Waste Removal	52 611 000	61 481 000	68 991 790	12%	45 802 401	46 808 300	46 881 968	0%
Street Cleaning	-	-	-	0%	5 664 952	7 483 300	6 789 575	-9%
Sewerage	22 331 000	27 172 000	26 893 201	-1%	14 033 358	14 934 000	14 213 502	-5%
Waste Water Treatment	-	-	-	0%	3 130 927	3 222 400	2 387 408	-26%
Storm Water Management	-	-	-	0%	1 512 530	1 578 200	1 270 314	-20%
Water Distribution	49 781 348	56 762 348	58 758 126	4%	34 119 496	36 793 900	34 682 408	-6%
Water Treatment	-	-	-	0%	2 153 263	3 107 600	2 832 474	-9%
Roads	1 763 000	2 593 000	1 666 134	-36%	40 784 533	39 910 900	38 093 386	-5%
Electricity	160 611 087	187 987 087	190 588 734	1%	176 823 611	201 514 200	192 065 092	-5%
Street Lighting	-	-	-	0%	1 518 656	1 798 800	1 722 128	-4%

BERGRIVIER LOCAL MUNICIPALITY

APPENDIX D (UNAUDITED)

OPERATING DEPARTMENTAL REVENUE AND EXPENDITURE FOR THE YEAR END 30 JUNE 2025

	OPERATING REVENUE				OPERATING EXPENDITURE			
	ORIGINAL BUDGET R	FINAL BUDGET R	ACTUAL OUTCOME R	BUDGET VARIANCE %	ORIGINAL BUDGET R	FINAL BUDGET R	ACTUAL OUTCOME R	BUDGET VARIANCE %
Vote 5 - Community Services	**71 586 000**	**130 382 323**	**122 509 807**	**-6%**	**118 995 624**	**178 847 922**	**166 083 639**	**-7%**
Director Community Services	-	-	-	0%	2 797 950	4 029 724	4 749 265	18%
Libraries and Archives	8 455 000	8 480 507	7 400 587	-13%	9 651 318	9 714 907	8 956 273	-8%
Community Halls and Facilities	278 000	278 000	323 095	16%	5 435 840	5 325 220	4 797 357	-10%
Cemetaries	652 000	700 000	660 854	-6%	1 488 769	1 519 662	1 463 458	-4%
Housing Core	1 000	1 000	-	-100%	2 279 152	2 352 613	2 190 381	-7%
Housing Non-Core	26 412 000	88 226 816	83 487 674	-5%	26 513 000	86 844 399	81 425 779	-6%
Traffic Control	24 254 000	21 422 000	18 939 633	-12%	38 782 079	37 403 500	33 089 634	-12%
Fire Fighting and Protection	5 000	65 000	125 699	93%	4 884 254	4 315 650	4 398 854	2%
Community Parks	114 000	114 000	87 504	-23%	11 703 310	12 174 600	11 792 447	-3%
Sports Grounds and Stadiums	-	-	-	0%	4 817 248	4 548 197	3 768 094	-17%
Swimming Pools	21 000	21 000	23 793	13%	1 500 497	1 292 400	1 142 500	-12%
Holiday Resorts	6 141 000	6 141 000	6 483 599	6%	7 101 546	7 472 350	6 555 210	-12%
Road and Traffic Regulation	5 253 000	4 933 000	4 977 368	1%	2 040 661	1 854 700	1 754 387	-5%
TOTAL	**583 354 870**	**674 976 419**	**672 280 968**	**0%**	**591 416 419**	**696 433 664**	**659 642 377**	**-5%**