THEEWATERSKLOOF LOCAL MUNICIPALITY

Theewaterskloof
Municipality

AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2025

THEEWATERSKLOOF LOCAL MUNICIPALITY

INDEX

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

THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Theewaterskloof Local Municipality performs the functions as set out in the Constitution of the Republic of South Africa, 1996.

LEGAL FORM

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

JURISDICTION

The Theewaterskloof Local Municipality includes the following areas:

Caledon	Greyton
Grabouw	Genadendal
Villiersdorp	Botrivier
Riviersonderend	Tesselaarsdal

MEMBERS OF THE COUNCIL

Ward 1	PJ Stander	
Ward 2	CT Cloete	
Ward 3	CA Benjamin	
Ward 4	Y van Tonder	
Ward 5	M Botes	
Ward 6	RL Mienies	
Ward 7	M Plato-Mentoor	
Ward 8	M Mpambani	
Ward 9	D Jooste	
Ward 10	J Smit	
Ward 11	DA Jacobs	
Ward 12	MS Shale	
Ward 13	MA Nomkoko	
Ward 14	S Fredericks	
Proportional	C Clayton	(inaugurated October 2024)
Proportional	DA Appel	
Proportional	B Mkwhibiso	
Proportional	RM Nongxaza	
Proportional	T Lemina	
Proportional	H Syster	
Proportional	W Wells	(inaugurated October 2024)
Proportional	H Linnerts	(inaugurated October 2024)
Proportional	J Lekhori	(inaugurated July 2024)
Proportional	M Gana	
Proportional	T Zimmermann	
Proportional	LM De Bruyn	
Proportional	V Papier	(inaugurated December 2024)
Proportional	J Michels	(served until October 2024)
Proportional	S Shuma	(inaugurated August 2024; served until October 2024)
Proportional	J Mckenzie	(served until October 2024)
Proportional	M Liebenberg	(served until November 2024)
Proportional	M Mathews	(served until July 2024)

THEEWATERSKLOOF LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	LM De Bruyn	(from August 2024)
Executive Mayor	M Liebenberg	(until August 2024)
Deputy Executive Mayor	C Clayton	(from November 2024)
Deputy Executive Mayor	S Shuma	(from August 2024 to until October 2024)
Deputy Executive Mayor	J Michels	(until August 2024)
Speaker	W Wells	(from November 2024)
Speaker	J Michels	(from August 2024 to until October 2024)
Speaker	DA Appel	(until August 2024)
Executive Councillor	C Cloete	(from November 2024)
Executive Councillor	Y van Tonder	(from November 2024)
Executive Councillor	S Fredericks	(from November 2024)
Executive Councillor	M Plato- Mentoor	(from November 2024)
Executive Councillor	H Linnerts	(from November 2024)
Executive Councillor	J Mckenzie	(until October 2024)
Executive Councillor	RL Mienies	(until August 2024)
Executive Councillor	RM Nongxaza	(until August 2024)
Executive Councillor	T Lemina	(until August 2024)
Executive Councillor	BB Mkhwibiso	(until August 2024)

MUNICIPAL MANAGER

Mr W Hendricks	(fixed term appointment from 1 July 2025)
Mr W Hendricks	(acting from 1 February 2025 until 30 June 2025)
Mr J Amansure	(acting from 23 December 2024 until 31 January 2025)
Mr R Stevens	(acting from 23 June 2024 until 22 December 2024)

CHIEF FINANCIAL OFFICER

Mr P Mabhena	(permanently appointed from 9 October 2024)
Mr A Riddles	(acting from 17 September 2024 to 8 October 2024)
Vacant	(from 1 July 2024 - 16 September 2024)

AUDIT COMMITTEE

Mr E Lakey - Chairperson
Ms R Gani
Ms V Jobe (resigned 20 June 2025)

REGISTERED OFFICE

6 Plein Street
Caledon
7230

POSTAL ADDRESS

PO Box 24
Caledon
7230

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

Standard Bank of South Africa Limited

ATTORNEYS

Brink & Thomas Incorporated
Fairbridges Attorneys
Bradley Conradie Halton Cheadle
Enderstein Malumbete
Kruger & Blignaut

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations
Municipal Budget and Reporting Regulations
National Environmental Management Act
Preferential Procurement Policy Framework Act, No 5 of 2000
Occupational Health and Safety Act
mSCOA Regulation
Municipal Land Use Planning By-Law, 2020
Extension of Security of Tenure (Act 62 of 1997)
Uniform Rules of Court

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

I am responsible for the preparation of these annual financial statements year ended 30 June 2025, which are set out on pages 1 to 102 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

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

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

Mr W Hendricks	30 · 8 · 2025
Municipal Manager	Date

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
ASSETS			
Current Assets		**105 078 679**	**113 968 865**
Cash and Cash Equivalents	**2**	17 624 430	16 382 868
Current Investments	**13**	-	14 626 575
Receivables from Exchange Transactions	**3**	43 278 207	42 632 454
Receivables from Non-Exchange Transactions	**4**	26 927 891	23 361 657
Taxes	**5**	6 454 693	5 598 541
Operating Leases	**6**	667 901	630 774
Current Portion of Long-term Receivables	**7**	2 266 683	1 786 841
Inventory	**8**	7 858 873	8 949 155
Non-Current Assets		**1 329 461 278**	**1 256 199 663**
Long-term Receivables	**7**	7 237 691	5 131 335
Investment Property	**9**	67 261 934	67 392 741
Property, Plant and Equipment	**10**	1 254 530 434	1 183 212 613
Intangible Assets	**11**	157 576	214 158
Heritage Assets	**12**	-	-
Non-current Investments	**13**	273 643	248 817
Total Assets		**1 434 539 957**	**1 370 168 528**
LIABILITIES			
Current Liabilities		**318 258 426**	**318 283 934**
Current Portion of Long-term Liabilities	**14**	33 338 186	26 957 321
Consumer Deposits	**15**	6 862 893	6 144 594
Payables from Exchange Transactions	**16**	216 887 119	196 945 388
Unspent Conditional Government Grants	**17**	25 698 857	54 592 306
Unspent Public Contributions	**18**	124 377	124 377
Current Employee Benefits	**19**	35 346 994	33 519 948
Current Provisions	**20**	-	-
Non-Current Liabilities		**334 764 073**	**328 921 555**
Long-term Liabilities	**14**	124 653 222	154 400 067
Employee Benefits	**21**	74 890 000	64 468 000
Non-Current Provisions	**22**	135 220 851	110 053 489
Total Liabilities		**653 022 499**	**647 205 490**
NET ASSETS		**781 517 458**	**722 963 039**
COMMUNITY WEALTH			
Accumulated Surplus		781 517 458	722 963 039
		781 517 458	**722 963 039**

THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**449 487 260**	**419 732 349**
Taxation Revenue		**161 347 202**	**153 615 706**
Property Rates	**23**	161 347 202	153 615 706
Transfer Revenue - Operating		**149 488 382**	**142 816 758**
Government Grants and Subsidies - Operating	**24**	149 488 382	142 295 019
Public Contributions and Donations	**25**	-	521 740
Transfer Revenue - Capital		**103 439 974**	**79 803 716**
Government Grants and Subsidies - Capital	**24**	103 395 418	77 999 337
Contributed Assets	**26**	44 556	1 804 379
Other Revenue		**35 211 702**	**43 496 169**
Availability Charges	**27**	5 536 768	5 250 479
Fines, Penalties and Forfeits	**28**	28 519 962	20 794 954
Fair Value Adjustment Gains	**29**	217 340	16 498 458
Other Income (Non-Exchange)	**30**	937 633	952 280
REVENUE FROM EXCHANGE TRANSACTIONS		**401 279 478**	**367 954 720**
Operating Activities		**401 279 478**	**367 954 720**
Service Charges	**31**	341 481 524	307 235 352
Rental of Facilities and Equipment	**32**	2 097 325	2 038 661
Interest Earned - External Investments	**33**	3 484 407	6 150 879
Interest Earned - Outstanding Debtors	**34**	28 820 327	28 428 544
Agency Services	**35**	8 352 463	7 938 120
Library Services	**36**	8 641 739	10 462 937
Other Income (Exchange)	**37**	8 401 693	5 700 228
CONSTRUCTION CONTRACTS	**38**	**5 275 387**	**-**
TOTAL REVENUE		**856 042 124**	**787 687 070**
EXPENDITURE			
Employee Related Costs	**39**	283 154 149	276 550 832
Remuneration of Councillors	**40**	13 148 261	13 189 413
Debt Impairment	**41**	100 461 167	88 787 711
Depreciation and Amortisation	**42**	35 341 245	34 240 737
Impairment	**43**	5 979 245	-
Finance Charges	**44**	47 204 499	41 699 341
Bulk Purchases	**45**	148 675 501	123 274 458
Contracted Services	**46**	63 838 859	142 111 229
Transfers and Grants	**47**	4 916 357	8 122 821
Other Expenditure	**48**	83 475 304	128 339 468
Loss on disposal of Non-Monetary Assets	**49**	7 677 329	40 340 813
Fair Value Adjustment Losses	**50**	3 615 810	131 312
TOTAL EXPENDITURE		**797 487 725**	**896 788 136**
NET SURPLUS/(DEFICIT) FOR THE YEAR		**58 554 400**	**(109 101 067)**

THEEWATERSKLOOF LOCAL MUNICIPALITY

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

	CAPITAL REPLACEMENT RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2023 - Previously Reported	**50 052 457**	**781 543 188**	**831 595 646**
Correction of error restatement - refer to note 51.5	-	468 464	468 464
Balance on 30 June 2023 - Restated	**50 052 457**	**782 011 652**	**832 064 109**
Net Deficit for the year	-	(109 101 070)	(109 101 070)
Transfer to/(from) Capital Replacement Reserve	(50 052 457)	50 052 457	-
Balance on 30 June 2024 - Restated	**-**	**722 963 039**	**722 963 039**
Net Surplus for the year	-	58 554 419	58 554 419
Balance on 30 June 2025	**-**	**781 517 458**	**781 517 458**

THEEWATERSKLOOF LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		157 204 418	149 081 611
Service Charges and Interest on outstanding Debtors		296 988 030	265 234 654
Other Revenue and Receipts		37 735 185	35 796 359
Government Grants		153 619 797	255 446 962
Investment Income		2 553 848	5 088 757
Payments			
Suppliers and Employees		(577 538 105)	(605 453 772)
Finance Charges		(16 637 179)	(21 622 624)
Transfer and Grants		(4 916 357)	(8 122 821)
NET CASH FROM OPERATING ACTIVITIES	**52**	**49 009 636**	**75 449 126**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of Property, Plant and Equipment		1 207 137	678 435
Decrease in Investments		1 530 200	-
Investment Income		5 537 109	-
Payments			
Purchase of Capital Assets		(41 146 359)	(124 362 917)
NET CASH USED INVESTING ACTIVITIES		**(32 871 913)**	**(123 684 483)**
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
New Loans Raised		-	-
Payments			
Loans Repaid		(14 896 162)	(21 298 156)
NET CASH USED FINANCING ACTIVITIES		**(14 896 162)**	**(21 298 156)**
NET INCREASE/(DECREASE) IN CASH HELD		**1 241 562**	**(69 533 512)**
Cash and Cash Equivalents at the beginning of the year		16 382 868	85 916 380
Cash and Cash Equivalents at the end of the year		17 624 430	16 382 868

THEEWATERSKLOOF LOCAL MUNICIPALITY

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

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Current Assets					
Cash and Cash Equivalents	-	11 736 431	11 736 431	17 624 430	5 887 999
Trade and Other Receivables from Exchange Transactions	40 694 560	2 727 948	43 422 508	43 278 207	(144 301)
Receivables from Non-Exchange Transactions	57 279 669	(26 660 303)	30 619 366	26 927 891	(3 691 474)
Current Portion of Non-Current Receivables	702 045	1 084 796	1 786 841	2 266 683	479 842
Inventory	12 457 565	(3 508 410)	8 949 155	7 858 873	(1 090 283)
VAT	13 106 799	(753)	13 106 045	6 454 693	(6 651 352)
Other Current Assets	611 421	19 354	630 774	667 901	37 127
Total Current Assets	**124 852 058**	**(14 600 938)**	**110 251 120**	**105 078 679**	**(5 172 441)**
Non Current Assets					
Investments	16 428 680	(7 779 863)	8 648 817	273 643	(8 375 174)
Investment Property	68 564 654	(1 171 913)	67 392 741	67 261 934	(130 807)
Property, Plant and Equipment	1 484 321 448	(158 080 829)	1 326 240 619	1 254 530 434	(71 710 184)
Intangible Assets	152 313	1 333	153 646	157 576	3 930
Other Non-Current Assets	940 461	4 190 874	5 131 335	7 237 691	2 106 356
Total Non Current Assets	**1 570 407 555**	**(162 840 398)**	**1 407 567 157**	**1 329 461 278**	**(78 105 879)**
TOTAL ASSETS	**1 695 259 613**	**(177 441 335)**	**1 517 818 277**	**1 434 539 957**	**(83 278 320)**
LIABILITIES					
Current Liabilities					
Bank Overdraft	18 736 866	(18 736 866)	-	-	-
Financial Liabilities	29 204 403	(7 947 278)	21 257 125	33 338 186	12 081 061
Consumer Deposits	6 164 036	349 234	6 513 270	6 862 893	349 623
Trade and Other Payables from Exchange Transactions	113 954 198	153 402 224	267 356 422	216 887 119	(50 469 303)
Trade and Other Payables from Non-Exchange Transactions	787 508	15 657 489	16 444 997	25 823 234	9 378 237
Provisions	34 343 099	10 474 067	44 817 166	35 346 994	(9 470 172)
Total Current Liabilities	**203 190 110**	**153 198 870**	**356 388 980**	**318 258 426**	**(38 130 554)**
Non Current Liabilities					
Financial Liabilities	269 769 310	(136 531 315)	133 237 995	124 653 222	(8 584 773)
Provision	217 029 708	(22 536 696)	194 493 012	210 110 851	15 617 839
Total Non Current Liabilities	**486 799 018**	**(159 068 011)**	**327 731 007**	**334 764 073**	**7 033 066**
TOTAL LIABILITIES	**689 989 127**	**(5 869 141)**	**684 119 986**	**653 022 499**	**(31 097 488)**
NET ASSETS	**1 005 270 486**	**(171 572 195)**	**833 698 291**	**781 517 458**	**(52 180 833)**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus	1 005 270 486	(171 572 195)	833 698 291	781 517 458	(52 180 833)
TOTAL COMMUNITY WEALTH/EQUITY	**1 005 270 486**	**(171 572 195)**	**833 698 291**	**781 517 458**	**(52 180 833)**

Refer to note 54.2 for explanations of material variances.

Material variances are considered to be any variances greater than R8 million.

AUDITOR-GENERAL SOUTH AFRICA
29 November 2025
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THEEWATERSKLOOF LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDING 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	147 247 127	5 535 874	152 783 001	-	152 783 001	150 631 575	(2 151 426)
Service charges - Water	93 493 178	2 543 822	96 037 000	-	96 037 000	98 181 696	2 144 696
Service charges - Waste Water Management	44 970 430	7 535 940	52 506 370	-	52 506 370	46 372 262	(6 134 108)
Service charges - Waste Management	44 748 880	(416 880)	44 332 000	-	44 332 000	44 412 183	80 183
Sale of Goods and Rendering of Services	26 953 327	(12 163 185)	14 790 142	-	14 790 142	4 482 116	(10 308 026)
Agency Services	9 894 125	-	9 894 125	-	9 894 125	8 352 463	(1 541 662)
Interest Earned from Receivables (Exchange)	27 426 475	(1 441 475)	25 985 000	-	25 985 000	24 800 212	(1 184 788)
Interest Earned from Current and Non Current Assets	7 762 950	(3 912 950)	3 850 000	-	3 850 000	3 484 407	(365 594)
Rent on Land	1 049	-	1 049	-	1 049	-	(1 049)
Rental from Fixed Assets	1 716 288	-	1 716 288	-	1 716 288	2 097 325	381 037
Licences and Permits	24 539	-	24 539	-	24 539	71 125	46 586
Operational Revenue (Exchange)	3 406 479	196 646	3 603 125	-	3 603 125	5 003 424	1 400 299
Non-Exchange Revenue							
Property Rates	161 158 121	(34 121)	161 124 000	-	161 124 000	161 347 202	223 202
Surcharges and Taxes	1 917 000	(20 000)	1 897 000	-	1 897 000	1 883 808	(13 192)
Fines, Penalties and Forfeits	34 393 958	(4 524 000)	29 869 958	-	29 869 958	28 519 962	(1 349 996)
Transfers and Subsidies - Operational	165 949 951	3 195 720	169 145 671	-	169 145 671	163 405 508	(5 740 163)
Interest Earned from Receivables (Non-Exchange)	6 116 750	(1 838 750)	4 278 000	-	4 278 000	4 020 115	(257 885)
Operational Revenue (Non-Exchange)	5 130 356	7 857 644	12 988 000	-	12 988 000	5 536 768	(7 451 232)
Gains on Disposal of Assets	45 010	-	45 010	-	45 010	-	(45 010)
Other Gains	5 301 000	245 000	5 546 000	-	5 546 000	-	(5 546 000)
Total Revenue (excluding capital transfers)	**787 656 993**	**2 759 285**	**790 416 278**	**-**	**790 416 278**	**752 602 151**	**(37 814 127)**
EXPENDITURE							
Employee Related Costs	273 248 679	9 875 603	283 124 282	-	283 124 282	281 508 900	(1 615 382)
Remuneration of Councillors	14 356 276	-	14 356 276	-	14 356 276	13 148 261	(1 208 015)
Bulk Purchases - Electricity	100 717 761	25 000 000	125 717 761	-	125 717 761	120 103 715	(5 614 046)
Inventory Consumed	39 925 745	6 591 365	46 517 110	-	46 517 110	39 710 746	(6 806 364)
Debt Impairment	126 999 850	(12 933 845)	114 066 005	-	114 066 005	100 461 167	(13 604 838)
Depreciation and Amortisation	35 811 040	(120 000)	35 691 040	-	35 691 040	41 320 523	5 629 483
Interest	47 642 335	2 290 635	49 932 970	-	49 932 970	47 204 499	(2 728 471)
Contracted Services	58 065 105	12 054 086	70 119 191	-	70 119 191	58 563 472	(11 555 719)
Transfers and Subsidies	5 781 382	2 236 072	8 017 454	-	8 017 454	5 501 302	(2 516 152)
Operational Costs	76 381 396	12 327 780	88 709 176	-	88 709 176	78 672 035	(10 037 141)
Losses on Disposal of Assets	3 213 937	(1 649 527)	1 564 410	-	1 564 410	7 677 311	6 112 901
Other Losses	5 301 000	345 000	5 646 000	-	5 646 000	3 615 810	(2 030 190)
Total Expenditure	**787 444 506**	**56 017 169**	**843 461 675**	**-**	**843 461 675**	**797 487 741**	**(45 973 934)**
Surplus/(Deficit)	**212 487**	**(53 257 884)**	**(53 045 397)**	**-**	**(53 045 397)**	**(44 885 590)**	**8 159 807**
Transfers and Subsidies - Capital (monetary allocations)	112 747 785	(50 825 738)	61 922 047	-	61 922 047	38 444 084	(23 477 963)
Transfers and Subsidies - Capital (in-kind)	-	101 790 176	101 790 176	-	101 790 176	64 995 890	(36 794 286)
Surplus/(Deficit) for the year	**112 960 272**	**(2 293 446)**	**110 666 826**	**-**	**110 666 826**	**58 554 384**	**(52 112 442)**

Refer to note 54.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 54.3 for explanations of material variances.

Material variances are considered to be any variances greater than R8 million.

THEEWATERSKLOOF LOCAL MUNICIPALITY

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

CASH FLOW STATEMENT	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property Rates	149 905 685	3 323 239	153 228 924	157 204 418	3 975 494
Service Charges	273 833 142	11 868 674	285 701 816	296 988 030	11 286 214
Other Revenue	45 601 142	2 057 646	47 658 789	22 421 043	(25 237 746)
Transfers and Subsidies	278 697 736	(85 901 704)	192 796 032	163 761 536	(29 034 496)
Interest	10 335 140	(3 458 840)	6 876 300	7 918 485	1 042 185
Payments					
Suppliers and Employees	(588 434 771)	33 144 823	(555 289 948)	(577 538 105)	(22 248 157)
Finance Charges	(25 296 734)	(3 702 236)	(28 998 970)	(16 637 179)	12 361 791
Transfers and Grants	(5 781 382)	(2 236 072)	(8 017 454)	(4 916 357)	3 101 097
Net Cash from/(used) Operating Activities	**138 859 958**	**(44 904 470)**	**93 955 489**	**49 201 870**	**(44 753 619)**
CASH FLOW FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	45 010	-	45 010	1 207 137	1 162 127
Decrease/(Increase) in Other Non-Current Investments	(1 216 939)	7 443 515	6 226 575	6 156 775	(69 800)
Payments					
Capital Assets	(219 674 818)	141 294 899	(78 379 919)	(41 146 359)	37 233 560
Net Cash from/(used) Investing Activities	**(220 846 747)**	**148 738 413**	**(72 108 334)**	**(33 782 447)**	**38 325 887**
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts					
Borrowing long term/refinancing	98 104 348	(98 104 348)	-	-	-
Increase/(Decrease) in Consumer Deposits	348 908	19 768	368 676	718 300	349 624
Payments					
Repayment of Borrowing	(34 170 659)	7 308 391	(26 862 268)	(14 896 162)	11 966 106
Net Cash from/(used) Financing Activities	**64 282 597**	**(90 776 189)**	**(26 493 592)**	**(14 177 862)**	**12 315 731**
NET INCREASE/(DECREASE) IN CASH HELD	**(17 704 192)**	**13 057 754**	**(4 646 437)**	**1 241 562**	**5 887 999**
Cash and Cash Equivalents at the year begin	(1 032 674)	17 415 543	16 382 868	16 382 868	-
Cash and Cash Equivalents at the year end	(18 736 866)	30 473 297	11 736 431	17 624 430	5 887 999

Refer to note 54.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 54.4 for explanations of material variances.

Material variances are considered to be any variances greater than R8 million.

1 ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION

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

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

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

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

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

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

1.02 TRANSITIONAL PROVISIONS

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

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

1.03 PRESENTATION CURRENCY

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

1.04 GOING CONCERN ASSUMPTION

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

1.05 COMPARATIVE INFORMATION

1.05.1 Prior year comparatives

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

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

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

1.05.2 Amended Accounting Policies

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

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

1.06 MATERIALITY

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

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

1.07 BUDGET INFORMATION

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

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

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

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

1.08.1 Effective dates determined

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

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

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

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

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

(a) Changes in the classification of instruments for subsequent measurement – financial assets are measured at either amortised cost or fair value based on the reason why they are held and their economic characteristics. Specific liabilities are measured at fair value, and all others are measured at amortised cost.

(b) The approach to impairing financial assets changed from an incurred loss to an expected loss model. As indicated in the name, expected losses estimate the expected default of financial assets over a period of time rather than only recognising an impairment loss when an event occurs.

(c) Loan commitments and financial guarantee contracts are recognised and measured differently. They are no longer in the scope of GRAP 19 on *Provisions, Contingent Liabilities and Contingent Assets* . When entering into these transactions there is an economic consequence that exposes an entity to risk. Accounting for them as financial instruments best captures this risk exposure.

(d) With the changes in the classification of instruments and impairment approach, there is new information that GRAP 104 requires entities to disclose.

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

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

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

1.08.2 Effective dates not yet determined

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

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

1.08.2.1 GRAP 103 (Revised 2022) - Heritage Assets

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

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

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

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

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

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

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

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

1.08.2.4 GRAP 107 (Revised 2023) - Mergers

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

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

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

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

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

1.08.2.6 Improvements to the Standards of GRAP (2023)

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

1.09 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.

1.10 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
Buildings	20 - 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.

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		**Community Assets**	
Land	Infinite	Parks and Gardens	15 - 20
Buildings	20 - 100	Cemeteries	30
		Other Assets	
Infrastructure		Computer Equipment	3 - 15
Roads and Storm Water	5 - 150	Furniture and Office Equipment	3 - 20
Electricity Network	10 - 100	Machinery and Equipment	2 - 35
Sewerage Network	10 - 200	Transport Assets	5 - 35
Water Network	10 - 200		
Refuse Removal	20 - 50		

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	3 - 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 held 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 incurred 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 70% as contribution and the remaining 30% is paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the 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

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.

1.16.3.3 Provision for Performance Bonuses

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

1.16.3.4 Other Short-term Employee Benefits

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

(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 recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
(b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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 NON-CURRENT INVESTMENTS

Investments which include investments in listed shares and fixed deposits invested in registered commercial banks.

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

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

1.25 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.

1.26 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.

1.27 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.

1.28 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.

1.28.1 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.

1.28.1.1 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.

1.28.1.2 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.

1.28.1.3 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.

1.28.1.4 Fines

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

1.28.1.5 Insurance Refunds

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.

1.28.1.6 Unclaimed deposits

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue. Historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. Therefore the substance of these transactions indicate that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognised all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months, in which case it will be expensed.

1.28.1.7 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.

1.28.1.8 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.

1.28.1.9 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.

1.28.2 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.

1.28.2.1 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.

1.28.2.2 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.

1.28.2.3 Rental income

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

1.28.2.4 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.

1.28.2.5 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.

1.28.2.6 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.

1.28.2.7 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.

1.28.3 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.

1.29 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.

1.30 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 measures with sufficient reliability.

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

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

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

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

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

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

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

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

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

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

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

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of 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.

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 items of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

1.40.2 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	2 395 294	16 373 169
Investment Deposits	15 221 686	-
Cash Floats	7 450	9 699
Total	**17 624 430**	**16 382 868**

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
Department of Infrastructure	945 586	933 786
Unspent Conditional Grants	25 698 857	54 592 306
Unspent Public Contributions	124 377	124 377
VAT Payable	2 305 987	2 811 988
Total	**29 074 807**	**58 462 456**
Grant funding utilised for own working capital requirements	11 450 377	42 079 588
Overdraft facilities available during the financial year with Standard Bank of South Africa Limited	30 000 000	-

2.1 Bank Accounts

	2025	2024
Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)	2 395 294	16 373 169
Standard Bank of South Africa Limited - Account Number 072-339-713 (Traffic Account)	-	-
ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)	-	-
Total	**2 395 294**	**16 373 169**

Standard Bank of South Africa Limited - Account Number 072-331-348 (Current Primary Account)

	2025	2024
Cash book balance at beginning of year	16 373 169	85 686 164
Cash book balance at end of year	2 395 294	16 373 169
Bank statement balance at beginning of year	15 837 662	84 879 707
Bank statement balance at end of year	1 362 422	15 837 662

Standard Bank of South Africa Limited - Account Number 072-339-713 (Traffic Account)

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

Traffic account is cleared daily to Primary Bank Account.

ABSA Bank Limited - Account Number 08-2014-6603 (Income Account)

	2025	2024
Cash book balance at beginning of year	-	220 517
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	220 517
Bank statement balance at end of year	-	-

Account was closed on 23 August 2023.

2.2 Investment Deposits

		2025	2024
Interneuron Capital Ltd	- Notice deposit (CA 002)	430 224	430 224
Standard Bank of South Africa Limited	- Money Market Call Account (078805570-005)	13 313 300	-
Standard Bank of South Africa Limited	- Money Market Call Account (078805570-006)	1 908 386	-
		15 651 910	**430 224**
Less: Provision for Impairment		(430 224)	(430 224)
Total		**15 221 686**	**-**

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Figures in Rand	2025	2024

2 CASH AND CASH EQUIVALENTS (CONTINUED)

An amount of R 430 224 (2024: R 430 224), included in Investment Deposits above, is invested in an institution which is under curatorship. The curators are encashing property developments financed by the investment company before distribution of funds will continue, however it is expected significant capital losses will be incurred. The dates of any possible future cashflows are not known at the reporting date and the full amount has been impaired due to the uncertainty of collectability.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Service Receivables	**348 616 448**	**299 647 275**
Electricity	14 379 111	14 002 644
Water	80 111 326	65 873 726
Refuse	76 753 998	68 460 340
Sewerage	70 148 420	61 375 181
Interest	100 730 248	84 343 274
Other	6 493 344	5 592 109
Other Receivables	**2 348 575**	**5 264 628**
Prepaid Expenditure	2 339 203	5 070 521
Accrued Interest	9 372	194 107
Total Gross Balance	**350 965 023**	**304 911 903**
Less: Allowance for Debt Impairment	(307 686 816)	(262 279 450)
Total Net Receivable	**43 278 207**	**42 632 454**

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.

Refer to note 14.2 for receivables pledged as security for Long-term Liabilites.

Reconciliation of Allowance for Debt Impairment

	2025	2024
Balance at the beginning of the year	262 279 450	215 054 561
Movement in the contribution to the provision	77 584 148	69 261 830
Electricity	1 064 047	(1 554 862)
Water	23 319 631	22 192 688
Refuse	14 410 341	13 284 367
Sewerage	12 755 816	11 559 879
Interest	24 685 580	21 902 242
Other	1 348 733	1 877 517
Bad Debts Written off	(32 176 782)	(22 036 942)
Electricity	(975 043)	(85 381)
Water	(10 575 559)	(9 773 937)
Refuse	(6 459 298)	(4 178 352)
Sewerage	(5 655 418)	(3 671 771)
Interest	(7 979 250)	(4 000 460)
Other	(532 215)	(327 041)
Balance at the end of the year	**307 686 816**	**262 279 450**

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

Figures in Rand		2025	2024

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2025			
Service Receivables			
Electricity	14 379 111	(1 845 918)	12 533 194
Water	80 111 326	(65 225 207)	14 886 119
Refuse	76 753 998	(72 133 662)	4 620 336
Sewerage	70 148 420	(63 771 955)	6 376 465
Interest	100 730 248	(98 816 992)	1 913 256
Other	6 493 344	(5 893 082)	600 262
Other Receivables			
Prepaid Expenditure	2 339 203	-	2 339 203
Accrued Interest	9 372	-	9 372
Total	**350 965 023**	**(307 686 816)**	**43 278 207**
30 June 2024			
Service Receivables			
Electricity	14 002 644	(1 756 913)	12 245 730
Water	65 873 726	(52 481 135)	13 392 591
Refuse	68 460 340	(64 182 619)	4 277 722
Sewerage	61 375 181	(56 671 557)	4 703 625
Interest	84 343 274	(82 110 662)	2 232 612
Other	5 592 109	(5 076 564)	515 545
Other Receivables			
Prepaid Expenditure	5 070 521	-	5 070 521
Accrued Interest	194 107	-	194 107
Total	**304 911 903**	**(262 279 450)**	**42 632 454**

Ageing of Receivables from Exchange Transactions

	2025	2024
Electricity		
0 - 30 Days (Current)	11 251 322	10 486 284
1 to 3 months	1 877 224	1 925 571
4 months to 1 year	544 752	933 627
Over 1 year	705 813	657 161
Total	**14 379 111**	**14 002 644**
Water		
0 - 30 Days (Current)	15 623 043	13 610 678
1 to 3 months	8 806 749	8 909 965
4 months to 1 year	13 549 547	15 799 648
Over 1 year	42 131 987	27 553 435
Total	**80 111 326**	**65 873 726**
Refuse		
0 - 30 Days (Current)	4 778 611	4 073 562
1 to 3 months	5 859 197	6 931 581
4 months to 1 year	11 531 092	12 839 000
Over 1 year	54 585 098	44 616 198
Total	**76 753 998**	**68 460 340**

Figures in Rand	2025	2024

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	2025	2024
Sewerage		
0 - 30 Days (Current)	7 166 222	4 984 487
1 to 3 months	4 969 446	5 843 931
4 months to 1 year	9 942 657	10 842 237
Over 1 year	48 070 095	39 704 526
Total	**70 148 420**	**61 375 181**
Interest		
0 - 30 Days (Current)	3 090 365	2 570 574
1 to 3 months	8 806 949	9 762 908
4 months to 1 year	17 420 480	20 677 591
Over 1 year	71 412 455	51 332 200
Total	**100 730 248**	**84 343 274**
Other		
0 - 30 Days (Current)	613 619	542 347
1 to 3 months	942 802	880 454
4 months to 1 year	1 385 032	1 369 702
Over 1 year	3 551 890	2 799 605
Total	**6 493 344**	**5 592 109**
Summary Ageing of all Receivables from Exchange Transactions		
0 - 30 Days (Current)	42 523 182	36 267 933
1 to 3 months	31 262 367	34 254 410
4 months to 1 year	54 373 560	62 461 806
Over 1 year	220 457 339	166 663 126
Total	**348 616 448**	**299 647 275**

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2025	2024
Service Receivables	**59 131 898**	**56 428 718**
Property Rates	46 340 864	45 067 762
Availability Charges	12 791 034	11 360 956
Other Receivables	**53 600 091**	**47 664 574**
Unpaid Traffic Fines	46 879 210	43 843 900
Other Receivables	8 493	37 109
Unpaid Grants	3 218 432	483 907
Deposits	3 493 957	3 299 659
Total Gross Balance	**112 731 989**	**104 093 292**
Less: Allowance for Debt Impairment	(85 804 098)	(80 731 635)
Total Net Receivable	**26 927 891**	**23 361 657**

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	80 731 635	85 167 836
Movement in the contribution to the provision	28 747 352	20 285 043
Property Rates	4 290 692	3 402 027
Availability Charges	1 461 200	985 366
Unpaid Traffic Fines	22 995 460	15 897 650
Bad Debts Written off	(23 674 890)	(24 721 244)
Property Rates	(2 869 682)	(1 880 052)
Availability Charges	(2 258)	(25 042)
Unpaid Traffic Fines	(20 802 950)	(22 816 150)
Balance at the end of the year	**85 804 097**	**80 731 635**

The allowance for debt impairment of property rates has been made for all balances outstanding (excluding outstanding government debt) 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 collection rate.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
30 June 2025			
Service Receivables			
Property Rates	46 340 864	(30 254 219)	16 086 645
Availability Charges	12 791 034	(12 225 568)	565 466
Other Receivables			
Unpaid Traffic Fines	46 879 210	(43 324 311)	3 554 899
Other Receivables	8 493	-	8 493
Unpaid Grants	3 218 432	-	3 218 432
Deposits	3 493 957	-	3 493 957
Total	**112 731 989**	**(85 804 098)**	**26 927 891**
30 June 2024			
Service Receivables			
Property Rates	45 067 762	(28 833 208)	16 234 554
Availability Charges	11 360 956	(10 766 626)	594 330
Other Receivables			
Unpaid Traffic Fines	43 843 900	(41 131 800)	2 712 100
Other Receivables	37 109	-	37 109
Unpaid Grants	483 907	-	483 907
Deposits	3 299 659	-	3 299 658
Total	**104 093 292**	**(80 731 635)**	**23 361 657**

Ageing of Receivables from Non-Exchange Transactions

Property Rates

	2025	2024
0 - 30 Days (Current)	11 363 735	9 641 682
1 to 3 months	7 479 652	5 880 204
4 months to 1 year	9 404 255	13 105 500
Over 1 year	18 093 222	16 440 376
Total	**46 340 864**	**45 067 762**

Figures in Rand	2025	2024

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Availability Charges		
0 - 30 Days (Current)	484 942	453 244
1 to 3 months	801 511	764 666
4 months to 1 year	1 825 435	1 641 565
Over 1 year	9 679 145	8 501 481
Total	**12 791 034**	**11 360 956**

5 TAXES

VAT Claimable/(Payable)	(11 122 172)	(10 562 504)
VAT Input in Suspense	20 951 631	19 118 511
VAT Output in Suspense - net	(3 374 766)	(2 957 467)
VAT Output in Suspense	(31 946 946)	(27 746 861)
Less: VAT on Allowance for Debt Impairment	28 572 180	24 789 394
Total	**6 454 693**	**5 598 541**
As previously reported		13 106 045
Correction of error restatement - note 51.2		(35 087)
Correction of error restatement - note 51.4		(7 472 418)
Restated balance		5 598 541

Reconciliation of VAT on Allowance for Debt Impairment		
Balance at beginning of year	24 789 394	20 485 760
Debt Impairment for current year	3 782 786	4 303 634
Balance at the end of the year	**28 572 180**	**24 789 394**

6 OPERATING LEASES

6.1 OPERATING LEASE ASSET

Operating Lease Asset	667 901	630 774

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

Reconciliation of Operating Lease Asset		
Balance at the beginning of the year	630 774	611 421
Movement during the year	37 127	19 354
Balance at the end of the year	**667 901**	**630 774**

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

Within 1 Year	992 943	952 282
Between 1 and 5 Years	1 906 305	2 335 280
After 5 Years	424 232	799 893
Total operating lease payments	**3 323 480**	**4 087 455**

The prior year's total lease payments indicated an amount of R3 246 754. This amount has been restated to R4 087 455 due to omissions.

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

The Municipality leases a number of land and buildings for periods ranging from 1 year to 20 years with escalations of between 0% and 20% per annum.

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

Figures in Rand	2025	2024

6 OPERATING LEASES (CONTINUED)

Significant lease agreements include, but are not limited to:

- Lease of Loerkop Caravan Park for a period of 20 years ending 30 September 2031 with an annual escalation of 10%.
- Lease of a portion of Farm 329 - Grabouw for a period of 9 years and 10 months ending 30 March 2029, with an annual escalation of 6%.
- Lease of erf 542 for a period of 9 years and 11 months ending 30 September 2030, with an annual escalation of 8%.
- Lease of a portion of erf 1014 for a period of 3 years ending 31 March 2026, with an annual escalation of 7%.
- Lease of a portion of erf 1014 for a period of 9 years ending 31 May 2028, with an annual escalation of 8%.

7 LONG-TERM RECEIVABLES

	2025	2024
Receivables with repayment arrangements	11 862 075	11 363 425
Less: Allowance for Debt Impairment	(2 357 701)	(4 445 250)
Total Net Receivable	**9 504 373**	**6 918 176**
Less: Current portion of Long-term Receivables	(2 266 683)	(1 786 841)
Total	**7 237 691**	**5 131 335**

At year-end debtors amounting to R11 862 075 (2024 - R11 363 425) arranged to settle their accounts over an re-negotiated period. Total payments to the value of R8 940 139 (2024 - R8 708 288) 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	4 445 250	900 777
Movement in the contribution to the provision	(2 087 548)	3 544 472
Balance at the end of the year	**2 357 701**	**4 445 250**

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

8 INVENTORY

	2025	2024
Maintenance Materials	7 012 124	8 315 710
Water	846 748	633 445
Total	**7 858 873**	**8 949 155**

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 losses/(surpluses) identified during the annual stores counts	(51 633)	71 085
Inventory recognised as an expense during the year	5 569 955	10 332 753

Figures in Rand	2025	2024

9 INVESTMENT PROPERTY

	2025	2024
Investment Property - Carrying Value	**67 261 934**	**67 392 741**
The carrying value of Investment Property is reconciled as follows:		
Opening Carrying Value	**67 392 741**	**68 483 156**
Cost	76 234 018	77 237 670
Accumulated Depreciation	(1 220 086)	(1 133 323)
Accumulated Impairment	(7 621 191)	(7 621 191)
Additions	-	-
Impairment	-	-
Disposals	(48 118)	(1 003 652)
Cost	(48 118)	(1 003 652)
Accumulated Depreciation	-	-
Accumulated Impairment	-	-
Depreciation	(82 689)	(86 763)
Closing Carrying Value	**67 261 934**	**67 392 741**
Cost	76 185 899	76 234 018
Accumulated Depreciation	(1 302 774)	(1 220 086)
Accumulated Impairment	(7 621 191)	(7 621 191)

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	1 812 840	1 780 046

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

10 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
30 June 2025				
Land and Buildings	145 499 845	(10 198 326)	(2 851 878)	132 449 641
Infrastructure	1 407 245 982	(324 498 421)	(22 900 457)	1 059 847 104
Community Assets	763 623	(547 211)	-	216 412
Other Assets	100 351 183	(38 333 907)	-	62 017 277
Total	**1 653 860 634**	**(373 577 864)**	**(25 752 335)**	**1 254 530 434**
30 June 2024				
Land and Buildings	143 797 043	(9 154 911)	(2 851 878)	131 790 254
Infrastructure	1 302 728 072	(295 506 885)	(16 921 212)	990 299 975
Community Assets	763 623	(516 671)	-	246 952
Other Assets	97 412 591	(36 537 160)	-	60 875 431
Total	**1 544 701 330**	**(341 715 627)**	**(19 773 090)**	**1 183 212 613**
As previously reported				1 183 265 454
Correction of error restatement - note 51.1				(52 841)
Restated balance				1 183 212 613

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

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Figures in Rand		2025	2024

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

		2025	2024
10.1 Repairs and Maintenance were incurred on the following asset classes:		18 982 151	35 284 365
Repairs and maintenance consists out of the following components:			
Contracted Services	- Maintenance Services	12 925 971	27 040 987
Other Expenditure	- Maintenance Materials	6 056 180	8 243 378
Total		18 982 151	35 284 365

The comparative figures has been restated from R32 485 615 to R35 284 365 due to electrical contractors responsible for maintenance services previously not included, and also due to the correction of error restatement as per note 51.2.

	2025	2024
10.2 Capital Restoration Cost	6 804 083	-

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

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

	2025	2024
Land and Buildings	10 909 863	10 059 041
Buildings	10 909 863	10 059 041
Infrastructure	192 847 670	142 596 074
Roads and Storm water	11 657 442	21 218 475
Electricity Network	19 868 245	16 906 397
Sewerage Network	131 226 637	77 429 778
Water Network	29 977 746	26 923 824
Refuse Removal	117 600	117 600
Total	**203 757 533**	**152 655 115**

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

	2025	2024
Opening balance	152 655 115	160 853 736
Additions	100 871 561	121 105 213
Disposals	(6 864 641)	(39 922 008)
Contributed Assets	-	525 696
Projects Completed	(42 904 502)	(89 907 522)
Closing balance	203 757 533	152 655 115

	2025	2024
10.4 Work in Progress projects that has been halted	3 426 818	1 411 173

The work in progress that has been halted include several projects of which the expenditure mainly relate to planning and designs. The projects have been halted due to the availability of funding. No impairment losses were recognised on the said projects.

	2025	2024
10.5 Work in Progress projects taking a significantly longer period of time to complete than expected	16 827 897	-

Work in progress projects taking a significantly longer period of time to complete than expected include several projects of which most are in their finalised stages. The delays are mainly due to delays in the final sign-off by the consulting engineers as snag lists are still being attended to by the contractors.

	2025	2024
The accumulated impairment recognised on the above-mentioned Work in Progress	274 885	-

10.6 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	(353 155)	138 901	214 255
Increase / (Decrease) in Accumulated Surplus	353 155	(138 901)	(214 255)
Increase / (Decrease) in Property, Plant and Equipment	353 155	(138 901)	(214 255)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.7 Reconciliation of Carrying Value

30 June 2025	Cost							Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals	Contributed Assets	iGRAP 2 Movement	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**143 797 043**	**2 605 694**	**(902 892)**	**-**	**-**	**-**	**145 499 845**	**12 006 789**	**1 043 415**	**-**	**-**	**13 050 204**	**132 449 641**
Land	44 523 013	-	-	-	-	-	44 523 013	2 691 232	-	-	-	2 691 232	41 831 781
Buildings	99 274 030	2 605 694	(902 892)	-	-	-	100 976 833	9 315 558	1 043 415	-	-	10 358 972	90 617 860
Infrastructure	**1 302 728 072**	**98 265 867**	**(6 256 401)**	**-**	**-**	**-**	**1 407 245 982**	**312 428 097**	**29 163 631**	**5 979 245**	**(172 096)**	**347 398 878**	**1 059 847 104**
Roads and Storm Water	273 332 815	8 370 739	-	-	-	-	281 703 554	78 731 672	5 195 418	-	-	83 927 091	197 776 463
Electricity Network	178 125 148	3 040 348	(157 216)	-	-	-	181 008 280	32 242 705	4 138 301	274 885	(48 178)	36 607 713	144 400 567
Sewerage Network	426 706 768	70 480 726	(445 179)	-	-	-	496 742 316	61 977 666	9 868 357	-	(123 918)	71 722 106	425 020 210
Water Network	292 844 013	16 374 054	(5 654 007)	-	-	-	303 564 060	67 231 089	8 238 132	-	-	75 469 221	228 094 839
Refuse Removal	131 719 328	-	-	-	12 508 444	-	144 227 772	72 244 964	1 723 423	5 704 360	-	79 672 748	64 555 024
Community Assets	**763 623**	**-**	**-**	**-**	**-**	**-**	**763 623**	**516 671**	**30 541**	**-**	**-**	**547 211**	**216 412**
Parks and Gardens	517 259	-	-	-	-	-	517 259	295 318	22 142	-	-	317 460	199 799
Cemeteries	246 364	-	-	-	-	-	246 364	221 353	8 398	-	-	229 752	16 613
Other Assets	**97 412 591**	**7 910 827**	**(5 016 790)**	**44 556**	**-**	**-**	**100 351 183**	**36 537 160**	**4 964 387**	**-**	**(3 167 641)**	**38 333 907**	**62 017 277**
Computer Equipment	11 475 398	406 838	(1 111 601)	44 556	-	-	10 815 190	5 154 217	895 110	-	(761 500)	5 287 827	5 527 363
Furniture and Office Equipment	11 794 716	77 663	(719 785)	-	-	-	11 152 594	6 117 407	645 816	-	(447 420)	6 315 803	4 836 791
Machinery and Equipment	12 420 411	7 563	(666 522)	-	-	-	11 761 451	6 050 929	812 012	-	(311 332)	6 551 610	5 209 842
Transport Assets	61 722 066	7 418 764	(2 518 882)	-	-	-	66 621 948	19 214 607	2 611 448	-	(1 647 390)	20 178 666	46 443 282
	1 544 701 330	**108 782 388**	**(12 176 083)**	**44 556**	**-**	**-**	**1 653 860 634**	**361 488 717**	**35 201 974**	**5 979 245**	**(3 339 736)**	**399 330 199**	**1 254 530 435**

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10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.7 Reconciliation of Carrying Value

	Cost							Accumulated Depreciation and Impairment					
30 June 2024	**Opening Balance**	**Additions**	**Disposals**	**Contributed Assets**	**iGRAP 2 Movement**	**Transfers**	**Closing Balance**	**Opening Balance**	**Depreciation Charge**	**Impairment (Reversal)**	**Disposals**	**Closing Balance**	**Carrying Value (Restated)**
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	**134 921 211**	**8 646 969**	**(296 833)**	**525 696**	**-**	**-**	**143 797 043**	**11 111 116**	**895 673**	**-**	**-**	**12 006 789**	**131 790 254**
Land	44 523 013	-	-	-	-	-	44 523 013	2 691 232	-	-	-	2 691 232	41 831 781
Buildings	90 398 198	8 646 969	(296 833)	525 696	-	-	99 274 030	8 419 885	895 673	-	-	9 315 558	89 958 473
Infrastructure	**1 232 808 928**	**112 458 244**	**(39 625 175)**	**-**	**(2 710 259)**	**(203 666)**	**1 302 728 072**	**284 428 032**	**28 000 065**	**-**	**-**	**312 428 097**	**990 299 975**
Roads and Storm Water	255 492 711	17 840 105	-	-	-	-	273 332 815	74 032 701	4 698 971	-	-	78 731 672	194 601 143
Electricity Network	162 011 775	18 000 811	(1 887 439)	-	-	-	178 125 148	28 515 922	3 726 783	-	-	32 242 705	145 882 443
Sewerage Network	423 833 187	39 840 838	(36 967 257)	-	-	-	426 706 768	52 390 907	9 586 759	-	-	61 977 666	364 729 102
Water Network	257 544 335	35 751 742	(452 065)	-	-	-	292 844 013	59 664 323	7 566 766	-	-	67 231 089	225 612 924
Refuse Removal	133 926 920	1 024 747	(318 414)	-	(2 710 259)	(203 666)	131 719 328	69 824 180	2 420 784	-	-	72 244 964	59 474 364
Community Assets	**763 623**	**-**	**-**	**-**	**-**	**-**	**763 623**	**485 729**	**30 942**	**-**	**-**	**516 671**	**246 952**
Parks and Gardens	517 259	-	-	-	-	-	517 259	273 013	22 304	-	-	295 318	221 941
Cemeteries	246 364	-	-	-	-	-	246 364	212 715	8 638	-	-	221 353	25 011
Other Assets	**92 826 184**	**3 257 705**	**(153 646)**	**1 278 683**	**-**	**203 666**	**97 412 591**	**31 429 103**	**5 168 116**	**-**	**(60 059)**	**36 537 160**	**60 875 431**
Computer Equipment	9 959 695	1 492 488	(67 298)	90 513	-	-	11 475 398	4 316 451	866 401	-	(28 635)	5 154 217	6 321 181
Furniture and Office Equipment	10 846 294	960 932	(12 510)	-	-	-	11 794 716	5 470 728	651 455	-	(4 776)	6 117 407	5 677 310
Machinery and Equipment	11 748 265	745 985	(73 839)	-	-	-	12 420 411	5 258 764	818 813	-	(26 648)	6 050 929	6 369 482
Transport Assets	60 271 930	58 300	-	1 188 170	-	203 666	61 722 066	16 383 160	2 831 447	-	-	19 214 607	42 507 458
	1 461 319 946	**124 362 917**	**(40 075 654)**	**1 804 379**	**(2 710 259)**	**-**	**1 544 701 330**	**327 453 981**	**34 094 795**	**-**	**(60 059)**	**361 488 717**	**1 183 212 613**

Figures in Rand	2025	2024

11 INTANGIBLE ASSETS

	2025	2024
Intangible Assets - Carrying Value	**157 576**	**214 158**

The carrying value of intangible Assets is reconciled as follows:

	2025	2024
Opening Carrying Value	**214 158**	**273 337**
Cost	622 156	622 156
Accumulated Amortisation	(407 999)	(348 820)
Accumulated Impairment	-	-
Additions	-	-
Amortisation	(56 582)	(59 179)
Disposal	-	-
Cost	-	-
Accumulated Amortisation	-	-
Closing Carrying Value	**157 576**	**214 158**
Cost	622 156	622 156
Accumulated Amortisation	(464 581)	(407 999)
Accumulated Impairment	-	-

The following material intangible assets are included in the carrying value above:

Description	**Remaining amortisation period**	**Carrying Value**	
Computer software/licenses	2 - 5 years	157 576	214 158

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.

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

12 HERITAGE ASSETS

The Municipality has four registered Heritage Assets, however, the principal usage of the assets are for service delivery and to derive rental income and are therefore recognised in Property, Plant and Equipment and Investment Property. The assets are as follows:

	2025	2024
Erf 614, Caledon - utilised as the Town Hall	663 225	670 428
Erf 12, Villiersdorp - leased to Tourism Buro	110 691	112 041
Bridge at Meul Street, Caledon	0	0
Bridge at Farm 39, Genadendal	55	68
Total carrying value included under Property, Plant and Equipment	**773 971**	**782 537**

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.

13 NON-CURRENT INVESTMENTS

	2025	2024
Listed shares	273 643	248 817
Fixed Deposits	-	-
Total	**273 643**	**248 817**

13.1 Listed shares

	2025	2024
Sanlam - Shares Investment	273 643	248 817

Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to these shares.

Figures in Rand	2025	2024

13 NON-CURRENT INVESTMENTS (CONTINUED)

13.2 Fixed Deposits

Nedbank - Account number 03 7881715316 0000 44 - 5 year investment	-	14 626 575
Transferred to Current Investments	-	(14 626 575)
Total	-	-

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates of 9.75% per annum. The fixed deposit matured on 30 April 2025.

The fixed deposit is ring-fenced for the repayment of stock loans as per note 14.2.

14 LONG-TERM LIABILITIES

Annuity Loans	157 991 408	166 887 588
Stock Loans	-	14 469 800
Sub-Total	**157 991 408**	**181 357 388**
Less: Current portion of Long-term Liabilities	33 338 186	26 957 321
Annuity Loans	33 338 186	20 957 321
Stock Loans	-	6 000 000
Total	**124 653 222**	**154 400 067**

Long-term Liabilities were utilised as follow:

Total Long-term Liabilities taken up	157 991 408	181 357 388
Used to finance Property, Plant and Equipment at cost	(157 991 408)	(181 357 388)
Unspent Borrowings	-	-

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

14.1 Annuity Loans

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

Institution and loan number	Rate	Maturity Date	Carrying Value of Liability	
ABSA Bank Limited (4079088994)	10.79%	2027/06/27	3 607 678	4 010 450
ABSA Bank Limited (3050777789)	9.19%	2026/06/30	703 614	877 452
ABSA Bank Limited (3050777763)	9.62%	2029/06/30	1 944 366	2 015 044
ABSA Bank Limited (3052887574)	9.19%	2027/06/30	1 346 620	1 522 415
ABSA Bank Limited (3054670983)	8.66%	2026/10/30	4 493 160	7 181 453
ABSA Bank Limited (3054671133)	9.19%	2028/10/30	2 937 892	3 618 437
ABSA Bank Limited (3054671256)	9.89%	2031/10/30	1 504 430	1 661 815
ABSA Bank Limited (3058757317)	10.53%	2028/06/30	6 056 099	6 451 187
ABSA Bank Limited (3058757341)	11.59%	2033/06/30	9 131 197	8 970 387
ABSA Bank Limited (3058757325)	12.32%	2038/06/30	50 764 689	48 770 581
Development Bank of Southern Africa (102807/3)	9.47%	2028/06/30	3 082 739	3 291 226
Development Bank of Southern Africa (103108/2)	11.38%	2028/09/30	3 515 967	4 294 328
Development Bank of Southern Africa (103313/1)	9.85%	2029/03/31	8 406 584	10 049 339
Development Bank of Southern Africa (103817/3)	11.06%	2030/12/31	6 412 687	6 427 255
Nedbank Limited (05/78310356050)	10.45%	2034/06/30	2 087 591	2 150 813
Standard Bank of South Africa Limited (272400572)	12.22%	2026/06/30	1 611 951	2 087 444
Standard Bank of South Africa Limited (000600694)	6.63%	2025/06/30	825 209	1 622 724
Standard Bank of South Africa Limited (000600703)	8.26%	2030/06/28	3 382 448	3 618 869
Standard Bank of South Africa Limited (000600712)	9.76%	2035/06/29	5 465 372	5 608 196
Standard Bank of South Africa Limited (000682253)	10.79%	2036/12/30	12 835 890	13 102 729
Standard Bank of South Africa Limited (000748692)	10.58%	2027/06/30	4 876 271	5 703 811
Standard Bank of South Africa Limited (000748736)	10.99%	2028/06/29	3 531 233	3 824 732
Standard Bank of South Africa Limited (000748754)	11.60%	2032/06/30	10 375 073	10 791 324
Standard Bank of South Africa Limited (000748773)	12.27%	2037/06/30	9 092 648	9 235 577
Total			**157 991 408**	**166 887 588**

Figures in Rand	2025	2024

14 LONG-TERM LIABILITIES (CONTINUED)

All annuity loans are unsecured.

Annuity loans are payable as follows:

	2025	2024
Payable within one year	52 166 664	38 690 446
Payable within two to five years	103 046 750	121 787 516
Payable after five years	96 975 437	115 220 437
Total amount payable	**252 188 851**	**275 698 400**
Less: Outstanding Future Finance Charges	(94 197 443)	(108 810 812)
Present value of annuity loans	**157 991 408**	**166 887 588**

14.2 Stock Loans

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

Institution and loan number	**Rate**	**Maturity Date**	**Carrying Value of Liability**	
Development Bank of Southern Africa (1022755)	9.29%	2025/04/30	-	8 469 800
Development Bank of Southern Africa (1014871)	9.46%	2024/12/31	-	6 000 000
Total			**-**	**14 469 800**

The following serve as security for stock loans:

	2025	2024
- Fixed Deposit as per note 13.2	-	14 626 575
- Cession on outstanding consumer debtors	-	6 000 000
Total	**-**	**20 626 575**

Stock loans are payable as follows:

	2025	2024
Payable within one year	-	7 073 167
Payable within two to five years	-	10 043 320
Payable after five years	-	-
Total amount payable	**-**	**17 116 487**
Less: Outstanding Future Finance Charges	-	(2 646 687)
Present value of stock loans	**-**	**14 469 800**

15 CONSUMER DEPOSITS

	2025	2024
Water and Electricity Deposits	**6 862 893**	**6 144 594**

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

16 PAYABLES FROM EXCHANGE TRANSACTIONS

	2025	2024
Trade Payables	185 915 845	170 253 848
Retentions	9 911 440	9 406 563
Payments Received in Advance	8 027 863	7 252 300
Department of Infrastructure	945 586	933 786
Unused Pre-paid Electricity	1 145 087	1 118 820
Sundry Deposits	6 193 612	6 091 813
Accrued Interest	3 230 332	599 659
Land Sales Deposits	1 517 354	1 288 599
Total	**216 887 119**	**196 945 388**
As previously reported		197 214 385
Correction of error restatement - note 51.2		(268 997)
Restated balance		196 945 388

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16 PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

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 wayleave, 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 38	726 503	714 703
Advances received in terms of principal-agent arrangments - note 62	219 083	219 083
Total	945 586	933 786

17 UNSPENT CONDITIONAL GOVERNMENT GRANTS

	2025	2024
National Government	23 349 445	46 993 025
Provincial Government	1 822 747	6 805 601
District Municipality	300 188	567 203
Other Grant Providers	226 477	226 477
Total	**25 698 857**	**54 592 306**

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.

18 UNSPENT PUBLIC CONTRIBUTIONS

	2025	2024
Bursaries Fund	124 377	124 377
Total	**124 377**	**124 377**

Detail reconciliations of all public contributions received are included in note 25. Unspent public contribution balances are recognised to the extent that conditions of the contribution are not yet met.

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

19 CURRENT EMPLOYEE BENEFITS

	2025	2024
Bonuses	6 885 181	6 616 194
Staff Leave	21 475 173	19 612 732
Performance Bonuses	576 095	535 207
Pension	10 769	10 769
Group Insurance	273 643	248 817
Standby, Acting and Overtime	1 491 134	2 018 230
Current portion of Non-Current Employee Benefits - note 21	4 635 000	4 478 000
Post Retirement Medical Benefits	3 189 000	2 839 000
Long Service Awards	1 446 000	1 639 000
Total	**35 346 994**	**33 519 948**
As previously reported		33 270 460
Correction of error restatement - note 51.3		249 488
Restated balance		33 519 948

Figures in Rand	2025	2024

19 CURRENT EMPLOYEE BENEFITS (CONTINUED)

The movement in current employee benefits are reconciled as follows:

19.1 Bonuses

	2025	2024
Opening Balance	6 616 194	6 158 533
Contribution during the year	14 085 354	13 457 620
Payments made	(13 816 367)	(12 999 959)
Balance at the end of the year	**6 885 181**	**6 616 194**

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

19.2 Staff Leave

	2025	2024
Opening Balance	19 612 732	18 237 628
Contribution during the year	4 723 614	3 989 768
Payments made	(2 861 173)	(2 614 665)
Balance at the end of the year	**21 475 173**	**19 612 732**

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.

19.3 Performance Bonuses

	2025	2024
Opening Balance	535 207	577 189
Contribution during the year	227 799	260 197
Payments made	(186 911)	(302 180)
Balance at the end of the year	**576 095**	**535 207**

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the Council. There is no possibility of reimbursement.

19.4 Pension

	2025	2024
Opening Balance	10 769	10 769
Payments made	-	-
Balance at the end of the year	**10 769**	**10 769**

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

19.5 Group Insurance

	2025	2024
Opening Balance	248 817	179 951
Fair Value adjustment during the year	24 826	68 866
Balance at the end of the year	**273 643**	**248 817**

Shares accruing and to be apportioned to staff contributing to the Sanlam Group insurance scheme. The timing of the payment is uncertain. The possibility of reimbursement is being investigated.

19.6 Overtime, Acting and Standby Allowances

	2025	2024
Balance at beginning of year	2 018 230	2 032 963
Contribution during the year	1 491 134	2 018 230
Payments made	(2 018 230)	(2 032 963)
Balance at end of year	**1 491 134**	**2 018 230**

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

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20 CURRENT PROVISIONS

	2025	2024
Output VAT Payable on Library Grants	-	-
Total	**-**	**-**
As previously reported		7 472 418
Correction of error restatement - note 51.4		(7 472 418)
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, several municipalities in the Western Cape (of which the Municipality was not party to) 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.

21 EMPLOYEE BENEFITS

	2025	2024
Post Retirement Medical Benefits	65 131 000	55 840 000
Long Service Awards	14 394 000	13 106 000
Sub-Total	**79 525 000**	**68 946 000**
Less: Current portion of Employee Benefits	**4 635 000**	**4 478 000**
Post Retirement Medical Benefits	3 189 000	2 839 000
Long Service Awards	1 446 000	1 639 000
Total	**74 890 000**	**64 468 000**

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21 EMPLOYEE BENEFITS (CONTINUED)

21.1 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	55 840 000	54 352 000
Contribution during the year	9 029 000	3 852 000
Service Cost	2 379 000	(2 832 000)
Current Service Cost	2 379 000	2 380 000
Past Service Cost	-	(5 212 000)
Interest Expense	6 650 000	6 684 000
Payments made	(2 912 882)	(2 495 312)
Actuarial Loss/(Gain)	3 174 882	131 312
Change in Financial Assumptions	1 362 000	(2 146 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	1 812 882	2 277 312
Total balance at year-end	65 131 000	55 840 000
Less: Current portion	(3 189 000)	(2 839 000)
Total	**61 942 000**	**53 001 000**

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

	Number of individuals			
Category	**2025**	**2024**		
In-service members	242	249	23 768 000	20 704 000
In-service non-members	386	390	6 652 000	5 410 000
Continuation members	46	43	34 711 000	29 726 000
Total	**674**	**682**	**65 131 000**	**55 840 000**

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

Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 12 July 2025.

Characteristics of defined benefit plans and risks associated with them

The Municipality provides post employment medical benefits as follows:

- Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement.
- Continuation members and their eligible dependants receive a 70% subsidy.
- Post-employment subsidies, except for those in respect of certain current continuation members, are subject to a maximum subsidy. The maximum subsidy was assumed to be R5 791 (2024 - R5 541) per principal member per month for the year ending 30 June, and has been assumed to increase annually on 1 July at 75% of salary inflation.
- During the previous financial year, the Municipality amended its policy to include a maximum subsidy as described above. Prior to 30 June 2023, no post-employment subsidies were subject to a maximum subsidy. The change in policy resulted in the past service cost amounting to R5 212 000.
- Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

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21 **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

	2025	2024
i) Financial Assumptions		
- Medical Aid Contribution Inflation Rate	6.8%	7.7%
- Discount Rate	11.1%	12.2%
- Net Discount Rate (Medical Aid Contributions)	4.0%	4.2%
- Net Discount Rate (Maximum Subsidy)	6.3%	6.5%
ii) Demographic Assumptions		
- Post-Employment Mortality	PA(90)	PA(90)
The PA(90) ultimate table, adjusted down by 1 year of age, and a 1% annual compound mortality improvement from 2010.		
- Average Retirement Age	62 years	62 years
- Membership continuation	75%	75%

Sensitivity Analysis - Defined Benefit Obligation at year-end

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

Assumption	Eligible Employees (R)	Continuation Members (R)	Total Obligation (R)	% change
Current defined benefit obligation	30 420 000	34 711 000	65 131 000	
Medical Aid Contribution Inflation Rate (+ 1%)	32 456 000	37 286 000	69 742 000	7%
Medical Aid Contribution Inflation Rate (- 1%)	27 531 000	32 235 000	59 766 000	-8%
Discount Rate (+ 1%)	25 896 000	32 026 000	57 922 000	-11%
Discount Rate (- 1%)	36 129 000	37 837 000	73 966 000	14%
Post-Employment Mortality (+ 1 year)	29 809 000	33 668 000	63 477 000	-3%
Post-Employment Mortality (- 1 year)	31 012 000	35 750 000	66 762 000	3%
Average Retirement Age (- 1 year)	33 520 000	34 711 000	68 231 000	5%
Membership Continuation (- 10%)	26 575 000	34 711 000	61 286 000	-6%

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

Expected contributions and maturity analysis

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

Figures in Rand	2025	2024

21 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 of Bracket
Future year 1 - 10	53 118 000	4%
Future year 11 - 20	129 480 000	10%
Future year 21 - 30	241 791 000	19%
Future year 31 - 40	325 127 000	25%
Future year 41 - 50	295 156 000	23%
Future year 51 - 60	181 379 000	14%
Future year 61 - 70	67 828 000	5%
Future year 71 - 80	12 419 000	1%
Future year 80 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	**1 306 298 000**	**100%**

21.2 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	13 106 000	12 388 000
Contribution during the year	2 512 000	2 474 000
Current Service Cost	1 105 000	1 091 000
Interest Expense	1 407 000	1 383 000
Payments made	(1 660 583)	(1 291 194)
Actuarial Loss/(Gain)	436 583	(464 806)
Change in Financial Assumptions	(72 000)	(163 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	508 583	(301 806)
Total balance at year-end	**14 394 000**	**13 106 000**
Less: Current portion	(1 446 000)	(1 639 000)
Total	**12 948 000**	**11 467 000**
As at year end, the following number of employees were eligible for Long Service Awards	628	639

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

Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 12 July 2025.

Characteristics of defined benefit plans and risks associated with them

The Municipality provides a Long Service Award benefits as follows:

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

Figures in Rand	2025	2024

21 EMPLOYEE BENEFITS (CONTINUED)

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

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

Significant Actuarial Assumptions

i) Financial Assumptions

	2025	2024
- General Earnings Inflation Rate	5.1%	6.5%
- Discount Rate	10.1%	11.4%
- Net Discount Rate	4.8%	4.6%

ii) Demographic Assumptions

	2025	2024
- Average Retirement Age	62 years	62 years

- Termination of Services

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

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

Sensitivity Analysis - Defined Benefit Obligation at year-end

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

Assumption	**Impact on Defined Benefit Obligation R**	**% Change**
Current Defined Benefit Obligation	14 394 000	
General Earnings Inflation Rate (+ 1%)	15 315 000	6%
General Earnings Inflation Rate (- 1%)	13 558 000	-6%
Discount Rate (+ 1%)	13 551 000	-6%
Discount Rate (- 1%)	15 336 000	7%
Average Retirement Age (+ 2 years)	16 361 000	14%
Average Retirement Age (- 2 years)	12 666 000	-12%
Rates of Termination of Services (x 2)	11 685 000	-19%
Rates of Termination of Services (x 0.5)	16 227 000	13%

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

21 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	23 431 000	33%
Future year 11 - 20	14 445 000	20%
Future year 21 - 30	15 064 000	21%
Future year 31 - 40	18 797 000	26%
Future year 40 + (considered insignificant to include in analysis)	-	0%
Total future expected benefits to be paid	**71 737 000**	**100%**

21.3 Defined Contribution Plans

Council contributes to the following defined contribution plans:

	2025	2024
Consolidated Retirement Fund	27 060 905	25 343 270
LA Retirement Fund	137 860	128 943
National Fund for Municipal Workers	143 497	131 212
SALA Pension Fund	141 479	133 997
Municipal Workers Retirement Fund	2 326 516	2 320 515
Total	**29 810 257**	**28 057 937**

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.

22 NON-CURRENT PROVISIONS

	2025	2024
Provision for Rehabilitation of Landfill-sites	**135 220 851**	**110 053 489**

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

	2025	2024
Opening Balance	110 053 489	116 746 747
Contribution during the year	25 167 362	(6 693 258)
Increase/(Decrease) in estimate allocated to Capital Restoration Cost Asset	12 508 444	(2 710 259)
Decrease in estimate allocated to Statement of Financial Performance	(217 340)	(16 033 652)
Interest Cost	12 876 258	12 050 652
Total	**135 220 851**	**110 053 489**

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

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

Figures in Rand	2025	2024

22 NON-CURRENT PROVISIONS (CONTINUED)

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

Location	Discount Rate	Site Dimensions (m^2)	Rehabilitation cost per m^2 (Rand)	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Caledon	10.60%	59 661	1 010	40 106 942	34 479 180
Genadendal	8.45%	20 490	1 112	20 294 650	15 363 281
Greyton	8.45%	16 887	1 167	17 556 956	12 545 789
Riviersonderend	8.45%	10 664	1 439	13 667 915	10 377 255
Villiersdorp	10.60%	28 779	1 117	24 741 871	20 215 595
Botrivier	8.45%	17 537	1 214	18 852 517	17 072 388
Total				**135 220 851**	**110 053 489**

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

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Caledon	2034	98 590 316	92 713 410
Genadendal	2029	28 997 221	29 840 288
Greyton	2029	25 085 573	27 218 877
Riviersonderend	2029	19 528 868	20 155 869
Villiersdorp	2031	44 663 074	38 733 331
Botrivier	2030	27 377 164	33 159 907
Total		**244 242 218**	**241 821 683**

23 PROPERTY RATES

	2025	2024
Rateable Land and Buildings	161 347 202	153 615 706
Total	**161 347 202**	**153 615 706**

Property rate levied are based on the following rateable valuations:

	2025	2024
Residential (including Residential Vacant)	8 505 383 000	8 412 142 000
Business and Commercial (including vacant)	2 655 986 000	2 684 490 000
Industrial (including vacant)	292 611 500	297 410 500
Mining	2 291 000	2 291 000
Public benefit Organizations	66 283 000	66 283 000
Public Service Infrastructure	66 293 000	68 000 000
Public Service Purposes	582 151 000	580 571 000
Agricultural	19 930 159 200	19 944 694 200
Total Valuation	32 101 157 700	32 055 881 700

Rate that is applicable to the valuations above:

	2025	2024
Residential (including Residential Vacant)	0.9513 c/R	0.9060 c/R
Business and Commercial (including vacant)	1.9026 c/R	1.8120 c/R
Industrial (including vacant)	1.9026 c/R	1.8120 c/R
Mining	1.9026 c/R	1.8120 c/R
Public benefit Organizations	0.2378 c/R	0.2265 c/R
Public Service Infrastructure	0.0000 c/R	0.0000 c/R
Public Service Purposes	1.9026 c/R	1.8120 c/R
Agricultural	0.1903 c/R	0.1812 c/R

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.

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.

Figures in Rand	2025	2024

23 PROPERTY RATES (CONTINUED)

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.

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
- Residential properties valued R200 000 or less	85 000	85 000
- Consumer older than 70 years and the residential property is valued R200 000 or less	145 000	145 000
- Consumer older than 60 years or disabled and household income is less than R5 000 per month	100%	100%
- Consumer older than 60 years or disabled and household income is less than R10 000 per month	50%	50%
- Qualifying Non-profit organisations (NPO's)	100%	100%
- All properties valued R15 000 or less	100%	100%
- Open spaces and heritage properties	100%	100%
- Rural Areas Rebate: Residential and Business	75%	75%

24 GOVERNMENT GRANTS AND SUBSIDIES

	2025	2024
Unconditional Grants - National Government	**140 900 000**	**131 583 000**
Equitable Share	140 900 000	131 583 000
Conditional Grants - National Government	**32 965 324**	**47 689 176**
Finance Management Grant (FMG)	1 752 264	1 567 978
Municipal Infrastructure Grant (MIG)	25 148 276	23 636 845
Expanded Public Works Programme (EPWP)	1 563 000	1 684 000
Integrated National Electrification Programme (INEP)	2 736 948	-
Energy Efficiency and Demand Side Management Grant	-	4 000 000
Municipal Drought Relief	-	-
Emergency Housing Grant	-	-
Municipal Disaster Recovery Grant	-	7 406 348
Water Service Infrastructure Grant (WSIG)	1 764 836	9 394 004
Municipal Disaster Response Grant	-	-
Conditional Grants - Provincial Government	**78 302 877**	**40 308 663**
Department of Infrastructure	76 873 628	39 078 006
CDW Contribution	85 538	118 424
Main Roads Subsidy	-	-
Municipal Capacity Building Grant	-	-
Regional socio-economic projects (RSEP)	629 230	213 835
Municipal Interventions Grant	-	218 238
Municipal Service Delivery and Capacity Building Grant (MSDCB)	-	-
Financial Management Capability Grant	574 226	180 160
Municipal Energy Resilience Grant	-	500 000
Thusong Multi Purpose Centre Grant	140 255	-
Conditional Grants - District Municipality	267 015	-
Safety Audit and Safety Plan Grant	267 015	-
Conditional Grants - Other Grant Providers	**448 584**	**713 517**
DBSA Local Economic Development	-	-
SETA	448 584	713 517
SANRAL	-	-
Total	**252 883 800**	**220 294 355**
Disclosed as:		
Government Grants and Subsidies - Operating	149 488 382	142 295 019
Government Grants and Subsidies - Capital	103 395 418	77 999 337
Total	**252 883 800**	**220 294 355**

Figures in Rand	2025	2024

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

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

	2025	2024
Equitable share	140 900 000	131 583 000
Vote 1 - Directorate Finance	5 606 701	4 784 030
Vote 2 - Community Services	407 270	-
Vote 3 - Corporate services	534 121	831 941
Vote 4 - Electricity	2 736 948	4 718 238
Vote 5 - Economic Development and Planning	77 502 858	39 291 841
Vote 6 - Office of the Municipal Manager	-	45 160
Vote 8 - Technical and Infrastructure Implementation Services	23 431 066	22 239 793
Vote 12 - Waste management	-	-
Vote 13 - Waste water management	-	-
Vote 14 - Water	1 764 837	16 800 352
Vote 15 - Directorate Development and Community Services	-	-
Total	**252 883 800**	**220 294 355**

The movements per grant can be summarised as follows:

24.01 Equitable Share

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	140 900 000	131 583 000
Transferred to Revenue - Operating	(140 900 000)	(131 583 000)
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)

	2025	2024
Opening Unspent Balance	330 424	198 402
Grants Received / (Repaid)	1 777 693	1 700 000
Transferred to Revenue - Operating	(1 752 264)	(1 567 978)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	355 853	330 424

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)

	2025	2024
Opening Unspent Balance	205 154	639 726
Grants Received / (Repaid)	30 048 846	23 202 273
Transferred to Revenue - Operating	(3 280 210)	(3 081 051)
Transferred to Revenue - Capital	(21 868 066)	(20 555 793)
Closing Unspent Balance	5 105 724	205 154

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)

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 563 000	1 684 000
Transferred to Revenue - Operating	(1 563 000)	(1 684 000)
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 Integrated National Electrification Programme (INEP)

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	4 206 000	-
Transferred to Revenue - Operating	(356 993)	-
Transferred to Revenue - Capital	(2 379 955)	-
Closing Unspent Balance	1 469 052	-

The INEP grant is a conditional grant to provide capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings and the installation of bulk infrastructure.

24.06 Energy Efficiency and Demand Side Management Grant

	2025	2024
Opening Unspent Balance	-	33 535
Grants Received / (Repaid)	-	3 966 465
Transferred to Revenue - Operating	-	(521 739)
Transferred to Revenue - Capital	-	(3 478 261)
Closing Unspent Balance	-	-

Grant was utilised for the purchase and installation of street lights.

24.07 Municipal Drought Relief

	2025	2024
Opening Unspent Balance	-	8 449
Grants Received / (Repaid)	-	(8 449)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The grant will be utilised for boreholes.

24.08 Emergency Housing Grant

	2025	2024
Opening Unspent Balance	383 800	383 800
Grants Received / (Repaid)	(383 800)	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	383 800

Grant is used for temporary shelter assistance to households affected by disasters or a housing emergency or repair the damage to housing for low-income households following a disaster or housing emergency.

24.09 Municipal Disaster Recovery Grant

	2025	2024
Opening Unspent Balance	4 533 652	11 940 000
Grants Received / (Repaid)	(4 533 652)	-
Transferred to Revenue - Operating	-	(1 119 844)
Transferred to Revenue - Capital	-	(6 286 504)
Closing Unspent Balance	-	4 533 652

Grant is used to rehabilitate and reconstruct disaster damaged municipal infrastructure.

24.10 Water Service Infrastructure Grant (WSIG)

	2025	2024
Opening Unspent Balance	235 996	-
Grants Received / (Repaid)	2 464 004	9 630 000
Transferred to Revenue - Operating	(230 196)	(1 225 305)
Transferred to Revenue - Capital	(1 534 640)	(8 168 699)
Closing Unspent Balance	935 164	235 996

Grant will be utilised for the replacement of water pipes.

Figures in Rand		2025	2024
24	**GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)**		
24.11	**Municipal Disaster Response Grant**		
	Opening Unspent Balance	41 304 000	-
	Grants Received / (Repaid)	(25 820 348)	41 304 000
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	15 483 652	41 304 000

Grant will be utilised for repairs of infrastructure caused storm damages.

		2025	2024
24.12	**Department of Infrastructure**		
	Opening Unspent Balance	5 412 603	4 446 980
	Grants Received / (Repaid)	68 726 500	40 043 629
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	(76 873 628)	(39 078 006)
	Transfer to / (from) Receivables	2 734 525	-
	Closing Unspent Balance	-	5 412 603

Grant was utilised for the development of erven and infrastructure.

		2025	2024
24.13	**CDW Contribution**		
	Opening Unspent Balance	44 083	49 507
	Grants Received / (Repaid)	113 000	113 000
	Transferred to Revenue - Operating	(85 538)	(118 424)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	71 545	44 083

The CDW Contribution was used to finance the activities of Community Development Workers.

		2025	2024
24.14	**Main Roads Subsidy**		
	Opening Unspent Balance	88 611	88 611
	Grants Received / (Repaid)	-	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	88 611	88 611

The subsidy is utilised for the maintenance of the provincial main roads which runs through the town centres.

		2025	2024
24.15	**Municipal Capacity Building Grant**		
	Opening Unspent Balance	-	22 658
	Grants Received / (Repaid)	-	(22 658)
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

		2025	2024
24.16	**Regional socio-economic projects (RSEP)**		
	Opening Unspent Balance	1 158 701	272 536
	Grants Received / (Repaid)	900 000	1 100 000
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	(629 230)	(213 835)
	Closing Unspent Balance	1 429 471	1 158 701

This grant is earmarked for the erection of fencing, security gates and installation of shutter doors at the trading market.

Figures in Rand	2025	2024

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.17 Municipal Interventions Grant

	2025	2024
Opening Unspent Balance	31 762	250 000
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	(218 238)
Closing Unspent Balance	31 762	31 762

This grant is utilised to provide financial assistance to municipalities to improve infrastructure, systems structure, corporate governance, service delivery and compliance with executive obligations.

24.18 Municipal Service Delivery and Capacity Building Grant (MSDCB)

	2025	2024
Opening Unspent Balance	-	514 618
Grants Received / (Repaid)	-	(514 618)
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant is utilised to provide financial assistance to municipalities to improve infrastructure, systems structure, corporate governance, service delivery and compliance with executive obligations.

24.19 Financial Management Capability Grant

	2025	2024
Opening Unspent Balance	69 840	89 686
Grants Received / (Repaid)	699 999	160 314
Transferred to Revenue - Operating	(519 226)	(180 160)
Transferred to Revenue - Capital	(55 000)	-
Closing Unspent Balance	195 613	69 840

Grant is used to improve financial management capabilities of the Municipality.

24.20 Municipal Energy Resilience Grant

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

Grant will be utilised for the infrastructure master plan.

24.21 Thusong Multi Purpose Centre Grant

	2025	2024
Opening Unspent Balance	-	-
Grants Received / (Repaid)	146 000	-
Transferred to Revenue - Operating	(140 255)	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	5 745	-

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

24.22 Safety Audit and Safety Plan Grant

	2025	2024
Opening Unspent Balance	567 203	67 203
Grants Received / (Repaid)	-	500 000
Transferred to Revenue - Operating	(212 116)	-
Transferred to Revenue - Capital	(54 899)	-
Closing Unspent Balance	300 188	567 203

This grant will be used to conduct a safety audit and draft a safety plan with the aim to establish a Community Safety Forum (CSF) for the Municipality as outlined in the National Crime Prevention Strategy and White Paper on Safety and Security.

Figures in Rand	2025	2024

24 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

24.23 DBSA Local Economic Development

	2025	2024
Opening Unspent Balance	226 477	226 477
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	226 477	226 477

This grant is utilised for the replacement of bulk sewerage line between Caledon and Myddleton.

24.24 SETA

	2025	2024
Opening Unspent Balance	-	207 511
Grants Received / (Repaid)	448 584	506 006
Transferred to Revenue - Operating	(448 584)	(713 517)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant is for the training and development of municipal officials.

24.25 SANRAL

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

This grant will be utilised for the construction of a taxi rank / bus stop in Grabouw.

24.26 Total Grants

	2025	2024
Opening Unspent Balance	54 592 306	19 439 700
Grants Received / (Repaid)	221 255 826	255 446 962
Transferred to Revenue - Operating	(149 488 382)	(142 295 019)
Transferred to Revenue - Capital	(103 395 418)	(77 999 337)
Transfer to / (from) Receivables	2 734 526	-
Closing Unspent Balance	25 698 857	54 592 306

25 PUBLIC CONTRIBUTIONS AND DONATIONS

	2025	2024
Hogeschool van Arnhem en Nijmegen (HAN)	-	521 740
Bursaries Fund	-	-
Total	**-**	**521 740**

The movements per grant can be summarised as follows:

25.01 Hogeschool van Arnhem en Nijmegen (HAN)

	2025	2024
Opening Unspent Balance	-	411 300
Grants Received	-	110 440
Transferred to Revenue - Operating	-	(521 740)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

The grant gives students from abroad the opportunity to engage with community in upliftment of previously disadvantaged communities projects.

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Figures in Rand	2025	2024

25 PUBLIC CONTRIBUTIONS AND DONATIONS (CONTINUED)

25.02 Bursaries Fund

	2025	2024
Opening Unspent Balance	124 377	124 377
Grants Received	-	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	124 377	124 377

Contributions are made by contractors in terms of the service level agreements with the Municipality. The funds are to be utilised for bursary schemes towards the community.

26 CONTRIBUTED ASSETS

	2025	2024
Property, Plant and Equipment	44 556	1 804 379
Total	**44 556**	**1 804 379**

Contributed Assets consists out of the following:

	2025	2024
- Computer and Office Equipment	44 556	90 513
- Mobile Alcohol Testing Station	-	1 188 170
- Solar system installed at the taxi rank in Villiersdorp	-	525 696
Total	44 556	1 804 379

The contributed assets were received from the following parties:

	2025	2024
- Insurance company replaced the assets instead of paying a refund	44 556	90 513
- South African Breweries (SAB)	-	1 188 170
- Department of Economic Development and Tourism	-	525 696
Total	44 556	1 804 379

27 AVAILABILITY CHARGES

	2025	2024
Electricity	1 718 783	1 547 007
Water	2 127 560	2 049 415
Refuse Removal	764 326	750 420
Sewerage and Sanitation	926 099	903 637
Total	**5 536 768**	**5 250 479**

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.

28 FINES, PENALTIES AND FORFEITS

	2025	2024
Traffic	27 431 510	19 128 450
Pound Fees	293 001	135 007
Unclaimed Money	649 983	1 433 040
Overdue Books	11 472	7 424
Disconnection Fees	133 996	91 032
Total	**28 519 962**	**20 794 954**

In terms of the requirements of GRAP 23 and IGRAP 1, all traffic fines issued during the year are recognised as revenue.

29 FAIR VALUE ADJUSTMENT GAINS

Figures in Rand	2025	2024
Actuarial Gains	-	464 806
Post Retirement Medical Benefits	-	-
Long Service Awards	-	464 806
Landfill Sites - iGRAP 2 adjustments	217 340	16 033 652
Total	**217 340**	**16 498 458**

The actuarial gains mainly originated as a result of a 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.

30 OTHER INCOME (NON-EXCHANGE)

Figures in Rand	2025	2024
Insurance Refund	937 633	952 280
Total	**937 633**	**952 280**

31 SERVICE CHARGES

Figures in Rand	2025	2024
Electricity	157 259 372	138 186 269
Water	113 724 146	102 090 279
Refuse Removal	61 738 158	58 420 899
Sewerage and Sanitation	61 850 400	57 245 240
Total Revenue	**394 572 076**	**355 942 687**
Less: Rebates	(53 090 552)	(48 707 336)
Electricity	(6 415 799)	(6 132 923)
Water	(14 977 215)	(13 510 347)
Refuse Removal	(16 763 810)	(15 391 985)
Sewerage and Sanitation	(14 933 727)	(13 672 081)
Total	**341 481 524**	**307 235 352**

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.

32 RENTAL OF FACILITIES AND EQUIPMENT

Figures in Rand	2025	2024
Buildings and Commonage	1 812 840	1 780 046
Halls and Sportfields	284 485	258 616
Total	**2 097 325**	**2 038 661**

33 INTEREST EARNED - EXTERNAL INVESTMENTS

Figures in Rand	2025	2024
Primary Bank Accounts	1 472 576	4 919 369
Investment Deposits	1 807 069	977 671
Eskom Deposits	204 761	253 839
Total	**3 484 407**	**6 150 879**

34 INTEREST EARNED - OUTSTANDING DEBTORS

Figures in Rand	2025	2024
Outstanding Debtors	28 820 327	28 428 544
Total	**28 820 327**	**28 428 544**

Interest is levied at the prime rate plus 1% on unpaid balances.

Figures in Rand	2025	2024

35 AGENCY SERVICES

	2025	2024
Drivers Licences	1 474 974	1 320 065
Duplicate Registration	120 318	105 468
Learners	240 724	204 146
Roadworthy Applications	277 961	275 270
Roadworthy Certificates	83 596	75 326
Special Permits	38 148	40 885
Temporary Permits	33 762	59 889
Vehicle Licences	4 487 095	4 211 150
Vehicle Registration	1 595 886	1 645 921
Total	**8 352 463**	**7 938 120**

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 62 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

	2025	2024
Department of Cultural Affairs and Sport	8 641 739	10 462 937
Total	**8 641 739**	**10 462 937**

Reconciliation for the year

	2025	2024
Opening balance	-	400 897
Receipts	9 938 000	11 571 346
Output VAT on receipts allocated to Taxes	(1 296 261)	(1 509 306)
Revenue Recognised	(8 641 739)	(10 462 937)
Closing balance	-	-

37 OTHER INCOME (EXCHANGE)

	2025	2024
Sale of Goods and Rendering of Services	4 482 116	3 192 562
Building Plan Approval	2 175 212	1 509 181
Building Plans Clause Levy	72 398	100 959
Cemetery and Burial	800 224	645 179
Clearance Certificates	230 640	238 807
Encroachment Fees	66 893	67 161
Escort Fees	24 617	18 522
Photocopies and Faxes	89 485	88 737
Sub-division and Consolidation Fees	756 697	359 293
Tender Documents	263 670	153 782
Sundry Income	2 280	10 942
Licences and Permits	71 125	1 517
Operational Revenue	3 848 452	2 506 149
Collection Charges	2 176 592	1 797 357
Commission	74 652	72 452
Development Charges	1 114 926	210 760
Wayleave Charges	337 625	364 845
Sundry Income	144 658	60 735
Total	**8 401 693**	**5 700 228**

Figures in Rand		2025	2024
38	**CONSTRUCTION CONTRACTS**		
	Construction of Housing Top Structures	5 275 387	-
	Total	**5 275 387**	**-**

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

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	714 703	714 703
Payments / Advances received by the Municipality	1 500 000	-
Suppliers paid directly by Department of Infrastructure	3 787 187	-
Expenditure incurred / Revenue Recognised	(5 275 387)	-
Gross amount due to Department of Infrastructure	726 503	714 703

39 EMPLOYEE RELATED COSTS

	2025	2024
Basic Salaries and Wages	178 273 609	175 352 231
Pension and UIF Contributions	31 289 242	29 558 429
Medical Aid Contributions	10 731 830	10 213 114
Overtime	11 186 542	16 591 527
Motor Vehicle Allowances	11 359 417	11 537 932
Cell Phone Allowances	906 041	954 653
Housing Allowances	1 847 583	1 114 124
Other benefits and allowances	13 393 871	14 143 328
Acting Allowances	3 282 620	3 022 683
Bargaining Council	96 305	92 178
Group Life Insurance	3 078 292	2 760 987
Standby Allowances	6 936 654	8 267 480
Contributions to Employee Benefits	22 520 766	15 966 586
Bonuses	14 085 354	13 457 620
Staff Leave	4 723 614	3 989 768
Performance Bonuses	227 799	260 197
Long Service Awards	1 105 000	1 091 000
Post Retirement Medical Benefits	2 379 000	(2 832 000)
Workmen's Compensation	1 645 249	1 118 909
Total	**283 154 149**	**276 550 832**
As previously reported		276 503 141
Correction of error restatement - note 51.3		47 691
Restated balance		276 550 832

39.01 Remuneration of Management Personnel

Interim Municipal Manager - WF Hendricks (1 Feb 2025 - 30 Jun 2025)

	2025	2024
Annual Remuneration	648 916	-
Cell Phone Allowances	9 004	-
Contributions to UIF, Medical and Pension Funds	886	-
Total	658 806	-

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Figures in Rand	2025	2024

39 EMPLOYEE RELATED COSTS (CONTINUED)

Interim Municipal Manager - R Steven (23 Jun 24 - 22 Dec 2024)

	2025	2024
Annual Remuneration	693 904	97 201
Travelling Allowance	60 000	10 000
Cell Phone Allowances	10 127	1 723
Housing Allowance	24 000	4 000
Contributions to UIF, Medical and Pension Funds	14 088	2 348
Leave Payout	47 590	-
Total	849 707	115 272

Municipal Manager - WSE Solomons-Johannes (1 Aug 2023 - 22 Jun 2024)

	2025	2024
Annual Remuneration	-	805 636
Travelling Allowance	-	110 000
Cell Phone Allowances	-	18 956
Contributions to UIF, Medical and Pension Funds	-	164 959
Performance Bonus	-	151 069
Total	-	1 250 619

Municipal Manager - BM Ngubo (9 Nov 2022 - 12 Apr 2023)

	2025	2024
Contributions to UIF, Medical and Pension Funds	-	1 365
Performance Bonus	-	118 740
Total	-	120 104

Director: Financial Services - NP Mabhena (Appointed 9 Oct 2024)

	2025	2024
Annual Remuneration	713 814	-
Travelling Allowance	90 000	-
Cell Phone Allowances	15 850	-
Contributions to UIF, Medical and Pension Funds	49 591	-
Total	869 255	-

Interim Director: Financial Services - NP Mabhena (1 Aug 2023 - 31 May 2024)

	2025	2024
Annual Remuneration	-	955 819
Travelling Allowance	-	70 000
Cell Phone Allowances	-	17 232
Contributions to UIF, Medical and Pension Funds	-	1 771
Performance Bonus	46 214	-
Leave Payout	-	57 107
Total	46 214	1 101 930

Interim Director: Technical and Infrastructure - HJ Matthee
(1 Mar 2024 - 31 Aug 2024; 1 Dec 2024 - 28 Feb 2025)

	2025	2024
Annual Remuneration	545 478	310 793
Travelling Allowance	110 000	100 000
Cell Phone Allowances	8 849	6 893
Contributions to UIF, Medical and Pension Funds	1 701	708
Performance Bonus	36 971	-
Leave Payout	39 216	-
Total	742 215	418 394

Figures in Rand	2025	2024
39 EMPLOYEE RELATED COSTS (CONTINUED)		
Interim Director: Development and Planning - NL Baliso (1 Mar 2024 - 31 Aug 2024; 1 Dec 2024 - 28 Feb 2025)		
Annual Remuneration	539 380	410 781
Travelling Allowance	6 236	-
Cell Phone Allowances	8 849	6 893
Contributions to UIF, Medical and Pension Funds	1 240	720
Performance Bonus	20 540	-
Leave Payout	19 036	-
Total	595 280	418 394
Director: Community Services - WSE Solomons-Johannes (1 Oct 2022 - 31 Jul 2023; Reappointed 23 Jun 2024)		
Annual Remuneration	905 941	118 048
Travelling Allowance	120 000	10 000
Cell Phone Allowance	21 717	1 723
Acting Allowance	1 702	4 584
Contributions to UIF, Medical and Pension Funds	190 746	13 298
Leave Payout	92 218	-
Total	1 332 324	147 653
Director: Corporate Services - GW Hermanus (Appointed 9 Oct 2024)		
Annual Remuneration	660 367	-
Travelling Allowance	135 000	-
Cell Phone Allowance	15 850	-
Housing Allowance	45 000	-
Contributions to UIF, Medical and Pension Funds	13 646	-
Total	869 864	-
Director: Corporate Services - R Stevens (1 Aug 2023 - 31 May 2024)		
Annual Remuneration	-	865 185
Travelling Allowance	-	100 000
Cell Phone Allowance	-	17 232
Housing Allowance	-	40 000
Contributions to UIF, Medical and Pension Funds	177	22 405
Performance Bonus	83 186	-
Leave Payout	-	57 107
Total	83 363	1 101 930
Director: Corporate Services - WF Hendricks (26 Sep 2022 - 2 Jan 2023)		
Contributions to UIF, Medical and Pension Funds	-	501
Performance Bonus	-	32 372
Total	-	32 873
39.02 Employees acting in management positions		
Acting Municipal Manager - JA Amansure for 40 days		
Annual Remuneration	70 238	-
Travelling Allowance	14 865	-
Cell Phone Allowance	1 110	-
Housing Allowance	1 114	-
Acting Allowance	79 428	-
Contributions to UIF, Medical and Pension Funds	19 653	-
Total	186 409	-

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Figures in Rand	2025	2024

39 EMPLOYEE RELATED COSTS (CONTINUED)

Acting Director: Financial Services - A Riddles for 22 days (2024 - 31 days)

Annual Remuneration	70 614	93 680
Travelling Allowance	11 184	14 225
Cell Phone Allowance	835	1 062
Housing Allowance	838	1 066
Acting Allowance	30 666	9 632
Contributions to UIF, Medical and Pension Funds	18 857	23 812
Total	132 994	143 477

Acting Director: Technical and Infrastructure - HS Marthinus for 61 days

Annual Remuneration	137 606	-
Travelling Allowance	26 456	-
Cell Phone Allowance	69 463	-
Housing Allowance	2 229	-
Acting Allowance	7 131	-
Contributions to UIF, Medical and Pension Funds	38 736	-
Total	281 620	-

Acting Director: Technical and Infrastructure - NR Kayser for 61 days

Annual Remuneration	126 636	-
Travelling Allowance	26 456	-
Cell Phone Allowance	1 308	-
Acting Allowance	3 051	-
Contributions to UIF, Medical and Pension Funds	35 973	-
Total	193 424	-

Acting Director: Development and Planning - E Shortles for 122 days

Annual Remuneration	247 336	-
Travelling Allowance	52 911	-
Cell Phone Allowance	4 506	-
Housing Allowance	4 458	-
Acting Allowance	6 258	-
Contributions to UIF, Medical and Pension Funds	68 314	-
Total	383 783	-

Acting Director: Development and Planning - SS Tebele for 18 days

Annual Remuneration	46 334	-
Travelling Allowance	9 687	-
Cell Phone Allowance	723	-
Acting Allowance	2 233	-
Contributions to UIF, Medical and Pension Funds	11 308	-
Total	70 286	-

Acting Director: Community Services - NR Arendse for 61 days

Annual Remuneration	160 528	-
Travelling Allowance	30 176	-
Cell Phone Allowance	2 253	-
Acting Allowance	4 062	-
Contributions to UIF, Medical and Pension Funds	32 259	-
Total	229 278	-

Figures in Rand	2025	2024

39 EMPLOYEE RELATED COSTS (CONTINUED)

Acting Director: Corporate Services - J Amansure (2024 - 31 days)

	2025	2024
Annual Remuneration	-	64 097
Travelling Allowance	-	14 225
Cell Phone Allowance	-	1 062
Housing Allowance	-	1 066
Acting Allowance	-	37 171
Contributions to UIF, Medical and Pension Funds	-	18 019
Total	-	135 640

Acting Director: Corporate Services - J Barnard (2024 - 8 days)

	2025	2024
Annual Remuneration	-	17 206
Travelling Allowance	-	3 556
Cell Phone Allowance	-	266
Acting Allowance	-	4 478
Contributions to UIF, Medical and Pension Funds	-	3 464
Total	-	28 969

40 REMUNERATION OF COUNCILLORS

	2025	2024
Executive Mayor	1 066 327	1 019 788
Deputy Executive Mayor	709 985	838 631
Speaker	712 112	837 604
Mayoral Committee Members	3 837 974	3 445 468
Other Councillors	6 821 863	7 047 922
Total	**13 148 261**	**13 189 413**

	Basic Salary	Motor Vehicle Allowance	Cell Phone Allowance	Medical and Pension Contributions	Total
2025					
Executive Mayor	992 258	23 780	50 289	-	1 066 327
Deputy Executive Mayor	663 232	-	40 610	6 142	709 985
Speaker	664 824	-	40 737	6 552	712 112
Mayoral Committee Members	3 493 453	64 919	230 261	49 341	3 837 974
Other Councillors	5 738 372	138 605	898 492	46 394	6 821 863
Total	**11 552 140**	**227 303**	**1 260 390**	**108 428**	**13 148 261**
2024					
Executive Mayor	966 199	-	53 589	-	1 019 788
Deputy Executive Mayor	726 279	-	53 208	59 144	838 631
Speaker	784 396	-	53 208	-	837 604
Mayoral Committee Members	3 062 249	140 330	236 219	6 670	3 445 468
Other Councillors	5 840 576	129 202	1 025 434	52 710	7 047 922
Total	**11 379 700**	**269 532**	**1 421 658**	**118 523**	**13 189 413**

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and five Mayoral 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.

Figures in Rand	2025	2024

41 DEBT IMPAIRMENT

	2025	2024
Receivables from Exchange Transactions	77 584 148	69 261 830
Receivables from Non-Exchange Transactions	28 747 352	20 285 043
Long-term Receivables	(2 087 548)	3 544 472
Total Debt Impairment	**104 243 953**	**93 091 345**
Movement in VAT included in debt impairment	(3 782 786)	(4 303 634)
Total	**100 461 167**	**88 787 711**

42 DEPRECIATION AND AMORTISATION

	2025	2024
Property, Plant and Equipment	35 201 974	34 094 795
Investment Property	82 689	86 763
Intangible Assets	56 582	59 179
Total	**35 341 245**	**34 240 737**
As previously reported		34 187 896
Correction of error restatement - note 51.1		52 841
Restated balance		**34 240 737**

43 IMPAIRMENT

	2025	2024
Property, Plant and Equipment	274 885	-
Capitalised Restoration Cost	5 704 360	-
Total	**5 979 245**	**-**

Impairment on Property, Plant and Equipment relates to damaged property. The impairment is calculated as the difference between the recoverable service amount and carrying value of the asset. The recoverable service amount was determined to be zero, and therefore the asset was impaired in full. The Municipality has submitted a claim to its insurer on this matter.

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

44 FINANCE CHARGES

	2025	2024
Cash	26 271 241	21 581 689
Long-term Liabilities	18 461 927	21 581 689
Bank Overdraft	328 119	-
Overdue Accounts	7 481 195	-
Non-cash	20 933 258	20 117 652
Post Retirement Medical Benefits	6 650 000	6 684 000
Long Service Awards	1 407 000	1 383 000
Rehabilitation of Landfill Sites	12 876 258	12 050 652
Total	**47 204 499**	**41 699 341**

Finance charges on overdue accounts mainly relate to interest charged by Eskom Holdings SOC Ltd on overdue accounts.

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Figures in Rand	2025	2024

45 BULK PURCHASES

	2025	2024
Electricity	120 103 715	101 021 445
Water	28 571 786	22 253 013
Total	**148 675 501**	**123 274 458**

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 Department of Water and Sanitation, Overberg Water and a number of private suppliers.

46 CONTRACTED SERVICES

	2025	2024
Alien Vegetation Control	31 643	228 666
Audit Committee	127 513	115 324
Business and Financial Management	6 629 489	6 693 872
Clearing and Grass Cutting Services	227 188	3 086 270
Construction of Housing Top Structures	5 275 387	-
Drivers Licence Cards	555 686	503 625
Engineering - Civil	930 344	1 404 870
Fire Services	2 670 094	2 517 147
Legal Advice	1 762 467	1 176 625
Maintenance Services	12 925 971	27 040 987
Management of Informal Settlements	453 498	27 056
Refuse Haulage	7 218 295	5 704 382
Research and Advisory	51 600	155 500
Personnel and Labour	7 792 920	7 825 335
Security Services	16 279 592	83 473 973
Valuation Services	115 968	806 363
Water Tests	628 591	496 724
Other Contracted Services	162 613	854 509
Total	**63 838 859**	**142 111 229**
As previously reported		140 805 314
Correction of error restatement - note 51.2		1 305 915
Restated balance		142 111 229

Other Contracted Services consist out of a variety of services, including but not limited to animal care, catering services and human resources.

47 TRANSFERS AND GRANTS

	2025	2024
Assistance towards Informal Settlements	-	2 752 554
External Bursaries	205 296	-
Indigent Subsidies - Electricity	4 690 442	4 263 697
Mayoral Charity Fund	20 619	1 106 570
Total	**4 916 357**	**8 122 821**

Figures in Rand	2025	2024

48 OTHER EXPENDITURE

	2025	2024
Advertising, Publicity and Marketing	325 763	516 380
Audit Fees	8 325 676	4 511 319
Bank Charges	1 361 617	745 500
Commission Paid (Electricity)	1 188 588	1 102 113
Electricity - Eskom	20 283 651	19 422 794
Computer Services and Licences	10 382 974	9 264 036
Dumping Fees (Karwyderskraal)	3 432 527	3 165 915
Fuel Cost	7 881 188	14 677 185
Full Time Union Representative	33 951	290 823
Hire Charges	3 945 161	43 716 044
Insurance	4 852 299	4 497 228
Maintenance Materials	6 056 180	8 243 378
Material and Protective Clothing	1 030 415	1 697 781
Membership Fees	3 085 427	2 945 833
Postage	54 773	124 025
Printing and Stationery	636 637	928 619
Refuse Bags	322 378	619 261
Skills Development Levy	2 407 872	2 426 150
Telephone	681 079	689 057
Training and Bursaries (Employees)	750 923	363 746
Travel and Subsistence	1 166 911	1 687 629
Ward Committees	78 600	121 900
Water Purification	3 574 877	3 240 964
Sundries and Other Consumables	1 615 837	3 341 789
Total	**83 475 304**	**128 339 468**
As previously reported		129 209 034
Correction of error restatement - note 51.2		(869 565)
Restated balance		128 339 468

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

	2025	2024
Proceeds	1 207 137	678 435
Less: Carrying value of Investment Property disposed	(48 118)	(1 003 652)
Less: Carrying value of Property, Plant and Equipment disposed	(8 836 347)	(40 015 595)
Less: Carrying value of Intangible Assets disposed	-	-
Total	**(7 677 329)**	**(40 340 813)**

The significant loss with the disposal of Property, Plant and Equipment of the previous year relate old work-in-progress (WIP) projects which was written of by Council. The WIP written off relate to, amongst other, old projects which were cancelled or projects that never commenced.

50 FAIR VALUE ADJUSTMENT LOSSES

	2025	2024
Actuarial Losses	3 611 466	131 312
Post Retirement Medical Benefits	3 174 882	131 312
Long Service Awards	436 583	-
Foreign Exchange Losses	4 345	-
Total	**3 615 810**	**131 312**

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.

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Figures in Rand		2025	2024

51 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR

51.1 Property, Plant and Equipment

Completed projects were incorrectly included as work in progress which resulted that depreciation amounting to R52 841 was not recognised on the said projects.

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

- Property, Plant and Equipment - note 10	Overstated	(52 841)
- Depreciation and Amortisation - note 42	Understated	52 841

51.2 Payables from Exchange Transactions

The following errors were noted:

- Two supplier invoices were incorrectly raised, resulting in Trade Payables being overstated by R1 770 799.
- Two supplier invoices amounting to R1 501 803 were not raised as on 30 June 2024, resulting in Trade Payables being understated.

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

- Taxes - note 5	Overstated	(35 087)
- Payables from Exchange Transactions - note 16	Overstated	(268 997)
- Contracted Services - note 46	Understated	1 305 915
- Other Expenditure - note 48	Overstated	(869 565)
- Accumulated Surplus - note 51.5	Understated	670 260

51.3 Current Employee Benefits

Acting allowances for June, only paid in July, was not accrued as on 30 June.

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

- Current Employee Benefits - note 19	Understated	249 488
- Employee Related Costs - note 39	Understated	47 691
- Accumulated Surplus - note 51.5	Overstated	(201 796)

51.4 Classification of Library Services

During the 2023/24 statutory audit, the Auditor-General issued a finding that the funds being received from the Department of Cultural Affairs and Sport (DCAS) are for services being rendered to the Department, as the library function has not been assigned to municipalities. Given the afore-mentioned, it was concluded by the Auditors General 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	(7 472 418)
- Current Provisions - note 20	Overstated	(7 472 418)

51.5 Accumulated Surplus

Payables from Exchange Transactions - note 51.2	670 260
Current Employee Benefits - note 51.3	(201 796)
Total	468 464

51.6 Cash Flow Statement

The 2023/24 contribution towards the provision relating to the Output VAT on the libraries services amounting to R1 509 307 was incorrect netted off against "Government Grants", rather than "Other Revenue and Receipts"

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

- Other Revenue and Receipts	Understated	1 509 307
- Government Grants	Overstated	(1 509 306)

Figures in Rand		2025	2024
52	**NET CASH FROM OPERATING ACTIVITIES**		
	Net Surplus/(Deficit) for the year	58 554 400	(109 101 067)
	Adjusted for:		
	Non-cash revenue included in Net Surplus	(299 022)	(18 322 191)
	Fair Value Adjustment Gains	(217 340)	(16 498 458)
	Actuarial Gains	-	(464 806)
	Landfill Sites - iGRAP 2 adjustments	(217 340)	(16 033 652)
	Contributed Assets	(44 556)	(1 804 379)
	Rental of Facilities and Equipment - decrease in operating lease asset	(37 127)	(19 354)
	Non-cash expenditure included in Net Surplus	198 040 434	201 671 906
	Employee Related Costs - Contributions towards	24 036 726	18 053 681
	Post Retirement Medical Benefits	2 379 000	(2 832 000)
	Long Service Awards	1 105 000	1 091 000
	Bonuses	14 085 354	13 457 620
	Staff Leave	4 723 614	3 989 768
	Performance Bonuses	227 799	260 197
	Group Insurance	24 826	68 866
	Standby and Overtime	1 491 134	2 018 230
	Debt Impairment	100 461 167	88 787 711
	Depreciation and Amortisation	35 341 245	34 240 737
	Impairment	5 979 245	-
	Finance Charges	20 933 258	20 117 652
	Post Retirement Medical Benefits	6 650 000	6 684 000
	Long Service Awards	1 407 000	1 383 000
	Provision for Rehabilitation of Landfill-sites	12 876 258	12 050 652
	Loss on disposal of Non-Monetary Assets	7 677 329	40 340 813
	Fair Value Adjustment Losses - Actuarial Losses	3 611 466	131 312
	Cash expenditure not included in Net Surplus	(23 456 145)	(21 736 272)
	Post Retirement Medical Benefits	(2 912 882)	(2 495 312)
	Long Service Awards	(1 660 583)	(1 291 194)
	Bonuses	(13 816 367)	(12 999 959)
	Staff Leave	(2 861 173)	(2 614 665)
	Performance Bonuses	(186 911)	(302 180)
	Pension	-	-
	Standby and Overtime	(2 018 230)	(2 032 963)
	Operating Surplus before changes in working capital	232 839 667	52 512 376
	Movement in working capital	(183 830 030)	22 936 750
	Long-term Receivables	(498 650)	(8 820 142)
	Receivables from Exchange Transactions	(78 229 902)	(71 130 713)
	Receivables from Non-Exchange Transactions	(32 313 587)	(20 956 003)
	Taxes	2 926 633	5 748 241
	Inventory	1 090 283	3 508 410
	Consumer Deposits	718 300	658 626
	Payables from exchange transactions	19 941 730	80 233 562
	Unspent Conditional Government Grants	(28 893 449)	35 152 606
	Unspent Conditional Government Grants - Non-cash capital grants receipts	(67 636 030)	-
	Unspent Public Contributions	-	(411 300)
	Current and Non-current Investments - Interest and Fair Value Adjustment	(935 360)	(1 046 537)
	Cash Flow from Operating Activities	**49 009 636**	**75 449 126**

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Figures in Rand	2025	2024

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

Cash and Cash Equivalents comprise out of the following:

	2025	2024
Primary Bank Account	2 395 294	16 373 169
Cash Floats	7 450	9 699
Total	**2 402 744**	**16 382 868**

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

54 BUDGET COMPARISONS

54.1 Comparable Basis

Differences were identified between the disclosure requirements in terms of GRAP and the reporting requirements in terms of National Treasury budget formats. The following items are affected by these classification differences:

Statement of Financial Position

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

Statement of Financial Performance

The following 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:

Item	GRAP Classification	Budget Classification	Amount
Revenue			
Electricity	Service Charges	Surcharges and Taxes	211 997
Water	Service Charges	Surcharges and Taxes	565 235
Sewerage and Sanitation	Service Charges	Surcharges and Taxes	544 411
Refuse Removal	Service Charges	Surcharges and Taxes	562 165
Outstanding Debtors	Interest Earned - Outstanding Debtors	Interest Earned from Receivables (Non-Exchange)	4 020 115
Department of Cultural Affairs and Sport	Library Services	Transfers and Subsidies - Operational	8 641 739
Landfill Sites - iGRAP 2 adjustments	Fair Value Adjustment Gains	Operational Revenue (Exchange)	217 340
Insurance Refund	Other Income (Non-Exchange)	Operational Revenue (Exchange)	937 633
Construction of Housing Top Structures	Construction Contracts	Transfers and Subsidies - Operational	5 275 387
Department of Infrastructure	Government Grants and Subsidies - Capital	Transfers and Subsidies - Capital (in-kind)	64 951 335
Expenditure			
Workmen's Compensation	Employee Related Costs	Operational Costs	1 645 249
Water	Bulk Purchases	Inventory Consumed	28 571 786
Construction of Housing Top Structures	Contracted Services	Transfers and Subsidies	5 275 387
Indigent Subsidies - Electricity	Transfers and Grants	Operational Costs	4 690 442
Sundries and Other Consumables	Other Expenditure	Inventory Consumed	595 011
Printing and stationery	Other Expenditure	Inventory Consumed	590 513
Maintenance Materials	Other Expenditure	Inventory Consumed	6 056 180
Refuse bags	Other Expenditure	Inventory Consumed	322 378
Water Purification	Other Expenditure	Inventory Consumed	3 574 877

54 BUDGET COMPARISONS (CONTINUED)

Reconciliation of Actuals	Note	Actuals per Statement of Financial Performance R	Reclassification due to mSCOA versus GRAP classification R	Actuals per Budget Comparison R
REVENUE				
Exchange Revenue		**401 279 478**	**(13 390 690)**	**387 888 788**
Service charges - Electricity	31	150 843 573	(211 997)	150 631 575
Service charges - Water	31	98 746 931	(565 235)	98 181 696
Service charges - Waste Water Management	31	46 916 673	(544 411)	46 372 262
Service charges - Waste Management	31	44 974 347	(562 165)	44 412 183
Sale of Goods and Rendering of Services	37	4 482 116	-	4 482 116
Agency Services	35	8 352 463	-	8 352 463
Interest Earned from Receivables (Exchange)	34	28 820 327	(4 020 115)	24 800 212
Interest Earned from Current and Non Current Assets	33	3 484 407	-	3 484 407
Rental from Fixed Assets	32	2 097 325	-	2 097 325
Licences and Permits	37	71 125	-	71 125
Operational Revenue (Exchange)	36 & 37	12 490 191	(7 486 767)	5 003 424
Non-Exchange Revenue		**346 047 286**	**18 666 077**	**364 713 363**
Property Rates	23	161 347 202	-	161 347 202
Surcharges and Taxes		-	1 883 808	1 883 808
Fines, Penalties and Forfeits	28	28 519 962	-	28 519 962
Transfers and Subsidies - Operational	24 & 25	149 488 382	13 917 126	163 405 508
Interest Earned from Receivables (Non-Exchange)		-	4 020 115	4 020 115
Operational Revenue (Non-Exchange)	27 & 30	6 474 400	(937 633)	5 536 768
Other Gains	29	217 340	(217 340)	-
Construction Contracts	38	**5 275 387**	**(5 275 387)**	**-**
Total Revenue (excluding capital transfers)		**752 602 151**	**-**	**752 602 151**
EXPENDITURE				
Employee Related Costs	39	283 154 149	(1 645 249)	281 508 900
Remuneration of Councillors	40	13 148 261	-	13 148 261
Debt Impairment	41	100 461 167	-	100 461 167
Depreciation and Amortisation	42 & 43	41 320 489	-	41 320 523
Interest	44	47 204 499	-	47 204 499
Bulk Purchases - electricity	45	148 675 501	(28 571 786)	120 103 715
Inventory consumed		-	39 710 746	39 710 746
Contracted Services	46	63 838 859	(5 275 387)	58 563 472
Transfers and Subsidies	47	4 916 357	584 944	5 501 302
Operational Costs	48	83 475 304	(4 803 269)	78 672 035
Losses on Disposal of Assets	49	7 677 329	-	7 677 311
Other Losses	50	3 615 810	-	3 615 810
Total Expenditure		**797 487 725**	**-**	**797 487 741**
Surplus/(Deficit)		**(44 885 574)**	**-**	**(44 885 590)**
Transfers and Subsidies - Capital (monetary allocations)	24	103 395 418	(64 951 335)	38 444 084
Transfers and Subsidies - Capital (in-kind)	26	44 556	64 951 335	64 995 890
Surplus/(Deficit) for the year		**58 554 400**	**-**	**58 554 384**

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54 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 earned on Non-Current Investment is considered an Investing Activity for GRAP purposes, but is budgeted as an Operating Activity.
- Funding received from the Department of Infrastructure for Construction Contracts is recognised as "Other Revenue" for GRAP purposes, but for budget purposes it is recognised as "Government Grants".
- Funding received from the Department of Cultural Affairs and Sport (DCAS) for Library Services is recognised as "Other Revenue" for GRAP purposes, but for budget purposes it is recognised as "Government Grants".
- Interest on Outstanding Debtors are budgeted under "Interest", but for GRAP purposes are disclosed as "Service Charges and Interest on Outstanding Debtors".

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

Item as per Cash Flow Statement (GRAP / Budget)	**As per GRAP Cash Flow Statement**	**Adjustment**	**As per Budget Cash Flow Statement**
Other Revenue and Receipts / Other Revenue	37 735 185	(15 314 143)	22 421 043
Government Grants / Transfers and Subsidies	153 619 797	10 141 739	163 761 536
Investment Income / Interest	2 553 848	5 364 637	7 918 485
Decrease/(Increase) in Other Non-Current Investments	7 067 309	(910 534)	6 156 775
Increase (decrease) in consumer deposits	-	718 300	718 300

54.2 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.

Accumulated Surplus was adjusted to take into account budget adjustments made to the Statement of Financial Performance.

Actual Amounts vs Final Budget

Investments	Actuals were less than budget as the investment deposit matured during the current financial year and was utilised towards the early settlement of a DBSA loan. The budget did not take into account the afore-mentioned.
Property, Plant and Equipment	Actuals were less than budget as 60% of capital budget was spent.
Financial Liabilities (Current)	Actuals were more than budget as the Municipality was unable to service the scheduled loan repayments towards the end of the financial year, as a result of cash flow constraints.
Trade and Other Payables from Exchange Transactions	Trade Payables was budgeted with the assumption that the full operating and capital budget would be spent, and as a result of cash flow constraints, the said expenditure would result in an increase of unpaid invoices at year-end. However, both the capital and operating budget was significantly underspent, resulting in less unpaid invoices at year-end.
Trade and Other Payables from Non-Exchange Transactions	Actuals were more than budget as not all grant funding was spent as a result of slights delays experienced on certain projects.
Financial Liabilities (Non-current)	Actuals were less than budget as the investment deposit matured during the current financial year and was utilised towards the early settlement of a DBSA loan. The budget did not take into account the afore-mentioned.
Provisions (Current)	Actuals were less than budget as VAT on library services considered a Taxes Payable and not a Provision as initially budgeted. Refer to note 51.4.
Provision (Non-current)	Actuals are more than budget, due to an increase in the rehabilitation of the landfill site provision which is based on an annual report compiled by an independent qualified engineer.
Accumulated Surplus	Accumulated Surplus was less than budget as a result of variances as noted under the budget comparison of the Statement of Financial Performance.

54 BUDGET COMPARISONS (CONTINUED)

54.3 Statement of Financial Performance

Adjustments to Original Budget

Sale of Goods and Rendering of Services	The original budget made provision for sale of land which did not materialise and accordingly the budget was decreased.
Employee Related Costs	Upward adjustments were made to overtime and standby due to limited capacity and excessive service delivery demands.
Bulk Purchases - Electricity	Budget was increased due to the original budget being insufficient for the demand required.
Debt Impairment	Original budget calculations was based on a collection rate of 80%. The collection rate was however revised to 82.3% (which is based on the audited actuals of 2023/24) and the debt impairment budget was adjusted accordingly.
Contracted Services	Budget was mainly increased to make provision for additional security services.
Operational Costs	Electricity charges from Eskom was increased, as the original budget was assessed as being insufficient for the demand required. External audit fees was also increased as it was agreed with the Auditor General to commence with the 2024/25 statutory audit during the current year and not after year-end as was done in the past.
Transfers and Subsidies - Capital (monetary allocations) Transfers and Subsidies - Capital (in-kind)	Due to the cash flow constraints experienced by the Municipality, arrangements were undertaken with the Department of Infrastructure regarding housing projects. The arrangements determined that the Department of Infrastructure should directly pay the suppliers appointed by the Municipality, rather than distributing the funds to the Municipality. Accordingly the monetary capital allocations were decreased, and the in-kind capital were increased with the revised allocation from the Department of Infrastructure.

Virements

The Virement Policy as approved by Council gives authority to the Chief Financial Officer to approve transfers or adjustments falling outside the ambit of this policy. This includes virements between any vote to comply with GRAP requirements. These entries in the final virement passed is within the allowed exception of said policy.

Actual Amounts vs Final Budget

Sale of Goods and Rendering of Services	Actuals were less than budget as sale of land did not materialise.
Debt Impairment	Actuals are less than budget, as the budget was based on a collection rate of 82.3%, whereas the actual collection rate achieved is calculated at 83.8%, resulting in a lower impairment rate.
Contracted Services	Actuals less than budget as the full allocation from the Department of Infrastructure was not transferred to the Municipality or suppliers before 30 June 2025, mainly due to the fact that funding is paid on a claim basis which is usually a protracted process.
Operational Costs	Due to financial constraints, the Municipality restricted all non-essential procurement resulting in the actuals being less than budget.
Transfers and Subsidies - Capital (monetary allocations) Transfers and Subsidies - Capital (in-kind)	Actuals less than budget as the full allocation from the Department of Infrastructure was not transferred to the Municipality or suppliers before 30 June 2025, mainly due to the fact that funding is paid on a claim basis which is usually a protracted process.

54 BUDGET COMPARISONS (CONTINUED)

54.4 Cash Flow Statement

Adjustments to Original Budget

Net Cash from/(used) Operating Activities	Property Rates and Service Charges receipts increased due to an increase in the budgeted collection rate from 80% to 82.3%, which is based on the audited actuals of 2023/24. Transfers and Grants receipts decreased due to the arrangement undertaken with the Department of Infrastructure whereby the Department directly paid the suppliers appointed by the Municipality for housing projects. Payment of Suppliers and Employees decreased as it was assessed and budgeted that the Municipality will have more unpaid creditors at year-end than anticipated, resulting in a decrease in payments to suppliers.
Net Cash from/(used) Investing Activities	Payment of Capital Assets decreased due to the arrangement undertaken with the Department of Infrastructure whereby the Department directly pay suppliers appointed by the Municipality for housing projects. In addition, capital projects to be funded from borrowings were also decreased as a decision was taken not to take up any borrowings.
Net Cash from/(used) Financing Activities	Borrowings were decreased as a decision was taken that no new loans were to be taken up for the current financial year.

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 82.3%, whereas the actual collection rate achieved is calculated at 83.8%. Other Revenue receipts was less than budget, mainly due to the property sales which did not materialise. Transfers and Subsidies actuals receipts was less than budget as the full allocation from the Department of Infrastructure was not transferred to the Municipality before 30 June 2025, mainly due to the fact that funding is paid on a claim basis which is usually a protracted process. Payment of Suppliers and Employees are more than budget as the Municipality had less unpaid creditors than anticipated. Payment of Interest was based on the budget assumption that all interest levied by suppliers, would be paid. R7 million of interest levied by suppliers is still unpaid at year-end. The remaining variance relate to the unpaid interest portion of scheduled loan repayments which could not be serviced towards the end of the financial year.
Net Cash from/(used) Investing Activities	Capital asset purchases were less than budget mainly as a result of capital budget not spent in full (60% of capital budget was spent). The reason for the underspending is due to full allocation from the Department of Infrastructure that was not transferred to the Municipality before 30 June 2025, mainly due to the fact that funding is paid on a claim basis which is usually a protracted process.
Net Cash from/(used) Financing Activities	Repayment of borrowings were less than budget as the Municipality was unable to service the scheduled loan repayments towards the end of the financial year, as a result of cash flow constraints.

Figures in Rand	2025	2024

55 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

55.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

	2025	2024
Opening balance	153 727 513	104 357 068
Unauthorised expenditure current year - operating	178 512	49 370 445
Unauthorised expenditure current year - capital	-	-
Approved by Council	-	-
Unauthorised expenditure awaiting further action	**153 906 025**	**153 727 513**

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
Unauthorised expenditure - Operating				
Vote 1 - Directorate Finance	98 348 074	99 465 533	-	-
Vote 2 - Community Services	175 433 667	187 168 901	-	49 370 445
Vote 3 - Corporate services	81 686 103	86 949 737	-	-
Vote 4 - Electricity	153 602 452	163 767 069	-	-
Vote 5 - Economic Development and Planning	34 424 785	35 722 805	-	-
Vote 6 - Office of the Municipal Manager	8 175 752	8 335 875	-	-
Vote 8 - Technical and Infrastructure Implementation Ser	18 065 767	21 617 655	-	-
Vote 12 - Waste management	73 910 653	73 732 141	178 512	-
Vote 13 - Waste water management	64 615 761	67 276 093	-	-
Vote 14 - Water	89 224 727	99 425 866	-	-
Total	**797 487 741**	**843 461 675**	**178 512**	**49 370 445**

The overspending incurred is attributable to the following items:

	2025	2024
- Impairment of Capitalised Restoration Cost (non-cash)	178 512	-
- Hire charges (cash)	-	19 400 253
- Security Services (cash)	-	29 970 192
Total	178 512	49 370 445

	2025 (Actual) R	2025 (Final Budget) R	2025 (Unauthorised) R	2024 (Unauthorised) R
Unauthorised expenditure - Capital				
Vote 1 - Directorate Finance	126 073	409 177	-	-
Vote 2 - Community Services	9 232 880	24 478 433	-	-
Vote 3 - Corporate services	348 039	602 918	-	-
Vote 4 - Electricity	3 040 348	4 636 722	-	-
Vote 5 - Economic Development and Planning	78 238 040	126 941 562	-	-
Vote 6 - Office of the Municipal Manager	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Ser	-	-	-	-
Vote 12 - Waste management	-	-	-	-
Vote 13 - Waste water management	5 789 098	9 113 411	-	-
Vote 14 - Water	12 052 466	13 987 872	-	-
Total	**108 826 944**	**180 170 095**	**-**	**-**

55.2 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

	2025	2024
Opening balance	13 954	18 386
Fruitless and wasteful expenditure incurred - current year	7 481 195	-
Approved by Council	-	-
Recovered	-	(4 432)
Fruitless and wasteful expenditure awaiting further action	**7 495 149**	**13 954**

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Figures in Rand	2025	2024

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

Details of fruitless and wasteful expenditure incurred:

	2025	2024
(a) Cashier losses. Investigation finalised and no liability for employees. No further prosecution as per disciplinary outcome.	-	-
(b) Interest charged by suppliers	7 481 195	-
Total	**7 481 195**	**-**

Details of fruitless and wasteful expenditure awaiting further action:

	2025	2024
(a) Cashier losses. Investigation finalised and no liability for employees. No further prosecution as per disciplinary outcome.	13 954	13 954
(b) Interest charged by suppliers	7 481 195	-
Total	**7 495 149**	**13 954**

55.3 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

	2025	2024
Opening balance	353 249 767	90 979 117
Irregular expenditure incurred - current year	105 312 318	259 169 598
Irregular expenditure incurred - prior year	3 698 532	3 101 052
Approved by Council	-	-
Irregular expenditure awaiting further action	**462 260 616**	**353 249 767**

No irregular expenditure incurred has been recovered.

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

Details of irregular expenditure incurred

	2025	2024
(a) Deviations not considered to be impractical or exceptional circumstances	14 975 877	20 627 374
(b) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	68 100 408	37 399 052
(c) Services rendered without a contract, order or quotation.	-	-
(d) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1) of the Municipal supply chain regulations	-	46 484
(e) Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees	-	-
(f) Non compliance with section 112 (1) (a) to (g) of the MFMA	22 302 533	133 422 092
(g) Service rendered and invoice paid of which section 36 deviation was subsequently rejected	317 550	-
(h) NGO appointed to organise event without approaching any other event organisation to make such an offering	-	-
(i) Non compliance with cost containment policy	-	-
(j) Deviations not considered to be an emergency	-	16 856 838
(k) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	-	7 424 602
(l) Specialised medical assessments referred but service providers unwilling to follow procurement processes	-	14 640
(m) Donation made without clear policy guidelines and/or Council Resolution	-	500 000
(n) Non-compliance with CIDB Regulation 17 and Schedule 3 of CIDB Regulation	-	90 086
(o) Grant funding not spend in terms of section 16(1) of the 2023 DoRA	-	42 079 588
(p) Non-compliance with appointment in terms of Section 54A of the MSA	-	1 056 233
(q) Non-compliance with appointment in terms of Section 56(1)(c) of the MSA	-	1 948 759
(r) Non-compliance with SCM Reg 18(a) - Advertisements above R30 000	-	56 000
(s) Non-compliance with appointment in terms of Section 55(1)(e) of the MSA	-	748 903
(t) Non-compliance with Section 116 (2) (b) - Services rendered with order however amounts exceeded order amount	2 062 726	-
(u) Non-compliance with SCM Reg 43 - Prohibition on awards to persons whose Tax matter are not in order	699 487	-
(v) Non-compliance with SCM Regulation 22(1)(b)(i) - Long-term contracts not advertised for minimum of 30 days	371 382	-
(w) Non-compliance with Section 32(2) of MFMA - Overpayment of MPAC	180 885	-
Total	**109 010 849**	**262 270 650**

Figures in Rand	2025	2024

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

Details of irregular expenditure awaiting further action:

	2025	2024
(a) Deviations not considered to be impractical or exceptional circumstances	43 560 876	28 584 999
(b) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	126 165 462	58 065 054
(c) Services rendered without a contract, order or quotation.	12 900	12 900
(d) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1) of the Municipal supply chain regulations	655 926	655 926
(e) Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees	1 075 990	1 075 990
(f) Non compliance with section 112 (1) (a) to (g) of the MFMA	209 735 313	187 432 780
(g) Service rendered and invoice paid of which section 36 deviation was subsequently rejected	317 550	-
(h) NGO appointed to organise event without approaching any other event organisation to make such an offering	436	436
(i) Non compliance with cost containment policy	1 540	1 540
(j) Deviations not considered to be an emergency	19 659 362	19 659 362
(k) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	11 266 572	11 266 572
(l) Specialised medical assessments referred but service providers unwilling to follow procurement processes	14 640	14 640
(m) Donation made without clear policy guidelines and/or Council Resolution	500 000	500 000
(n) Non-compliance with CIDB Regulation 17 and Schedule 3 of CIDB Regulation	90 086	90 086
(o) Grant funding not spend in terms of section 16(1) of the 2023 DoRA	42 079 588	42 079 588
(p) Non-compliance with appointment in terms of Section 54A of the MSA	1 056 233	1 056 233
(q) Non-compliance with appointment in terms of Section 56(1)(c) of the MSA	1 948 759	1 948 759
(r) Non-compliance with SCM Reg 18(a) - Advertisements above R30 000	56 000	56 000
(s) Non-compliance with appointment in terms of Section 55(1)(e) of the MSA	748 903	748 903
(t) Non-compliance with Section 116 (2) (b) - Services rendered with order however amounts exceeded order amount	2 062 726	-
(u) Non-compliance with SCM Reg 43 - Prohibition on awards to persons whose Tax matter are not in order	699 487	-
(v) Non-compliance with SCM Regulation 22(1)(b)(i) - Long-term contracts not advertised for minimum of 30 days	371 382	-
(w) Non-compliance with Section 32(2) of MFMA - Overpayment of MPAC	180 885	-
Total	**462 260 616**	**353 249 767**

Incidents/cases identified in the current year include:

	2025	2024
(a) Deviations not considered to be impractical or exceptional circumstances	17	16
(b) No documents supporting the regulation 32 awards that any portion of contracts equals a portion of the original contract that was forfeited by the other organ of state.	-	-
(c) Services rendered without a contract, order or quotation.	-	-
(d) No reasons documented and approved by delegated official for not obtaining at least three quotations in terms of regulation 17(1) of the Municipal supply chain regulations	-	1
(e) Non-compliance with SCM Reg 29(b)(2) - Bid Adjudication Committees	-	-
(f) Non compliance with section 112 (1) (a) to (g) of the MFMA	43	19
(g) Service rendered and invoice paid of which section 36 deviation was subsequently rejected	1	-
(h) NGO appointed to organise event without approaching any other event organisation to make such an offering	-	-
(i) Non compliance with cost containment policy	-	-
(j) Deviations not considered to be an emergency	-	3
(k) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	-	627
(l) Specialised medical assessments referred but service providers unwilling to follow procurement processes	-	2
(m) Donation made without clear policy guidelines and/or Council Resolution	-	1
(n) Non-compliance with CIDB Regulation 17 and Schedule 3 of CIDB Regulation	-	1
(o) Grant funding not spend in terms of section 16(1) of the 2023 DoRA	-	1
(p) Non-compliance with appointment in terms of Section 54A of the MSA	-	1
(q) Non-compliance with appointment in terms of Section 56(1)(c) of the MSA	-	2
(r) Non-compliance with SCM Reg 18(a) - Advertisements above R30 000	-	1
(s) Non-compliance with appointment in terms of Section 55(1)(e) of the MSA	-	1
(t) Non-compliance with Section 116 (2) (b) - Services rendered with order however amounts exceeded order amount	5	-

Figures in Rand	2025	2024

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

(u) Non-compliance with SCM Reg 43 - Prohibition on awards to persons whose Tax matter are not in order	1	-
(v) Non-compliance with SCM Regulation 22(1)(b)(i) - Long-term contracts not advertised for minimum of 30 days	2	-
(w) Non-compliance with Section 32(2) of MFMA - Overpayment of MPAC	1	-

56 MATERIAL LOSSES

56.1 Water distribution losses

	2025	2024
Kilo litres disinfected/purified/purchased	5 639 570	5 999 230
Kilo litres sold and free basic services	4 728 795	4 698 475
Kilo litres lost during distribution	910 775	1 300 755
Percentage lost during distribution	16.15%	21.68%

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

56.2 Electricity distribution losses

	2025	2024
Units purchased (Kwh)	57 868 959	54 437 884
Units sold, free basic services and standard friction losses	55 731 198	52 425 313
Units lost during distribution (Kwh)	2 137 761	2 012 571
Percentage lost during distribution	3.69%	3.70%

57 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

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

	2025	2024
Opening balance	(3 074 334)	(2 926 970)
Expenditure incurred	3 074 334	2 926 970
Payments	(2 339 203)	(3 074 334)
Payments in advance	**(2 339 203)**	**(3 074 334)**

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

	2025	2024
Opening balance	1 334	-
Expenditure incurred	10 144 284	5 188 017
External Audit - Auditor-General	8 325 676	4 511 319
VAT on External Audit	1 248 851	676 698
Finance Charges	569 757	-
Payments	(1 334)	(5 186 683)
Outstanding Balance	**10 144 284**	**1 334**

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

	2025	2024
Opening balance	(2 811 988)	4 495 203
Net amount claimed/(declared) during the year	(2 772 046)	17 533 126
Net amount paid/(received) during the year	3 278 046	(24 840 316)
Outstanding Balance Receivable/(Payable)	**(2 305 987)**	**(2 811 988)**

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.

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

	2025	2024
Opening balance	3 887 728	-
Payroll deductions and Council Contributions during the year	46 690 133	46 234 172
Payments	(46 740 207)	(42 346 445)
Outstanding Balance	**3 837 653**	**3 887 728**

Figures in Rand	2025	2024

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

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

	2025	2024
Opening balance	-	-
Payroll deductions and Council Contributions during the year	67 635 646	63 526 062
Payments made to pension and medical fund	(64 093 992)	(63 526 062)
Outstanding Balance	**3 541 654**	**-**

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

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

	2025	2024
MS Shale	-	1 597
MA Nomkoko (entered into a repayment arrangement with the Municipality)	10 301	23 108
PJ Stander	21 899	15 128
J Smith	-	1 163
DA Appel	2 363	-
Total	**34 563**	**40 996**

57.7 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	1 768 461	26 688 183
Section 36(1)(a)(ii) - Single provider	-	77 188
Section 36(1)(a)(iii) - Specialised services	-	-
Section 36(1)(a)(iv) - Acquisition of animals for zoo's	-	-
Section 36(1)(a)(v) - Impractical to follow official procurement process	2 496 250	45 785 806
Total	**4 264 711**	**72 551 177**

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

	2025	2024
MM Office	-	-
Financial Services	1 497 574	1 046 060
Corporate Services	606 492	1 306 774
Community Services	436 725	44 048 314
Economic Development and Planning	1 457 901	9 403 149
Technical and Infrastructure and Implementation Services	266 019	16 746 878
Total	**4 264 711**	**72 551 177**

Deviations from Supply Chain Management Regulations were identified on the quotation/tender categories:

	2025	2024
Less than R30 000	1 583 520	1 354 655
Between R30 001 and R200 000	2 077 903	6 274 591
Between R200 001 and R2 000 000	603 288	19 042 203
More than R2 000 001	-	45 879 727
Total	**4 264 711**	**72 551 176**

58 CAPITAL COMMITMENTS

	2025	2024
Approved and contracted for	**31 543 625**	**97 609 738**
Infrastructure	31 543 625	97 609 738

This expenditure will be financed from:

	2025	2024
External Loans	-	2 202 086
Government Grants	31 543 625	94 084 163
Own Resources	-	1 323 489
Total	**31 543 625**	**97 609 738**

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

Figures in Rand	2025	2024

59 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

59.1 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	17 616 980	16 373 169
Receivables from exchange transactions	40 939 004	37 561 933
Receivables from non-exchange transactions	565 466	594 330
Long-term Receivables	9 504 373	6 918 176
Current and Non-current Investments	273 643	14 875 393
Total	**68 899 467**	**76 323 000**

Cash and Cash Equivalents and Non-current Investments

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, except for the fixed deposit that serve as security for stock loans as disclosed in note 13.2 and 14.2.

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 collateral is held from any consumers (other than consumer deposits).

Refer to note 14.2 for receivables pledged as security for Long-term Liabilities.

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

	2025	2024
Electricity	1 753 169	2 003 496
Water	2 107 831	2 022 481
Refuse	1 928 325	1 765 046
Sewerage	1 086 707	1 091 276
Interest	1 685 460	2 052 232
Other	384 355	300 803
Availability Charges	322 801	362 356
Total	**9 268 648**	**9 597 690**

Past due receivables not impaired are aged as follow:

	2025	2024
1 to 3 months overdue	5 250 470	5 342 520
4 months to 1 year overdue	2 189 353	2 698 967
1 year overdue	1 828 825	1 556 202
Total	**9 268 648**	**9 597 690**

Figures in Rand	2025	2024

59 FINANCIAL RISK MANAGEMENT (CONTINUED)

59.2 Currency risk (Market Risk)

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

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

59.3 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)	17 616 980	16 373 169
Long-term Liabilities (including current portion)	-	-
Net balance exposed	**17 616 980**	**16 373 169**

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	88 085	81 866
0.5% (2024 - 0.5%) decrease in interest rates	(88 085)	(81 866)

59.4 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	52 166 664	103 046 750	96 975 437	252 188 851
Payables from exchange transactions	206 196 815	-	-	206 196 815
Total	**258 363 479**	**103 046 750**	**96 975 437**	**458 385 666**
30 JUNE 2024				
Annuity Loans	38 690 446	121 787 516	115 220 437	275 698 400
Stock Loans	7 073 167	10 043 320	-	17 116 487
Payables from exchange transactions	187 285 669	-	-	187 285 669
Total	**233 049 282**	**131 830 836**	**115 220 437**	**480 100 556**

59.5 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 following balance is exposed to price risk:

	2025	2024
Non-current Investments - Listed shares	273 643	248 817

Figures in Rand	2025	2024

60 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

	2025	2024
Financial Assets		
Cash and Cash Equivalents	17 616 980	16 373 169
Bank Accounts	2 395 294	16 373 169
Investment Deposits	15 221 686	-
Receivables from Exchange Transactions	40 939 004	37 561 933
Electricity	12 533 194	12 245 730
Water	14 886 119	13 392 591
Refuse	4 620 336	4 277 722
Sewerage	6 376 465	4 703 625
Interest	1 913 256	2 232 612
Other	600 262	515 545
Accrued Interest	9 372	194 107
Receivables from Non-Exchange Transactions	565 466	594 330
Availability Charges	565 466	594 330
Long-term Receivables	9 504 373	6 918 176
Receivables with repayment arrangements	9 504 373	6 918 176
Current and Non-current Investments	-	14 626 575
Fixed Deposits	-	14 626 575
Total	**68 625 823**	**76 074 183**
Financial Liabilities		
Payables from Exchange Transactions	206 196 815	187 285 669
Trade Payables	185 915 845	170 253 848
Retentions	9 911 440	9 406 563
Department of Infrastructure	945 586	933 786
Sundry Deposits	6 193 612	6 091 813
Accrued Interest	3 230 332	599 659
Long-Term Liabilities	157 991 408	181 357 388
Annuity Loans	157 991 408	166 887 588
Stock Loans	-	14 469 800
Total	**364 188 223**	**368 643 057**

The Municipality recognised the following financial instruments at fair value:

	2025	2024
Financial Assets		
Non-current Investments		
Listed shares	**273 643**	**248 817**

Figures in Rand	2025	2024

61 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	19 641 544	18 946 653
Property Rates	16 086 645	16 234 554
Unpaid Traffic Fines	3 554 899	2 712 100
Taxes - VAT Claimable from SARS	-	-
Total	**19 641 544**	**18 946 653**

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

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

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

Property Rates

	2025	2024
- Past due at the reporting date, and which have been impaired	28 017 218	27 632 129
- Past due that have not been impaired	6 959 911	7 793 951

62 PRINCIPAL-AGENT ARRANGEMENTS

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

62.1 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	2 636 601	393 358
Revenue collected from third parties	41 446 413	39 096 561
Commission earned on collections included in note 35	(6 287 558)	(6 059 564)
VAT on commission earned payable to the South African Revenue Services	(942 529)	(908 998)
Collections paid over to The Department	(32 441 425)	(29 884 756)
Collections payable to the Department at year-end	**4 411 502**	**2 636 601**

62.2 Department of Infrastructure

The Municipality acts as an agent for the Department of Infrastructure for the Peoples Housing Project (PHP) and to facilitate the deed transfers to qualifying beneficiaries.

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

	2025	2024
Balance at beginning of year	219 083	1 119 445
Payments received from / (funds returned to) the Department	-	-
Expenditure incurred on behalf of the Department	-	(900 362)
Balance at year-end	**219 083**	**219 083**

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Figures in Rand		2025	2024

62 PRINCIPAL-AGENT ARRANGEMENTS (CONTINUED)

62.3 Other Arrangements

The Municipality has entered into arrangements with prepaid electricity vendors to provide services to the public on behalf of the Municipality. 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. The nature of these arrangements were assessed and the transactions are not considered to fall within the scope of GRAP 109.

63 EVENTS AFTER REPORTING DATE

The Municipal had no significant events after reporting date.

64 IN-KIND DONATIONS AND ASSISTANCE

Property, Plant and Equipment as per note 26 were donated to the Municipality.

65 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

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

66 CONTINGENT LIABILITIES

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

		2025	2024
66.1	**Matter against Grabouw Abattoir CC by the Municipality - High Court case no. 21207/2024**	1 000 000	-

Summons was issued against Grabouw Abattoir CC for non payment of their municipal account. Municipality's assessment is based on legal advice received from Counsel. Beyond that on the merits of the case, the Municipality is of the view that there is at best a 50 percent chance of success. The financial implication is limited to costs as the Municipality is the applicant. Given that the matter is in the High Court and both parties have Counsel, the Municipality's costs could be in the region of R500 000. If unsuccessful with the case, it may be ordered to pay costs which could add another R500 000 in costs. So the estimated financial implication at this stage is calculated at R1 000 000. This amount could increase if there are interlocutory applications, delays in finalising the pre-trial and last minute unplanned postponements of the trial.

		2025	2024
66.2	**Total**	**1 000 000**	**-**

67 FINANCIAL SUSTAINABILITY

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

67.1 Financial Indicators

The following financial indicators were assessed:

	2025	2024
Cash available for working capital requirements (positive balance)	-	-
Current Ratio (norm - at least 2:1)	0.33 : 1	0.36 : 1
Cash coverage ratio (norm - 3 months or more)	0 months	0 months
Creditors days (norm - 30 days or less)	166 days	118 days
Debtors collection rate (95% or more)	83.8%	82.7%
Operating surplus / (deficit)	(44 885 590)	(189 157 511)

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67 FINANCIAL SUSTAINABILITY (CONTINUED)

The Municipality finds itself in a strained cash flow position and adverse financial ratios due to depleted own financial reserves. Council adopted the Budget Funding Plan (BFP) in August 2024 which speaks to imminent financial recovery strategies which were reviewed and recommended by Provincial and National Treasury with specific focus on the revenue collection and curbing expenditure. The BFP has since been replaced with the Financial Recovery Plan (FRP) processes for subsequent adoption.

In terms of Section 139(2) of the Municipal Finance Management Act, 2003 (MFMA), Status Quo Assessment (SQA) has been provided to the Municipality. The submission made is in accordance with the statutory requirement to provide an assessment to key stakeholders following the invocation of a mandatory provincial intervention. On 17 December 2024, the MEC for Finance in the Western Cape wrote to the Minister of Finance requesting National Treasury's assistance in preparing a Financial Recovery Plan (FRP) for the Municipality, which was placed under mandatory intervention in terms of Section 139(5)(a) of the Constitution.

As part of the FRP preparation process, the Municipal Financial Recovery Service (MFRS) unit conducted a detailed assessment of the Municipality's current condition to identify the root causes of its financial and institutional failure. This multi-dimensional assessment focused on the Municipality's finances, governance, institutional arrangements, and service delivery, and involved extensive consultation with the Municipality, the Western Cape Provincial Treasury, the Western Cape Department of Local Government, and other relevant stakeholders.

The FRP is prepared according to a phased approach, distinguishing between short, medium, and long-term objectives. Under each phase (rescue, stabilisation, and sustainability), specific activities are identified to assist the Municipality in resolving the identified challenges. The phases are time-bound to ensure swift progress and recovery. Therefore, the Municipality must fully implement all activities identified by the stipulated timeframes.

At reporting date, the draft FRP was still open for public comments, after which consideration will be given to all inputs received from the various stakeholders. Subsequent to this process, the final FRP will be submitted to the MEC for Finance for authorisation, and then be tabled for final adoption by Council.

67.2 Other Indicators

Contingent Liabilities are disclosed in note 66. The total exposure amounts to R1 000 000, and therefore contingent liabilities in its totality does not pose any threat to the going concern assumption.

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

67.3 Future Budget

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

	2025/26	2026/27	2027/28
Cash available for working capital requirements (positive balance)	-	-	-
Current Ratio (norm - at least 2:1)	0.31:1	0.32:1	0.34:1
Cash coverage ratio (norm - 3 months or more)	0 months	0 months	0 months
Creditors days (norm - 30 days or less)	220 days	206 days	205 days
Debtors collection rate (95% or more)	82.7%	82.7%	82.7%
Operating surplus / (deficit)	(33 554 107)	(36 092 270)	(32 956 421)

67 FINANCIAL SUSTAINABILITY (CONTINUED)

The Rescue Phase (Phase 1) as per the FRP, focuses primarily on cash and restoring the cash position of the Municipality. The indicators for the rescue phase include a funded budget (or demonstrating that the municipality is on a credible path to a funded budget), monitoring of the daily cash and cash balances, cost containment measures, focusing on improving the debtor's collection rate, the ring-fencing of conditional grants and ensuring that creditors are paid timeously and that negotiations are entered into to settle any outstanding debt. There is some focus on service delivery and governance matters, however, these are limited to addressing the most visible and easy to resolve issues. However, as resources become available through better cash management, the collection of outstanding debt and the prioritisation of expenditure, service delivery issues can be addressed more comprehensively to secure the revenue base. This is a short-term phase and is anticipated to last up to eight months from the date of approval of the FRP.

67.4 Going concern assessment

The definition of a going concern is that there is no reason to believe that an institution will have to close down or be liquidated within 12 months after the reporting date.

Although several threats to the going concern assumption is identified, it is believed that the ultimate adoption of the FRP will mitigate these threats. Given the afore-mentioned, Management is of the opinion that the Municipality can continue in operational existence for the foreseeable future.

68 RELATED PARTIES

68.1 Related Party Loans

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

68.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 39 and 40.

68.3 Current Employee Benefits

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

		2025	2024
WF Hendricks	- Interim Municipal Manager	59 359	-
NP Mabhena	- Director: Financial Services	49 628	-
WSE Solomons-Johannes	- Director: Community Services	215 716	-
GW Hermanus	- Director: Corporate Services	51 818	-
Total		**376 521**	**-**

68.4 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.

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 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	Relationship	Position of person in service of the state	2025	2024
Petrol & Diesel Enjin Sentrum	Owner Petrus Pretorius is the parent-in-law of Joanle Pretorius	Theewaterskloof Municipality Accountant Expenditure	916 450	730 653
Zutari (Pty) Ltd. (Aurecon SA - Professional Services)	Parent of R Mehlala and Son of G Saaiman; Heather Ahlschalger spouse of Richard Ahlschalger; Shanaaz Seegers, Nadiema Allie, Mariam Gasant brother and sister of Ismail Gasant; Krishnavenie Nadasen spouse of Kevin Nadasen; Maria Marques spouse of Ermis Marques; Tlou Ndala spouse of Joseph Ndala	R Mehlala, CFO: Eastern Cape Arts and Culture Council and G Saaiman, Auditor General; Heather Ahlschalager Special Investigation Unit(independent statutory body that is accountable to Parliament and the president; Shanaaz Seegers City of Cape Town; Nadiema Allie South African Revenue Services; Mariam Gasant South African Revenue Services; Krishanvenie Nadasen National Department of Public Works; Maria MArques Department of Home Affairs; Tlou Ndala Gauteng Department of Education	-	85 100
Fairbridges Attorneys	Director Waheeda Shreef is the spouse of Mohammed Jawodeen; Director Adela Petersen is the sister of Shaheed Hofmeester and Director Diane-Maree Rauch is the daughter-in-law of Henk Rauch	Mohammed Jawodeen, Non-Executive Director of the Central Energy Fund; Shaheed Hofmeester, a Teacher and Henk Rauch, Programme Manger at Petrosa.	282 195	240 129
FCR Abrahams	Owner Frank Abrahams is the spouse of Berdine Abrahams, Father in-law of Anarood Plaatjies	Berdine Abrahams- TWK Debtors Clerk (Retired 30 June 2025) Anarood Plaatjies- Accountant Saldanha Municipality	-	27 720
Transoverberg Management Solutions	Owner Carlynn Cloete daughter of Sydney Armoed, Sister to Enslin Armoed	Enslin Armoed-Knysna Municipality Sydney Armoed-Temporary Project Leader TWK Municipality (End of contract 31 January 2025)	77 255	101 150
Conlog (Pty) Ltd	Director Logandhren Moodley is the spouse of Nirvasha Moodley	Department of Health Director	-	58 133
Reginald du Plessis	Owner Reginald du Plessis is the spouse of Cerhal du Plessis and the son-in-law of Caroline Wood	Cerhal du Plessis, TWK General Worker (Resigned 30 September 2023); Caroline Wood, TWK Temp (Contract Expired 31 December 2024)	-	42 900
Shyzac 01 Security Solutions & Maintenance	Director Bjorn Africa is the second cousin of Annielle Martin and his sister is Atleigh Africa	TWK - Senior Administrator TWK - Senior Traffic Officer	-	253 878

70 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2025	2024
Neil Lyners and Associates	Director Neil Lyners is the brother of HG Lyners	Western Cape Mobility Department - Director	3 074 919	2 279 214
AmandlaGCF Construction CC	Wendell Frazenberg, Director of AmandlaGCF Construction CC, is the brother-in-law of John Jacobs who is employed at the National Government Employment & Labour Department. Wendell Frazenberg is the brother of Unita Frazenberg, Eben Frazenberg, Jaqueline Frazenberg and Bryan Frazenberg who is employed at the National Government Deeds office, Education Department, Education Department and City of Cape Town - Traffic Department.	Teachers and Traffic Department	510 534	2 381 716
Amandla Construction CC and Khobeka Cons	Wendell Frazenberg, Director of AmandlaGCF Construction CC, is the brother-in-law of John Jacobs who is employed at the National Government Employment & Labour Department. Wendell Frazenberg is the brother of Unita Frazenberg, Eben Frazenberg, Jaqueline Frazenberg and Bryan Frazenberg who is employed at the National Government Deeds office, Education Department, Education Department and City of Cape Town - Traffic Department.	Teachers and Traffic Department	722 792	794 171
Royal Haskoning DHV	Salani Sithole, Director of Royal Haskoning DHV, is the spouse of Tryphosa Sithole who is employed at the City of Johannesburg.	Associate Director	108 227	205 034
Abe Rewinds t/a Delta Rewinds	Abduragman Daniels, Director of Abe Rewinds t/a Delta Rewinds, is the independent child of Mischa Human who is employed by the City of Cape Town.	Clerk	-	507 753
Groenland Motor Truck & Bakkie	Mina Snyders, Director of Groenland Motor Truck & Bakkie, is the sister-in-law of Morrizlin Josephs and Cornelius Josephs who is employed at TWK Mun. and SAPD.	Traffic Officer and Police Officer	256 987	539 722
Element Consulting Engineers (Pty) Ltd.	P Rossouw, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of R Rossouw who is employed by the Education Department. M Shezi, Director of Element Consulting Engineers (Pty) Ltd., is the spouse of E Shezi also employed by the Education Department.	Teachers	-	229 725
JLA Logistics (Pty) Ltd.	Janine Cupido, Director of JLA Logistics (Pty) Ltd., is the daughter of A Cupido who is employed at the Department of Correctional Services.	Warden	-	61 420
JPCE (Pty) Ltd.	J.Minnie spouse of Jorina Minnie director of JPCE	Head: Operation Centre and System Integration Disaster Risk Management Centre, Safety and Security Directorate	1 868 430	717 814
EJ'S Auto and Mechanical Services (Pty) Ltd	Spouse of Sue-Ellen Januarie	Sergeant Traffic Officer	-	28 875
Kemanzi (Pty) Ltd.	JN du Toit spouse of H du Toit director of Kemanzi (Pty) Ltd	Inspector Traffic Services: City of Cape Town	1 631 856	1 735 329

70 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2025	2024
Kreesan Investments	Parent and sister of Kreesan Subramoney director of Kreesan Investments	Deputy Director: Department of Correctional Services Warden: Department of Correctional Services	-	148 770
Donnys Mechanical Repair Center	Spouse (Beulinde Fisher) and daughter (Aldean Peka) of director of Donnys Mechanical Repair Centre	HR Administrator: Theewaterskloof Municipality WCED (Subject Advisor)	100 274	175 002
FG Jacobs Transport CC	Herman Poole spouse of director Charmaine Poole and Kaylin Flagg non dependant child of director Merle Flagg	WCED	639 127	1 284 972
Enviro Care TWK	Jennifer Mc Kenzie parent of Jesse Jackson McKensziee director of Enviro Care TWK	Councillor: Theewaterskloof Municipality Jennifer Mc Kenzie (Terminated 09.09.2024)	878 323	237 534
Moc Asansa Trading	Rinah Mienies sister of William Oranie director of Moc Asanda Trading	Councillor: Theewaterskloof Municipality	-	28 500
Cape Petroleum CC	Lydia Buyiswa Mdyogolo spouse of Ivan Mdyogolo director of Cape Petroleum CC	Educator in Ntwasahlobo Primary School	-	48 951
Bigetron (Pty) Ltd.	C de Beer sister in law and R. Aartma is non dependant child , of H.Aartsma shareholder of Bigetron (Pty) Ltd.	Head: Property Valuations Theewaterskloof Municipality Department of Water & Sanitation- Candidate Engineer	328 533	618 717
Bigen Africa Services (Pty) Ltd.	C de Beer sister in law and R. Aartma is non dependant child , of H.Aartsma shareholder of Bigen Africa Services (Pty) Ltd.	Head: Property Valuations Theewaterskloof Municipality Department of Water & Sanitation- Candidate Engineer	1 293 270	534 175
Fortuin-Wehr Enterprises (Pty) Ltd.	Owner Leonardo Wehr is the cousin of Rico Adams employed at Theewaterskloof Municipality	Theewaterskloof Municipality	-	206 510
C20 Max Projects (Pty) Ltd.	Parent of Nolan van Rhodie director of C20 Max Projects (Pty)Ltd.	Department of Infrastructure Western Cape in the Skills Development Department	-	229 499
Moreson Grondverskuiwers	Marie-Louise du Preez sister of Johan du Preez director of Moreson Grondverskuiwers	Department of Social Development	-	35 443
Engineering Advice Services	Shaun Westernberg brother of Anton Westerberg director of Engineering Advice Services and Erlrnr Westernberg is his sister in law.	Building Control - Mosselbay Municipality PA to Municipal Manager	3 937 539	3 522 278

70 TRANSACTIONS IN TERMS OF SECTION 45 OF THE MUNICIPAL SUPPLY CHAIN REGULATIONS (CONTINUED)

Company	Relationship	Position of person in service of the state	2025	2024
William October t/a Willo's Fine Cuizine	Morne and William October is the brother and father of the director William October t/a Willo's Fine Cuizine.	LED Theewaterskloof Municipality Sewerage Theewaterskloof Municipality	-	22 965
Brendall Fullard t/a BF Transport	Joan-Lee Fullard sister of Brendall Fullard director of Brendall Fullard t/a BF Transport	Administrator Theewaterskloof Municipality	-	54 959
JVB Steelworks (Pty) Ltd.	Shayon Kayser sister in law of John Brikkels director of JVB Steelworks (Pty) Ltd.	Theewaterskloof Municipality	1 990	10 700
Nissen Holdings (Pty) Ltd.	Shaneen Glynis Nissen (Teacher Education) - Wife of Mr. Rodney Johnathan Nissen	Western Cape Education Department	12 000	-
E En E 2 Da Loo Construction and Hire (Pty) Ltd.	Nelson Booysen Melinda Booysen Perecia du Toit Lolin Tobiase Lewellyn du Toit	SAPS Western Cape Education Department Department of Health Department of Health Western Cape Education Department	14 950	-
Ian Dickie And Company (Pty) Ltd.	Deon Samuels- Director MA Samueals spouse	SAPS - (warrant officer)	29 150	-
Can Marketing Solutions (Pty) Ltd.	Maarman spouse of C Maarman director of Can Marketing Solutions (Pty) Ltd	Transnet	-	21 660
Total			**16 684 800**	**18 201 069**

The comparative figures have been restated from R22 567 748 to R18 201 069 due to invalid items included in the previous register.

71 NON-LIVING RESOURCES

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

- Botrivier
- Caledon
- Genadendal
- Greyton
- Tesselaarsdal
- Villiersdorp

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	Tourism, Sportfields, Housing, Informal Settlements, Parks, Cemeteries, Halls and Cemeteries
3	Public Safety	Traffic control, animal control and pounds
4	Planning and Development	Town planning, local economic development and building control
5	Roads and Stormwater	Construction and maintenance of roads and storm water
6	Environmental Affairs	Disaster management, air pollution control and nature reserve
7	Electricity Services	Electricity Services
8	Water Services	Water Services
9	Sewerage Services	Sewerage Services
10	Refuse Services	Refuse Services

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. towns), 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)

72.5 Specific Segment Reporting

	Governance and Administration R	Community Services R	Public Safety R	Planning and Development R	Roads and Stormwater R	Environmental Affairs R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Services R	Total R
2025											
REVENUE											
External Revenue from Non-Exchange Transactions	**252 585 312**	**77 025 356**	**27 779 410**	**24 060 296**	**-**	**-**	**15 561 972**	**18 869 612**	**15 859 826**	**17 745 476**	**449 487 260**
Property Rates	161 347 202	-	-	-	-	-	-	-	-	-	161 347 202
Government Grants and Subsidies - Operating	89 416 944	140 255	-	1 563 000	-	-	11 463 235	15 207 411	14 933 727	16 763 810	149 488 382
Government Grants and Subsidies - Capital	55 000	76 873 628	54 899	22 497 296	-	-	2 379 955	1 534 640	-	-	103 395 418
Contributed Assets	44 556	-	-	-	-	-	-	-	-	-	44 556
Availability Charges	-	-	-	-	-	-	1 718 783	2 127 560	926 099	764 326	5 536 768
Fines, Penalties and Forfeits	783 979	11 472	27 724 511	-	-	-	-	-	-	-	28 519 962
Fair Value Adjustment Gains	-	-	-	-	-	-	-	-	-	217 340	217 340
Other Income (Non-Exchange)	937 633	-	-	-	-	-	-	-	-	-	937 633
External Revenue from Exchange Transactions	**35 384 398**	**9 597 709**	**8 448 205**	**6 162 881**	**-**	**-**	**151 048 333**	**98 746 931**	**46 916 673**	**44 974 347**	**401 279 478**
Service Charges	-	-	-	-	-	-	150 843 573	98 746 931	46 916 673	44 974 347	341 481 524
Rental of Facilities and Equipment	-	63 920	-	2 033 405	-	-	-	-	-	-	2 097 325
Interest Earned - External Investments	3 279 646	-	-	-	-	-	204 761	-	-	-	3 484 407
Interest Earned - Outstanding Debtors	28 820 327	-	-	-	-	-	-	-	-	-	28 820 327
Agency Services	-	-	8 352 463	-	-	-	-	-	-	-	8 352 463
Library Services	-	8 641 739	-	-	-	-	-	-	-	-	8 641 739
Other Income (Exchange)	3 284 425	892 050	95 742	4 129 476	-	-	-	-	-	-	8 401 693
Construction Contracts	**-**	**5 275 387**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5 275 387**
TOTAL REVENUE	**287 969 711**	**91 898 452**	**36 227 615**	**30 223 177**	**-**	**-**	**166 610 305**	**117 616 543**	**62 776 499**	**62 719 823**	**856 042 125**
EXPENDITURE											
Employee Related Costs	70 997 711	69 237 003	31 650 822	30 989 427	19 102 933	225 396	8 945 096	11 250 585	19 338 771	21 416 405	283 154 149
Remuneration of Councillors	13 148 261	-	-	-	-	-	-	-	-	-	13 148 261
Debt Impairment	29 615 436	-	22 995 460	-	-	-	1 421 015	21 584 855	11 741 231	13 103 171	100 461 167
Depreciation and Amortisation	5 020 192	1 151 830	-	82 689	5 195 922	-	4 130 469	8 238 970	9 797 642	1 723 565	35 341 278
Impairment	274 885	-	-	-	-	-	-	-	-	5 704 360	5 979 245
Finance Charges	2 197 436	8 349 637	2 197	692 522	1 381 255	-	8 009 352	4 520 279	7 397 817	14 654 005	47 204 499
Bulk Purchases	-	-	-	-	-	-	120 103 715	28 571 786	-	-	148 675 501
Contracted Services	6 439 747	24 353 632	4 498 680	2 408 321	1 678 842	4 098 276	2 679 644	3 352 311	4 004 045	10 325 360	63 838 859
Transfers and Grants	225 915	-	-	-	-	-	4 690 442	-	-	-	4 916 357
Other Expenditure	31 273 206	4 715 553	1 563 691	4 410 991	6 760 344	102 817	3 622 720	11 705 941	12 336 255	6 983 786	83 475 304
Loss on disposal of Non-Monetary Assets	7 677 311	-	-	-	-	-	-	-	-	-	7 677 311
Fair Value Adjustment Losses	4 345	3 611 466	-	-	-	-	-	-	-	-	3 615 810
Total Expenditure	**166 874 445**	**111 419 120**	**60 710 850**	**38 583 949**	**34 119 296**	**4 426 488**	**153 602 452**	**89 224 727**	**64 615 761**	**73 910 653**	**797 487 741**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**121 095 266**	**(19 520 669)**	**(24 483 234)**	**(8 360 772)**	**(34 119 296)**	**(4 426 488)**	**13 007 853**	**28 391 816**	**(1 839 262)**	**(11 190 830)**	**58 554 384**
Less: Government Grants and Subsidies - Capital	(55 000)	(76 873 628)	(54 899)	(22 497 296)	-	-	(2 379 955)	(1 534 640)	-	-	(103 395 418)
Less: Contributed Assets	(44 556)	-	-	-	-	-	-	-	-	-	(44 556)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**120 995 710**	**(96 394 297)**	**(24 538 133)**	**(30 858 068)**	**(34 119 296)**	**(4 426 488)**	**10 627 899**	**26 857 176**	**(1 839 262)**	**(11 190 830)**	**(44 885 590)**
CAPITAL EXPENDITURE FOR THE YEAR	**7 947 820**	**79 018 975**	**7 563**	**629 230**	**341 444**	**-**	**3 040 348**	**12 052 466**	**5 789 098**	**-**	**108 826 944**

72 SEGMENT REPORTING (CONTINUED)

72.5 Specific Segment Reporting

	Governance and Administration	Community Services	Public Safety	Planning and Development	Roads and Stormwater	Environmental Affairs	Electricity Services	Water Services	Sewerage Services	Refuse Services	Total
	R	R	R	R	R	R	R	R	R	R	R
2024											
REVENUE											
External Revenue from Non-Exchange Transactions	**242 691 274**	**39 550 236**	**19 263 457**	**22 453 628**	**-**	**-**	**16 661 865**	**32 360 115**	**14 575 718**	**32 176 057**	**419 732 350**
Property Rates	153 615 706	-	-	-	-	-	-	-	-	-	153 615 706
Government Grants and Subsidies - Operating	84 273 098	-	-	1 684 000	-	-	11 418 359	15 855 496	13 672 081	15 391 985	142 295 020
Public Contributions and Donations	521 740	-	-	-	-	-	-	-	-	-	521 740
Government Grants and Subsidies - Capital	-	39 078 006	-	20 769 628	-	-	3 696 499	14 455 204	-	-	77 999 337
Contributed Assets	1 804 379	-	-	-	-	-	-	-	-	-	1 804 379
Availability Charges	-	-	-	-	-	-	1 547 007	2 049 415	903 637	750 420	5 250 479
Fines, penalties and forfeits	1 524 072	7 424	19 263 457	-	-	-	-	-	-	-	20 794 954
Fair Value Adjustment Gains	-	464 806	-	-	-	-	-	-	-	16 033 652	16 498 458
Other Income (Non-Exchange)	952 280	-	-	-	-	-	-	-	-	-	952 280
External Revenue from Exchange Transactions	**37 093 871**	**11 259 418**	**7 958 159**	**4 154 083**	**-**	**-**	**132 307 185**	**88 579 933**	**43 573 159**	**43 028 913**	**367 954 720**
Service Charges	-	-	-	-	-	-	132 053 346	88 579 933	43 573 159	43 028 913	307 235 352
Rental of Facilities and Equipment	-	58 054	-	1 980 607	-	-	-	-	-	-	2 038 661
Interest Earned - external investments	5 897 040	-	-	-	-	-	253 839	-	-	-	6 150 879
Interest Earned - outstanding debtors	28 428 544	-	-	-	-	-	-	-	-	-	28 428 544
Agency Services	-	-	7 938 120	-	-	-	-	-	-	-	7 938 120
Library Services	-	10 462 937	-	-	-	-	-	-	-	-	10 462 937
Other Income (Exchange)	2 768 287	738 426	20 039	2 173 476	-	-	-	-	-	-	5 700 228
Construction Contracts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL REVENUE	**279 785 145**	**50 809 654**	**27 221 616**	**26 607 711**	**-**	**-**	**148 969 050**	**120 940 048**	**58 148 877**	**75 204 970**	**787 687 070**
EXPENDITURE											
Employee Related Costs	70 303 890	60 507 653	33 731 756	29 322 458	17 800 829	1 524 779	9 247 836	11 825 916	20 221 846	22 063 868	276 550 832
Remuneration of Councillors	13 189 413	-	-	-	-	-	-	-	-	-	13 189 413
Debt Impairment	28 063 659	-	15 897 650	-	-	-	-1 133 430	22 436 208	10 588 169	12 935 455	88 787 711
Depreciation and Amortisation	5 227 295	926 851	-	86 763	4 698 971	-	3 726 786	7 566 739	9 586 524	2 420 784	34 240 713
Finance Charges	1 634 588	8 345 472	15 812	139 361	1 851 633	-	2 093 025	6 159 855	7 472 858	13 986 737	41 699 341
Bulk Purchases	-	-	-	-	-	-	101 021 445	22 253 013	-	-	123 274 458
Contracted Services	6 937 533	66 538 635	1 639 803	2 477 741	3 075 620	3 993 041	2 711 814	41 597 758	4 366 178	8 773 106	142 111 229
Transfers and Grants	790 089	3 069 035	-	-	-	-	4 263 697	-	-	-	8 122 821
Other Expenditure	25 626 440	31 463 963	2 491 291	4 205 922	23 250 764	107 038	3 812 865	16 975 949	14 074 455	6 330 782	128 339 468
Loss on disposal of Non-Monetary Assets	40 340 812	-	-	-	-	-	-	-	-	-	40 340 812
Fair Value Adjustment Losses	-	131 312	-	-	-	-	-	-	-	-	131 312
Total Expenditure	**192 113 720**	**170 982 921**	**53 776 312**	**36 232 246**	**50 677 818**	**5 624 857**	**125 744 039**	**128 815 438**	**66 310 029**	**66 510 732**	**896 788 111**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**87 671 425**	**(120 173 267)**	**(26 554 696)**	**(9 624 534)**	**(50 677 818)**	**(5 624 857)**	**23 225 011**	**(7 875 390)**	**(8 161 151)**	**8 694 238**	**(109 101 041)**
Less: Government Grants and Subsidies - Capital	-	(39 330 760)	-	(20 769 628)	-	-	(3 696 499)	(14 455 204)	-	-	(78 252 091)
Less: Contributed Assets	(1 804 379)	-	-	-	-	-	-	-	-	-	(1 804 379)
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**85 867 046**	**(159 504 027)**	**(26 554 696)**	**(30 394 162)**	**(50 677 818)**	**(5 624 857)**	**19 528 512**	**(22 330 594)**	**(8 161 151)**	**8 694 238**	**(189 157 511)**
CAPITAL EXPENDITURE FOR THE YEAR	**2 850 818**	**47 571 811**	**1 123 897**	**1 216 515**	**6 283 457**	**-**	**17 861 655**	**29 023 700**	**18 859 570**	**1 375 875**	**126 167 296**

THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2025

INSTITUTION	TERM	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	15 year	4079088994	10.79%	2027/06/27	4 010 450	-	(402 772)	3 607 678
ABSA Bank Limited	7 year	3050777789	9.19%	2026/06/30	877 452	-	(173 838)	703 614
ABSA Bank Limited	10 year	3050777763	9.62%	2029/06/30	2 015 044	-	(70 678)	1 944 366
ABSA Bank Limited	7 year	3052887574	9.19%	2027/06/30	1 522 415	-	(175 795)	1 346 620
ABSA Bank Limited	5 year	3054670983	8.66%	2026/10/30	7 181 453	-	(2 688 293)	4 493 160
ABSA Bank Limited	7 year	3054671133	9.19%	2028/10/30	3 618 437	-	(680 545)	2 937 892
ABSA Bank Limited	10 year	3054671256	9.89%	2031/10/30	1 661 815	-	(157 385)	1 504 430
ABSA Bank Limited	5 year	3058757317	10.53%	2028/06/30	6 451 187	-	(395 088)	6 056 099
ABSA Bank Limited	10 year	3058757341	11.59%	2033/06/30	8 970 387	-	160 810	9 131 197
ABSA Bank Limited	15 year	3058757325	12.32%	2038/06/30	48 770 581	-	1 994 108	50 764 689
Development Bank of Southern Africa	10 & 20 year	102807/3	9.47%	2028/06/30	3 291 226	-	(208 487)	3 082 739
Development Bank of Southern Africa	10 & 20 year	103108/2	11.38%	2028/09/30	4 294 328	-	(778 361)	3 515 967
Development Bank of Southern Africa	20 year	103313/1	9.85%	2029/03/31	10 049 339	-	(1 642 755)	8 406 584
Development Bank of Southern Africa	20 year	103817/3	11.06%	2030/12/31	6 427 255	-	(14 568)	6 412 687
Nedbank Limited	15 year	05/78310356050	10.45%	2034/06/30	2 150 813	-	(63 222)	2 087 591
Standard Bank of South Africa Limited	15 year	272400572	12.22%	2026/06/30	2 087 444	-	(475 493)	1 611 951
Standard Bank of South Africa Limited	15 year	000600694	6.63%	2025/06/30	1 622 724	-	(797 515)	825 209
Standard Bank of South Africa Limited	10 year	000600703	8.26%	2030/06/28	3 618 869	-	(236 421)	3 382 448
Standard Bank of South Africa Limited	15 year	000600712	9.76%	2035/06/29	5 608 196	-	(142 824)	5 465 372
Standard Bank of South Africa Limited	15 year	000682253	10.79%	2036/12/30	13 102 729	-	(266 839)	12 835 890
Standard Bank of South Africa Limited	5 year	000748692	10.58%	2027/06/30	5 703 811	-	(827 540)	4 876 271
Standard Bank of South Africa Limited	7 year	000748736	10.99%	2028/06/29	3 824 732	-	(293 499)	3 531 233
Standard Bank of South Africa Limited	12 year	000748754	11.60%	2032/06/30	10 791 324	-	(416 251)	10 375 073
Standard Bank of South Africa Limited	15 year	000748773	12.27%	2037/06/30	9 235 577	-	(142 929)	9 092 648
Total Annuity Loans					**166 887 588**	**-**	**(8 896 178)**	**157 991 408**
STOCK LOANS								
Development Bank of Southern Africa	20 year	1022755	9.29%	2025/04/30	8 469 800	-	(8 469 800)	-
Development Bank of Southern Africa	20 year	1014871	9.46%	2024/12/31	6 000 000	-	(6 000 000)	-
Total Stock Loans					**14 469 800**	**-**	**(14 469 800)**	**-**
Total Long-Term Liabilities					**181 357 388**	**-**	**(23 365 978)**	**157 991 408**

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THEEWATERSKLOOF LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

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

NATIONAL GOVERNMENT	OPENING BALANCE R	GRANTS RECEIVED (CASH) R	GRANTS RECEIVED (NON-CASH) R	GRANTS REPAID R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	TRANSFER TO / (FROM) RECEIVABLES R	CLOSING BALANCE R
Equitable Share	-	140 900 000	-	-	(140 900 000)	-	-	-
Finance Management Grant (FMG)	330 424	1 800 000	-	(22 307)	(1 752 264)	-	-	355 853
Municipal Infrastructure Grant (MIG)	205 154	30 254 000	-	(205 154)	(3 280 210)	(21 868 066)	-	5 105 724
Expanded Public Works Programme (EPWP)	-	1 563 000	-	-	(1 563 000)	-	-	-
Emergency Housing Grant	383 800	-	-	(383 800)	-	-	-	-
Municipal Disaster Recovery Grant	4 533 652	-	-	(4 533 652)	-	-	-	-
Water Service Infrastructure Grant (WSIG)	235 996	2 700 000	-	(235 996)	(230 196)	(1 534 640)	-	935 164
Municipal Disaster Response Grant	41 304 000	-	-	(25 820 348)	-	-	-	15 483 652
Integrated National Electrification Programme (INEP)	-	4 206 000	-	-	(356 993)	(2 379 955)	-	1 469 052
Total	**46 993 025**	**181 423 000**	**-**	**(31 201 257)**	**(148 082 663)**	**(25 782 661)**	**-**	**23 349 445**
PROVINCIAL GOVERNMENT								
Department of Infrastructure	5 412 603	1 090 470	67 636 030	-	-	(76 873 628)	2 734 525	-
CDW Contribution	44 083	113 000	-	-	(85 538)	-	-	71 545
Main Roads Subsidy	88 611	-	-	-	-	-	-	88 611
Regional socio-economic projects (RSEP)	1 158 701	900 000	-	-	-	(629 230)	-	1 429 471
Municipal Interventions Grant	31 762	-	-	-	-	-	-	31 762
Financial Management Capability Grant	69 840	699 999	-	-	(519 226)	(55 000)	-	195 613
Thusong Multi Purpose Centre Grant	-	146 000	-	-	(140 255)	-	-	5 745
Total	**6 805 601**	**2 949 469**	**67 636 030**	**-**	**(745 019)**	**(77 557 858)**	**2 734 525**	**1 822 747**
DISTRICT MUNICIPALITY								
Safety Audit and Safety Plan Grant	567 203	-	-	-	(212 116)	(54 899)	-	300 188
Total	**567 203**	**-**	**-**	**-**	**(212 116)**	**(54 899)**	**-**	**300 188**
OTHER GRANT PROVIDERS								
DBSA Local Economic Development	226 477	-	-	-	-	-	-	226 477
SETA	-	448 584	-	-	(448 584)	-	-	-
Total	**226 477**	**448 584**	**-**	**-**	**(448 584)**	**-**	**-**	**226 477**
ALL SPHERES OF GOVERNMENT	**54 592 306**	**184 821 053**	**67 636 030**	**(31 201 257)**	**(149 488 382)**	**(103 395 418)**	**2 734 525**	**25 698 857**

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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
Financial Performance						
Property rates	161 158 121	(34 121)	161 124 000	161 347 202	223 202	153 615 706
Service charges	330 459 615	15 198 756	345 658 371	339 597 716	(6 060 655)	305 339 925
Investment revenue	7 762 950	(3 912 950)	3 850 000	3 484 407	(365 594)	6 150 879
Transfers and Subsidies - operating	165 949 951	3 195 720	169 145 671	163 405 508	(5 740 163)	153 871 924
Other own revenue	122 326 356	(11 688 120)	110 638 236	84 767 319	(25 870 917)	89 497 149
Total Operating Revenue (excluding capital transfers)	**787 656 993**	**2 759 285**	**790 416 278**	**752 602 151**	**(37 814 127)**	**708 475 583**
Employee costs	273 248 679	9 875 603	283 124 282	281 508 900	(1 615 382)	275 431 924
Remuneration of councillors	14 356 276	-	14 356 276	13 148 261	(1 208 015)	13 189 413
Depreciation and asset impairment	35 811 040	113 946 005	149 757 045	141 781 689	(7 975 356)	123 028 423
Finance charges	47 642 335	2 290 635	49 932 970	47 204 499	(2 728 471)	41 699 341
Inventory consumed and bulk purchases	140 643 506	31 591 365	172 234 871	159 814 461	(12 420 410)	141 348 318
Transfers and subsidies	5 781 382	2 236 072	8 017 454	5 501 302	(2 516 152)	1 951 551
Other expenditure	269 961 288	(103 922 511)	166 038 777	148 528 628	(17 510 149)	300 984 123
Total Expenditure	**787 444 506**	**56 017 169**	**843 461 675**	**797 487 741**	**(45 973 934)**	**897 633 093**
Surplus/(Deficit)	**212 487**	**(53 257 884)**	**(53 045 397)**	**(44 885 590)**	**8 159 807**	**(189 157 511)**
Transfers and subsidies - capital (monetary allocations)	112 747 785	(50 825 738)	61 922 047	38 444 084	(23 477 963)	78 252 091
Transfers and subsidies - capital (in-kind)	-	101 790 176	101 790 176	64 995 890	(36 794 286)	1 804 379
Surplus/(Deficit) for the year	**112 960 272**	**(2 293 446)**	**110 666 826**	**58 554 384**	**(52 112 442)**	**(109 101 041)**
Capital expenditure & funds sources						
Capital expenditure	**219 674 818**	**(39 504 723)**	**180 170 095**	**108 826 944**	**(71 343 151)**	**126 167 296**
Transfers recognised - capital	112 747 785	(50 825 738)	61 922 047	38 444 130	(23 477 917)	78 252 091
Borrowing	98 104 348	(98 104 348)	-	341	341	38 094 780
Internally generated funds	8 822 685	109 425 363	118 248 048	70 382 472	(47 865 576)	9 820 426
Total sources of capital funds	**219 674 818**	**(39 504 723)**	**180 170 095**	**108 826 944**	**(71 343 151)**	**126 167 296**
Cash flows						
Net cash from (used) operating	138 859 958	(44 904 470)	93 955 489	49 201 870	(44 753 619)	75 837 038
Net cash from (used) investing	(220 846 747)	148 738 413	(72 108 334)	(33 782 447)	38 325 887	(124 731 020)
Net cash from (used) financing	64 282 597	(90 776 189)	(26 493 592)	(14 177 862)	12 315 731	(20 639 530)
Net Cash Movement for the year	(17 704 192)	13 057 754	(4 646 437)	1 241 562	5 887 999	(69 533 512)
Cash/cash equivalents at beginning of year	(1 032 674)	17 415 543	16 382 868	16 382 868	-	85 916 380
Cash/cash equivalents at the year end	**(18 736 866)**	**30 473 297**	**11 736 431**	**17 624 430**	**5 887 999**	**16 382 868**

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NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	559 845	44 083	603 928	85 538	(518 390)	640 163
Finance and administration	344 343 329	(37 836 823)	306 506 506	289 772 377	(16 734 129)	281 612 691
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	11 227 904	(10 000)	11 217 904	9 685 442	(1 532 462)	11 208 491
Sport and recreation	50 153	-	50 153	63 973	13 820	58 054
Public safety	28 436 351	1 152 000	29 588 351	27 875 152	(1 713 199)	19 283 496
Housing	80 983 000	49 603 603	130 586 603	82 149 015	(48 437 588)	39 922 988
Economic and environmental services						
Planning and development	31 237 852	1 492 609	32 730 461	28 334 994	(4 395 467)	24 605 104
Road transport	10 064 125	6 265 000	16 329 125	8 352 463	(7 976 662)	7 938 120
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	168 892 135	10 066 866	178 959 001	166 610 305	(12 348 696)	148 969 050
Water management	115 703 240	555 760	116 259 000	117 616 543	1 357 543	120 940 048
Waste water management	62 787 493	6 106 975	68 894 468	62 776 499	(6 117 969)	58 148 877
Waste management	46 119 351	16 283 650	62 403 001	62 719 823	316 822	75 204 970
Other	-	-	-	-	-	-
Total Revenue - Standard	**900 404 778**	**53 723 723**	**954 128 501**	**856 042 124**	**(98 086 377)**	**788 532 052**
EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	22 299 897	3 863 633	26 163 530	25 612 142	(551 388)	27 837 459
Finance and administration	207 469 366	14 190 876	221 660 242	208 842 458	(12 817 784)	206 503 456
Internal audit	3 582 012	(423 723)	3 158 289	2 995 645	(162 644)	2 822 450
Community and public safety						
Community and social services	21 173 709	(3 317 488)	17 856 221	17 403 986	(452 235)	98 781 751
Sport and recreation	11 802 165	(1 678 253)	10 123 912	10 328 784	204 872	15 307 858
Public safety	53 418 632	3 867 875	57 286 507	52 605 335	(4 681 172)	47 480 362
Housing	20 643 266	3 762 297	24 405 563	21 414 248	(2 991 315)	16 928 138
Economic and environmental services						
Planning and development	39 952 619	(6 306 502)	33 646 117	31 836 756	(1 809 361)	32 489 099
Road transport	44 789 831	(176 393)	44 613 438	45 027 120	413 682	61 515 629
Environmental Protection	122 550	(20 000)	102 550	-	(102 550)	33 992
Trading services						
Energy sources	135 152 511	28 614 558	163 767 069	153 602 452	(10 164 617)	125 744 039
Water management	90 042 634	9 383 232	99 425 866	89 224 727	(10 201 139)	128 815 438
Waste water management	62 529 822	4 746 271	67 276 093	64 615 761	(2 660 332)	66 310 029
Waste management	74 037 492	(305 351)	73 732 141	73 910 653	178 512	66 510 732
Other	428 000	(183 863)	244 137	67 673	(176 464)	552 663
Total Expenditure - Standard	**787 444 506**	**56 017 169**	**843 461 675**	**797 487 740**	**(45 973 935)**	**897 633 095**
Surplus/(Deficit) for the year	**112 960 272**	**(2 293 446)**	**110 666 826**	**58 554 384**	**(52 112 442)**	**(109 101 043)**

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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)						
REVENUE						
Vote 1 - Directorate Finance	331 225 410	(32 567 119)	298 658 291	287 148 822	(11 509 469)	278 313 852
Vote 2 - Community Services	51 341 592	1 592 000	52 933 592	48 289 445	(4 644 147)	40 535 929
Vote 3 - Corporate services	11 497 860	(5 225 621)	6 272 239	608 794	(5 663 445)	1 369 495
Vote 4 - Electricity	168 892 135	10 066 866	178 959 001	166 610 305	(12 348 696)	148 969 050
Vote 5 - Economic Development and Planning	84 280 847	50 703 603	134 984 450	86 839 297	(48 145 153)	42 241 469
Vote 6 - Office of the Municipal Manager	446 845	-	446 845	-	(446 845)	566 900
Vote 8 - Technical and Infrastructure Implementation Services	28 110 005	6 207 609	34 317 614	23 432 597	(10 885 017)	22 241 462
Vote 12 - Waste management	46 119 351	16 283 650	62 403 001	62 719 823	316 822	75 204 970
Vote 13 - Waste water management	62 787 493	6 106 975	68 894 468	62 776 499	(6 117 969)	58 148 877
Vote 14 - Water	115 703 240	555 760	116 259 000	117 616 543	1 357 543	120 940 048
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	-
Total Revenue by Vote	**900 404 778**	**53 723 723**	**954 128 501**	**856 042 125**	**(98 086 376)**	**788 532 052**
EXPENDITURE						
Vote 1 - Directorate Finance	102 433 881	(2 968 348)	99 465 533	98 348 074	(1 117 459)	123 996 799
Vote 2 - Community Services	175 054 168	12 114 733	187 168 901	175 433 667	(11 735 234)	259 488 557
Vote 3 - Corporate services	79 278 768	7 670 969	86 949 737	81 686 103	(5 263 634)	70 810 497
Vote 4 - Electricity	135 152 511	28 614 558	163 767 069	153 602 452	(10 164 617)	125 744 039
Vote 5 - Economic Development and Planning	35 936 691	(213 886)	35 722 805	34 424 785	(1 298 020)	34 831 376
Vote 6 - Office of the Municipal Manager	9 279 820	(943 945)	8 335 875	8 175 752	(160 123)	8 387 370
Vote 8 - Technical and Infrastructure Implementation Services	23 626 614	(2 008 959)	21 617 655	18 065 767	(3 551 888)	12 738 256
Vote 12 - Waste management	74 037 492	(305 351)	73 732 141	73 910 653	178 512	66 510 732
Vote 13 - Waste water management	62 529 822	4 746 271	67 276 093	64 615 761	(2 660 332)	66 310 029
Vote 14 - Water	90 042 634	9 383 232	99 425 866	89 224 727	(10 201 139)	128 815 438
Vote 15 - Directorate Development and Community Services	72 105	(72 105)	-	-	-	-
Total Expenditure by Vote	**787 444 506**	**56 017 169**	**843 461 675**	**797 487 741**	**(45 973 934)**	**897 633 093**
Surplus/(Deficit) for the year	**112 960 272**	**(2 293 446)**	**110 666 826**	**58 554 384**	**(52 112 442)**	**(109 101 041)**

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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
REVENUE AND EXPENDITURE						
REVENUE BY SOURCE						
Exchange Revenue						
Service charges - Electricity	147 247 127	5 535 874	152 783 001	150 631 575	(2 151 426)	131 841 010
Service charges - Water	93 493 178	2 543 822	96 037 000	98 181 696	2 144 696	88 007 447
Service charges - Waste Water Management	44 970 430	7 535 940	52 506 370	46 372 262	(6 134 108)	43 032 681
Service charges - Waste Management	44 748 880	(416 880)	44 332 000	44 412 183	80 183	42 458 788
Sale of Goods and Rendering of Services	26 953 327	(12 163 185)	14 790 142	4 482 116	(10 308 026)	3 192 562
Agency Services	9 894 125	-	9 894 125	8 352 463	(1 541 662)	7 938 120
Interest Earned from Receivables (Exchange)	27 426 475	(1 441 475)	25 985 000	24 800 212	(1 184 788)	23 410 635
Interest Earned from Current and Non Current Assets	7 762 950	(3 912 950)	3 850 000	3 484 407	(365 594)	6 150 879
Rent on Land	1 049	-	1 049	-	(1 049)	-
Rental from Fixed Assets	1 716 288	-	1 716 288	2 097 325	381 037	2 038 661
Licences and Permits	24 539	-	24 539	71 125	46 586	1 517
Operational Revenue (Exchange)	3 406 479	196 646	3 603 125	5 003 424	1 400 299	19 492 081
Non-Exchange Revenue						
Property Rates	161 158 121	(34 121)	161 124 000	161 347 202	223 202	153 615 706
Surcharges and Taxes	1 917 000	(20 000)	1 897 000	1 883 808	(13 192)	1 895 426
Fines, Penalties and Forfeits	34 393 958	(4 524 000)	29 869 958	28 519 962	(1 349 996)	20 794 954
Transfers and Subsidies - Operational	165 949 951	3 195 720	169 145 671	163 405 508	(5 740 163)	153 871 924
Interest Earned from Receivables (Non-Exchange)	6 116 750	(1 838 750)	4 278 000	4 020 115	(257 885)	5 017 908
Operational Revenue (Non-Exchange)	5 130 356	7 857 644	12 988 000	5 536 768	(7 451 232)	5 250 479
Gains on Disposal of Assets	45 010	-	45 010	-	(45 010)	-
Other Gains	5 301 000	245 000	5 546 000	-	(5 546 000)	464 806
Total Revenue (excl capital transfers)	**787 656 993**	**2 759 285**	**790 416 278**	**752 602 151**	**(37 814 127)**	**708 475 583**
EXPENDITURE BY TYPE						
Employee Related Costs	273 248 679	9 875 603	283 124 282	281 508 900	(1 615 382)	275 431 924
Remuneration of Councillors	14 356 276	-	14 356 276	13 148 261	(1 208 015)	13 189 413
Bulk Purchases - Electricity	100 717 761	25 000 000	125 717 761	120 103 715	(5 614 046)	101 021 445
Inventory Consumed	39 925 745	6 591 365	46 517 110	39 710 746	(6 806 364)	40 326 873
Debt Impairment	126 999 850	(12 933 845)	114 066 005	100 461 167	(13 604 838)	88 787 711
Depreciation and Amortisation	35 811 040	(120 000)	35 691 040	41 320 523	5 629 483	34 240 713
Interest	47 642 335	2 290 635	49 932 970	47 204 499	(2 728 471)	41 699 341
Contracted Services	58 065 105	12 054 086	70 119 191	58 563 472	(11 555 719)	143 213 342
Transfers and Subsidies	5 781 382	2 236 072	8 017 454	5 501 302	(2 516 152)	1 951 551
Operational Costs	76 381 396	12 327 780	88 709 176	78 672 035	(10 037 141)	117 210 436
Losses on Disposal of Assets	3 213 937	(1 649 527)	1 564 410	7 677 311	6 112 901	40 429 033
Other Losses	5 301 000	345 000	5 646 000	3 615 810	(2 030 190)	131 312
Total Expenditure	**787 444 506**	**56 017 169**	**843 461 675**	**797 487 741**	**(45 973 934)**	**897 633 093**
Surplus/(Deficit)	**212 487**	**(53 257 884)**	**(53 045 397)**	**(44 885 590)**	**8 159 807**	**(189 157 511)**
Transfers and Subsidies - Capital (monetary allocations)	112 747 785	(50 825 738)	61 922 047	38 444 084	(23 477 963)	78 252 091
Transfers and Subsidies - Capital (in-kind)	-	101 790 176	101 790 176	64 995 890	(36 794 286)	1 804 379
Surplus/(Deficit) for the year	**112 960 272**	**(2 293 446)**	**110 666 826**	**58 554 384**	**(52 112 442)**	**(109 101 041)**

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APPENDIX C (UNAUDITED)

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	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 (MUNICIPAL VOTE)						
Multi-year expenditure						
Vote 1 - Directorate Finance	-	-	-	-	-	-
Vote 2 - Community Services	12 369 920	(296 033)	12 073 887	1 455 428	(10 618 459)	-
Vote 3 - Corporate services	-	-	-	-	-	-
Vote 4 - Electricity	11 413 000	(6 919 850)	4 493 150	2 915 502	(1 577 648)	4 781 761
Vote 5 - Economic Development and Planning	62 783 000	60 901 193	123 684 193	76 493 136	(47 191 057)	24 485 882
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	-	-	-	-	-	-
Vote 12 - Waste management	5 000 000	(5 000 000)	-	-	-	-
Vote 13 - Waste water management	25 056 781	(22 077 646)	2 979 135	2 317 117	(662 018)	10 303 422
Vote 14 - Water	8 162 397	2 255 885	10 418 282	10 012 897	(405 385)	11 491 226
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	-
Total Multi-year expenditure	**124 785 098**	**28 863 549**	**153 648 647**	**93 194 080**	**(60 454 567)**	**51 062 290**
Single-year expenditure						
Vote 1 - Directorate Finance	275 545	133 632	409 177	126 073	(283 104)	1 504 899
Vote 2 - Community Services	29 474 449	(17 069 903)	12 404 546	7 777 452	(4 627 094)	15 773 996
Vote 3 - Corporate services	1 527 000	(924 082)	602 918	348 039	(254 879)	1 383 064
Vote 4 - Electricity	7 289 500	(7 145 928)	143 572	124 846	(18 726)	13 079 894
Vote 5 - Economic Development and Planning	14 290 000	(11 032 631)	3 257 369	1 744 905	(1 512 464)	15 853 381
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	40 275	(40 275)	-	-	-	45 276
Vote 12 - Waste management	-	-	-	-	-	1 375 875
Vote 13 - Waste water management	19 399 880	(13 265 604)	6 134 276	3 471 981	(2 662 295)	8 556 148
Vote 14 - Water	22 593 071	(19 023 481)	3 569 590	2 039 569	(1 530 021)	17 532 475
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	-
Total Single-year expenditure	**94 889 720**	**(68 368 272)**	**26 521 448**	**15 632 864**	**(10 888 584)**	**75 105 007**
Total Capital Expenditure by Vote	**219 674 818**	**(39 504 723)**	**180 170 095**	**108 826 944**	**(71 343 151)**	**126 167 296**

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APPENDIX C (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration						
Executive and council	-	-	-	-	-	-
Finance and administration	12 961 945	(3 830 496)	9 131 449	8 178 556	(952 893)	3 618 578
Internal audit	-	-	-	-	-	-
Community and public safety						
Community and social services	2 752 299	(1 961 736)	790 563	65 445	(725 118)	2 112 116
Sport and recreation	3 419 920	(906 848)	2 513 072	1 113 984	(1 399 088)	5 523 911
Public safety	162 750	(149 250)	13 500	7 563	(5 937)	359 813
Housing	76 173 000	48 768 562	124 941 562	77 608 810	(47 332 752)	39 168 024
Economic and environmental services						
Planning and development	940 275	1 059 725	2 000 000	629 230	(1 370 770)	1 216 515
Road transport	24 350 000	(11 308 056)	13 041 944	341 444	(12 700 500)	7 047 541
Environmental Protection	-	-	-	-	-	-
Trading services						
Energy sources	18 702 500	(14 065 778)	4 636 722	3 040 348	(1 596 374)	17 861 655
Water management	30 755 468	(16 767 596)	13 987 872	12 052 466	(1 935 406)	29 023 700
Waste water management	44 456 661	(35 343 250)	9 113 411	5 789 098	(3 324 313)	18 859 570
Waste management	5 000 000	(5 000 000)	-	-	-	1 375 875
Other	-	-	-	-	-	-
Total Capital Expenditure - Standard	**219 674 818**	**(39 504 723)**	**180 170 095**	**108 826 944**	**(71 343 151)**	**126 167 296**

CAPITAL EXPENDITURE (CONTINUED)

FUNDING SOURCES

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
National Government	35 854 785	(3 508 341)	32 346 444	25 782 661	(6 563 783)	38 489 258
Provincial Government	76 893 000	(47 387 397)	29 505 603	12 606 524	(16 899 079)	39 762 833
District Municipality	-	70 000	70 000	54 945	(15 055)	-
Other transfers and grants	-	-	-	-	-	-
Transfers recognised - capital	112 747 785	(50 825 738)	61 922 047	38 444 130	(23 477 917)	78 252 091
Borrowing	98 104 348	(98 104 348)	-	341	341	38 094 780
Internally generated funds	8 822 685	109 425 363	118 248 048	70 382 472	(47 865 576)	9 820 426
Total Capital Funding	**219 674 818**	**(39 504 723)**	**180 170 095**	**108 826 944**	**(71 343 151)**	**126 167 296**

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	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	149 905 685	3 323 239	153 228 924	157 204 418	3 975 494	149 081 611
Service charges	273 833 142	11 868 674	285 701 816	296 988 030	11 286 214	265 234 654
Other revenue	45 601 142	2 057 646	47 658 789	22 421 043	(25 237 746)	19 110 067
Transfers and Subsidies - Operational	165 949 951	(28 493 363)	137 456 588	60 366 118	(77 090 470)	188 354 647
Transfers and Subsidies - Capital	112 747 785	(57 408 341)	55 339 444	103 395 418	48 055 974	77 999 337
Interest	10 335 140	(3 458 840)	6 876 300	7 918 485	1 042 185	12 100 921
Payments						
Suppliers and employees	(588 434 771)	33 144 823	(555 289 948)	(577 538 105)	(22 248 157)	(606 298 754)
Finance charges	(25 296 734)	(3 702 236)	(28 998 970)	(16 637 179)	12 361 791	(21 622 624)
Transfers and grants	(5 781 382)	(2 236 072)	(8 017 454)	(4 916 357)	3 101 097	(8 122 821)
NET CASH FROM OPERATING ACTIVITIES	**138 859 958**	**(44 904 470)**	**93 955 489**	**49 201 870**	**(44 753 619)**	**75 837 038**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	45 010	-	45 010	1 207 137	1 162 127	678 435
Decrease (increase) in non-current investments	(1 216 939)	7 443 515	6 226 575	6 156 775	(69 800)	(1 046 537)
Payments		-				
Capital assets	(219 674 818)	141 294 899	(78 379 919)	(41 146 359)	37 233 560	(124 362 917)
NET CASH USED IN INVESTING ACTIVITIES	**(220 846 747)**	**148 738 413**	**(72 108 334)**	**(33 782 447)**	**38 325 887**	**(124 731 020)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	98 104 348	(98 104 348)	-	-	-	-
Increase (decrease) in consumer deposits	348 908	19 768	368 676	718 300	349 624	658 626
Payments						
Repayment of borrowing	(34 170 659)	7 308 391	(26 862 268)	(14 896 162)	11 966 106	(21 298 156)
NET CASH FROM FINANCING ACTIVITIES	**64 282 597**	**(90 776 189)**	**(26 493 592)**	**(14 177 862)**	**12 315 731**	**(20 639 530)**
NET INCREASE/ (DECREASE) IN CASH HELD	**(17 704 192)**	**13 057 754**	**(4 646 437)**	**1 241 562**	**5 887 999**	**(69 533 512)**
Cash/cash equivalents at the year begin:	(1 032 674)	17 415 543	16 382 868	16 382 868	-	85 916 380
Cash/cash equivalents at the year end:	(18 736 866)	30 473 297	11 736 431	17 624 430	5 887 999	16 382 868