CAPE AGULHAS LOCAL MUNICIPALITY

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ANNUAL FINANCIAL STATEMENTS

30 JUNE 2025

AUDITED

CAPE AGULHAS LOCAL MUNICIPALITY

INDEX

CAPE AGULHAS LOCAL MUNICIPALITY

GENERAL INFORMATION

NATURE OF BUSINESS

Cape Agulhas Local Municipality (WC033) performs the functions as set out in the Constitution. (Act no 108 of 1996)

LEGAL FORM

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

JURISDICTION

The Cape Agulhas Local Municipality includes the following areas:

Bredasdorp	L'Agulhas	Protem
Napier	Arniston	Klipdale
Struisbaai	Suiderstrand	Elim

MEMBERS OF THE COUNCIL ON 30 JUNE 2025

Position	Councillor	Ward	Additional Portfolio
Executive Mayor	R Ross	Ward 1	
Executive Deputy Mayor	K E Donald	Proportional	
Speaker	G D Burger	Proportional	
Councillor - Full time	S Ngxowa	Proportional	Member of Executive Mayoral Committee
Councillor - Full time	Dr A Eksteen	Ward 5	Member of Executive Mayoral Committee
Councillor - Part time	D Jantjies	Ward 2	Chairperson of MPAC
Councillor - Part time	M Matthysen	Proportional	
Councillor - Part time	J G A Nieuwoudt	Ward 4	
Councillor - Part time	R Mokotwana	Proportional	
Councillor - Part time	R Louw	Ward 3	
Councillor - Part time	J August-Marthinus	Ward 6	

MEMBERS OF THE AUDIT COMMITTEE

L Stevens	Chairperson
Z Abrahams	Member
J Gourrah	Member
N Olivier	Member

ACTING ACCOUNTING OFFICER

Mr H Krohn

CHIEF FINANCIAL OFFICER

Mr WC Jonker

REGISTERED OFFICE

1 Dirkie Uys Street, Bredasdorp, 7280

CAPE AGULHAS LOCAL MUNICIPALITY

GENERAL INFORMATION

POSTAL ADDRESS

PO Box 51, Bredasdorp, 7280

AUDITORS

Office of the Auditor General (WC)

PRINCIPAL BANKERS

ABSA, Bredasdorp

ATTORNEYS

Kruger & Blignaut Attorneys
Kemp & Asssociates

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)	Basic Conditions of Employment Act (Act no 75 of 1997)
Division of Revenue Act	Unemployment Insurance Act (Act no 30 of 1966)
Income Tax Act (Act no 58 of 1962)	Supply Chain Management Regulations, 2005
Value Added Tax Act (Act no 89 of 1991)	Collective Agreements
Municipal Structures Act (Act no 117 of 1998)	Infrastructure Grants
Municipal Systems Act (Act no 32 of 2000)	SALBC Leave Regulations
Municipal Planning and Performance Management Regulations	Municipal Budget and Reporting Regulations (2009)
Water Services Act (Act no 108 of 1997)	Municipal Standard Chart of Accounts (2014) (mSCOA)
Housing Act (Act no 107 of 1997)	Municipal Cost Containment Regulations, 2019
Municipal Property Rates Act (Act no 6 of 2004)	Employment Equity Act (Act no 55 of 1998)
Electricity Act (Act no 41 of 1987)	Local Government: Municipal Staff Regulations (2022)
Skills Development Levies Act (Act no 9 of 1999)	The Constitution of the Republic of South Africa (1996)

APPROVAL OF ACCOUNTING OFFICER

I am responsible for the preparation of these annual financial statements for the financial year ended 30 June 2025, which are set out on pages 1 to 140 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.

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

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

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

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act (Act 20 of 1998) and the Minister of Cooperative Governance and Traditional Affairs determination in accordance with this Act.

26 November 2025

Mr H Krohn
Acting Accounting Officer

Date

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R (Actual)	2024 R (Restated)
ASSETS			
Current Assets		**122 590 554**	**123 517 467**
Cash and Cash Equivalents	**2**	49 757 661	63 000 967
Receivables from Exchange Transactions	**3**	49 231 469	42 108 210
Receivables from Non-exchange Transactions	**4**	16 326 756	12 746 891
Taxes	**16**	4 736 366	2 985 113
Operating Lease Asset	**5.1**	268 116	293 501
Current Portion of Long-term Receivables	**6**	1 979	1 731
Inventory	**7**	2 268 206	2 381 054
Non-current Assets		**660 589 258**	**623 119 732**
Long-Term Receivables	**6**	131 222	133 202
Investment Property	**8**	39 097 729	39 672 685
Property, Plant And Equipment	**9**	619 474 498	580 878 250
Intangible Assets	**10**	1 885 808	2 435 597
Total Assets		**783 179 812**	**746 637 199**
Current Liabilities		**126 309 849**	**104 957 640**
Current Portion of Long-Term Liabilities	**11**	9 920 530	9 172 193
Consumer Deposits	**12**	7 675 542	7 273 457
Payables from Exchange Transactions	**13**	74 393 066	55 944 157
Unspent Conditional Government Grants	**14**	1 602 917	3 386 137
Unspent Public Contributions	**15**	-	37 000
Taxes	**16**	12 702 843	10 635 906
Current Employee Benefits	**17**	20 014 951	18 508 789
Provisions	**18**	-	-
Non-current Liabilities		**175 085 932**	**167 360 375**
Long-Term Liabilities	**11**	38 826 577	48 779 160
Employee Benefits	**19**	57 481 000	49 549 000
Non-Current Provisions	**20**	78 778 356	69 032 216
Total Liabilities		**301 395 781**	**272 318 015**
Net Assets		**481 784 034**	**474 319 186**
Community Wealth			
Accumulated Surplus	**21**	471 184 034	434 819 186
Capital Replacement Reserve	**21**	10 600 000	39 500 000
Total Community Wealth		**481 784 034**	**474 319 186**

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2025

REVENUE	Notes	2025 R (Actual)	2024 R (Restated)
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**191 416 604**	**184 840 525**
Taxation Revenue		**101 429 784**	**94 293 690**
Property Rates	**22**	101 429 784	94 293 690
Transfer Revenue		**68 781 090**	**69 171 797**
Government Grants and Subsidies - Capital	**23**	18 683 745	16 652 328
Government Grants and Subsidies - Operating	**23**	50 060 345	47 767 703
Public Contributions and Donations - Operating	**24**	37 000	40 000
Contributed Assets	**25**	-	4 711 766
Other Revenue		**21 205 730**	**21 375 037**
Fines	**26**	4 977 124	2 861 392
Actuarial Gains	**27**	419 334	1 373 765
Third Party - Insurance Receipts		315 509	95 213
Availability Charges	**28**	14 798 064	13 549 330
Other Income	**35**	695 699	3 495 337
REVENUE FROM EXCHANGE TRANSACTIONS		**312 761 194**	**284 652 547**
Operating Activities		**312 761 194**	**284 652 547**
Service Charges	**29**	269 048 767	244 682 613
Rental of Facilities and Equipment	**30**	9 818 216	8 637 073
Interest Earned - External Investments	**31**	5 219 114	7 860 167
Interest Earned - Outstanding Debtors	**32**	4 960 062	3 660 637
Licences and Permits	**33**	1 227 038	1 210 097
Agency Services	**34**	2 973 453	2 765 234
Other Income	**35**	14 672 068	15 633 934
Gains on Disposal of Properties and Movable Assets	**36**	4 842 475	202 792
CONSTRUCTION CONTRACTS	**37**	**1 627 136**	**9 714 419**
TOTAL REVENUE		**505 804 934**	**479 207 490**
EXPENDITURE			
Employee Related Costs	**38**	185 168 017	177 765 008
Remuneration of Councillors	**39**	6 766 293	6 216 983
Debt Impairment	**40**	9 679 355	24 136 426
Depreciation and Amortisation	**41**	21 028 125	22 141 209
Impairments	**42**	604 123	129 002
Actuarial Losses	**43**	3 931 720	-
Finance Charges	**44**	18 933 555	20 547 326
Bulk Purchases	**45**	154 730 995	133 317 859
Contracted Services	**46**	43 729 120	44 831 266
Transfers and Grants	**47**	1 007 801	1 084 486
Other Expenditure	**48**	51 028 649	51 799 762
Loss on Disposal of Property, Plant and Equipment		1 732 334	499 614
TOTAL EXPENDITURE		**498 340 086**	**482 468 941**
NET SURPLUS/(DEFICIT) FOR THE YEAR		**7 464 848**	**(3 261 450)**

CAPE AGULHAS 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	**39 500 000**	**439 252 587**	**478 752 587**
Prior Period Adjustment - Refer to note 49.05	-	(1 171 951)	(1 171 951)
Balance on 30 June 2023 - Restated	**39 500 000**	**438 080 636**	**477 580 636**
Net Deficit for the Year	-	(3 261 450)	(3 261 450)
Transfers to Reserves	18 157 530	(18 157 530)	-
Property, Plant and Equipment Purchased	(18 157 530)	18 157 530	-
Balance on 30 June 2024 - Restated	**39 500 000**	**434 819 186**	**474 319 186**
Net Surplus for the Year	-	7 464 848	7 464 848
Transfers to Reserves	11 293 642	(11 293 642)	-
Property, Plant and Equipment Purchased	(40 193 642)	40 193 642	-
Balance on 30 June 2025	**10 600 000**	**471 184 034**	**481 784 034**

CAPE AGULHAS 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		99 499 563	89 734 956
Service Charges		280 438 348	236 356 543
Other Revenue		23 636 839	27 474 074
Transfers and Subsidies - Operational		49 795 162	47 653 779
Transfers and Subsidies - Capital		17 165 708	14 420 966
Interest		10 803 816	13 040 305
Payments			
Suppliers and Employees		(431 604 622)	(411 752 615)
Finance Charges		(5 784 653)	(7 240 172)
Transfers and Grants		(1 007 801)	(1 084 486)
NET CASH FROM OPERATING ACTIVITIES	**50**	**42 942 361**	**8 603 349**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on Disposal of Assets		1 407 742	5 522 998
Decrease in Long-Term Receivables		1 731	5 528
Payments			
Purchase of Property, Plant and Equipment		(48 390 892)	(58 310 617)
NET CASH USED INVESTING ACTIVITIES		**(46 981 420)**	**(52 782 091)**
CASH FLOW FROM FINANCING ACTIVITIES			
Payments			
Loans Repaid		(9 204 246)	(11 661 619)
NET CASH USED FINANCING ACTIVITIES		**(9 204 246)**	**(11 661 619)**
NET DECREASE IN CASH HELD		**(13 243 306)**	**(55 840 360)**
Cash and Cash Equivalents at the beginning of the year		63 000 967	118 841 327
Cash and Cash Equivalents at the end of the year	**51**	49 757 661	63 000 967
NET DECREASE IN CASH HELD		**(13 243 306)**	**(55 840 360)**

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2025 R (Actual)	2025 R (Final Budget)	2025 R (Variance)
ASSETS			
Current Assets			
Cash and cash equivalents	49 757 661	67 443 934	(17 686 273)
Trade and other receivables from exchange transactions	49 231 469	33 924 075	15 307 394
Receivables from non-exchange transactions	16 326 756	14 107 243	2 219 513
Current portion of non-current receivables	1 979	1 730	249
Inventory	2 268 206	2 385 053	(116 847)
VAT	4 736 366	4 038 375	697 991
Other current assets	268 116	625 118	(357 002)
Total Current Assets	**122 590 554**	**122 525 528**	**65 026**
Non-Current Assets			
Investment property	39 097 729	39 661 641	(563 912)
Property, plant and equipment	619 474 498	627 758 400	(8 283 902)
Intangible assets	1 885 808	2 025 561	(139 753)
Non-current receivables from non-exchange transactions	131 222	133 201	(1 979)
Total Non-Current Assets	**660 589 258**	**669 578 803**	**(8 989 545)**
TOTAL ASSETS	**783 179 812**	**792 104 331**	**(8 924 519)**
LIABILITIES			
Current Liabilities			
Financial liabilities	9 920 530	9 172 187	748 343
Consumer deposits	7 675 542	7 391 105	284 437
Trade and other payables from exchange transactions	74 393 066	57 584 203	16 808 863
Trade and other payables from non-exchange transactions	1 602 917	1 828 538	(225 621)
Provisions	20 014 951	22 051 345	(2 036 394)
VAT	12 702 843	3 969 122	8 733 721
Total Current Liabilities	**126 309 849**	**101 996 500**	**24 313 349**
Non-Current Liabilities			
Borrowing	38 826 577	40 379 160	(1 552 583)
Provisions	86 910 356	84 092 822	2 817 534
Other non-current liabilities	49 349 000	48 599 126	749 874
Total Non-Current Liabilities	**175 085 932**	**173 071 108**	**2 014 825**
TOTAL LIABILITIES	**301 395 781**	**275 067 608**	**26 328 174**
NET ASSETS	**481 784 034**	**517 036 723**	**(35 252 690)**
COMMUNITY WEALTH			
Accumulated Surplus/(Deficit)	471 184 034	506 413 689	(35 229 655)
Funds and Reserves	10 600 000	10 600 000	-
TOTAL COMMUNITY WEALTH/EQUITY	**481 784 034**	**517 013 689**	**(35 229 655)**

Refer to note 52.2 for further details relating to material variances and adjustments.

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

ADJUSTMENTS TO APPROVED BUDGET	2025 R (Original Budget)	2025 R (Adjustments)	2025 R (Final and Approved Budget)
ASSETS			
Current assets			
Cash and cash equivalents	136 583 182	(69 139 248)	67 443 934
Trade and other receivables from exchange transactions	60 542 472	(26 618 397)	33 924 075
Receivables from non-exchange transactions	12 628 961	1 478 282	14 107 243
Current portion of non-current receivables	4 359	(2 629)	1 730
Inventory	1 502 782	882 271	2 385 053
VAT	4 444 968	(406 593)	4 038 375
Other current assets	701 398	(76 280)	625 118
Total Current Assets	**216 408 122**	**(93 882 594)**	**122 525 528**
Non-Current Assets			
Investment property	39 576 918	84 723	39 661 641
Property, plant and equipment	666 284 339	(38 525 939)	627 758 400
Intangible assets	2 345 708	(320 147)	2 025 561
Non-current receivables from non-exchange transactions	136 102	(2 901)	133 201
Total Non-Current Assets	**708 343 067**	**(38 764 264)**	**669 578 803**
TOTAL ASSETS	**924 751 189**	**(132 646 858)**	**792 104 331**
LIABILITIES			
Current Liabilities			
Financial liabilities	11 661 614	(2 489 427)	9 172 187
Consumer deposits	6 245 324	1 145 781	7 391 105
Trade and other payables from exchange transactions	45 984 597	11 599 606	57 584 203
Trade and other payables from non-exchange transactions	9 891 424	(8 062 886)	1 828 538
Provisions	17 382 485	4 668 860	22 051 345
VAT	5 026 731	(1 057 609)	3 969 122
Total Current Liabilities	**96 192 175**	**5 804 325**	**101 996 500**
Non-Current Liabilities			
Borrowing	79 852 742	(39 473 582)	40 379 160
Provisions	94 649 578	(10 556 756)	84 092 822
Other non-current liabilities	46 321 016	2 278 110	48 599 126
Total Non-Current Liabilities	**220 823 336**	**(47 752 228)**	**173 071 108**
TOTAL LIABILITIES	**317 015 511**	**(41 947 903)**	**275 067 608**
NET ASSETS	**607 735 678**	**(90 698 955)**	**517 036 723**
COMMUNITY WEALTH			
Accumulated Surplus/(Deficit)	550 146 937	(43 733 248)	506 413 689
Funds and Reserves	57 588 741	(46 988 741)	10 600 000
TOTAL COMMUNITY WEALTH/EQUITY	**607 735 678**	**(90 721 989)**	**517 013 689**

Refer to note 52.2 for further details relating to material variances and adjustments.

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2025

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2025 R (Actual)	2025 R (Final Budget)	2025 R (Variance)
REVENUE BY SOURCE			
Exchange Revenue			
Service charges - Electricity	192 028 588	189 431 700	2 596 888
Service charges - Water	45 139 811	44 293 610	846 201
Service charges - Waste Water Management	17 805 776	18 723 500	(917 724)
Service charges - Waste Management	27 641 346	26 874 044	767 302
Sale of Goods and Rendering of Services	9 829 992	13 494 084	(3 664 092)
Agency services	4 161 502	4 020 380	141 122
Interest earned from Receivables	3 809 604	1 475 043	2 334 561
Assets	5 219 114	7 638 543	(2 419 429)
Rental from Fixed Assets	2 396 592	2 763 116	(366 524)
Licence and permits	52 447	45 410	7 037
Operational Revenue	3 075 476	2 735 922	339 554
Non-Exchange Revenue			
Property rates	101 429 784	105 378 600	(3 948 816)
Fines, penalties and forfeits	5 087 117	3 136 614	1 950 503
Transfer and subsidies - Operational	59 079 894	61 372 000	(2 292 106)
Interest	1 150 458	2 800 000	(1 649 542)
Operational Revenue	14 798 064	15 921 096	(1 123 032)
Gains on disposal of Assets	4 842 475	5 500 000	(657 525)
Other Gains	419 334	-	419 334
TOTAL OPERATING REVENUE	**497 967 374**	**505 603 662**	**(7 636 288)**
EXPENDITURE BY TYPE			
Employee related costs	190 021 138	186 539 120	3 482 018
Remuneration of councillors	6 766 293	7 401 073	(634 780)
Bulk purchases - electricity	154 380 473	141 682 400	12 698 073
Inventory consumed	22 096 890	27 133 907	(5 037 017)
Debt impairment	4 989 706	14 154 301	(9 164 595)
Depreciation and amortisation	21 632 248	12 441 583	9 190 665
Interest	7 366 710	7 250 388	116 322
Contracted services	39 852 442	36 349 906	3 502 536
Transfers and subsidies	2 228 333	2 833 938	(605 605)
Irrecoverable debts written off	4 689 649	1 337 000	3 352 649
Operational costs	49 446 595	51 149 515	(1 702 920)
Losses on disposal of Assets	1 732 334	-	1 732 334
Other Losses	3 983 460	56 900	3 926 560
TOTAL OPERATING EXPENDITURE	**509 186 271**	**488 330 031**	**20 856 240**
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**(11 218 897)**	**17 273 631**	**(28 492 528)**
Transfers and subsidies - Capital	18 683 745	23 608 779	(4 925 034)
NET SURPLUS FOR THE YEAR	**7 464 848**	**40 882 410**	**(33 417 562)**

Refer to note 52.2 for further details relating to material variances and adjustments.

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2025

ADJUSTMENTS TO APPROVED BUDGET	2025 R (Original Budget)	2025 R (Adjustments)	2025 R (Approved Budget)	2025 R (Virements)	2025 R (Final Budget)
REVENUE BY SOURCE					
Exchange Revenue					
Service charges - Electricity	189 181 700	250 000	189 431 700	-	189 431 700
Service charges - Water	43 943 610	350 000	44 293 610	-	44 293 610
Management	16 223 500	2 500 000	18 723 500	-	18 723 500
Service charges - Waste Management	23 874 044	3 000 000	26 874 044	-	26 874 044
Sale of Goods and Rendering of Services	13 494 084	-	13 494 084	-	13 494 084
Agency services	4 020 380	-	4 020 380	-	4 020 380
Interest earned from Receivables	1 475 043	-	1 475 043	-	1 475 043
Non Current Assets	7 638 543	-	7 638 543	-	7 638 543
Rental from Fixed Assets	2 763 116	-	2 763 116	-	2 763 116
Licence and permits	45 410	-	45 410	-	45 410
Operational Revenue	2 735 922	-	2 735 922	-	2 735 922
Non-Exchange Revenue					
Property rates	105 378 600	-	105 378 600	-	105 378 600
Fines, penalties and forfeits	1 136 614	2 000 000	3 136 614	-	3 136 614
Transfer and subsidies - Operational	59 267 000	2 105 000	61 372 000	-	61 372 000
Interest	2 800 000	-	2 800 000	-	2 800 000
Operational Revenue	15 921 096	-	15 921 096	-	15 921 096
Gains on disposal of Assets	7 500 000	(2 000 000)	5 500 000	-	5 500 000
TOTAL OPERATING REVENUE	**497 398 662**	**8 205 000**	**505 603 662**	**-**	**505 603 662**
EXPENDITURE BY TYPE					
Employee related costs	187 960 289	(1 421 169)	186 539 120	-	186 539 120
Remuneration of councillors	6 301 600	1 099 473	7 401 073	-	7 401 073
Bulk purchases - electricity	141 932 400	(250 000)	141 682 400	-	141 682 400
Inventory consumed	35 876 100	(8 757 203)	27 118 897	15 010	27 133 907
Debt impairment	14 204 301	(50 000)	14 154 301	-	14 154 301
Depreciation and amortisation	12 441 583	-	12 441 583	-	12 441 583
Interest	7 246 300	28 088	7 274 388	(24 000)	7 250 388
Contracted services	33 761 997	1 759 879	35 521 876	828 030	36 349 906
Transfers and subsidies	2 586 600	247 338	2 833 938	-	2 833 938
Irrecoverable debts written off	1 150 000	187 000	1 337 000	-	1 337 000
Operational costs	53 345 896	(1 325 341)	52 020 555	(871 040)	51 149 515
Other Losses	8 900	(4 000)	4 900	52 000	56 900
TOTAL OPERATING EXPENDITURE	**496 815 966**	**(8 485 935)**	**488 330 031**	**-**	**488 330 031**
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**582 696**	**16 690 935**	**17 273 631**	**-**	**17 273 631**
Transfers and subsidies - Capital	27 266 478	(3 657 699)	23 608 779	-	23 608 779
NET SURPLUS FOR THE YEAR	**27 849 174**	**13 033 236**	**40 882 410**	**-**	**40 882 410**

Refer to note 52.2 for further details relating to material variances and adjustments

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2025

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2025 R (Actual)	2025 R (Final Budget)	2025 R (Variance)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates	99 499 563	103 077 671	(3 578 108)
Service charges	280 438 348	324 361 188	(43 922 840)
Other revenue	15 229 333	55 510 500	(40 281 167)
Transfers and Subsidies - Operational	58 049 583	61 724 000	(3 674 417)
Transfers and Subsidies - Capital	17 165 708	23 256 779	(6 091 071)
Interest	10 803 816	11 984 501	(1 180 685)
Payments			
Suppliers and Employees	(431 853 622)	(507 750 977)	75 897 355
Finance Charges	(5 784 653)	(6 440 250)	655 597
Transfers and Grants	(1 007 801)	-	(1 007 801)
NET CASH FROM OPERATING ACTIVITIES	**42 540 277**	**65 723 412**	**(23 183 135)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	1 407 742	5 500 000	(4 092 258)
Receivables	1 731	-	1 731
Payments			
Capital Assets	(48 390 892)	(58 609 037)	10 218 145
NET CASH USED IN INVESTING ACTIVITIES	**(46 981 420)**	**(53 109 037)**	**6 127 617**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Borrowing long term/refinancing	-	-	-
Increase/(Decrease) in Consumer Deposits	402 085	-	402 085
Payments			
Repayment of borrowing	(9 204 246)	(8 400 000)	(804 246)
NET CASH USED IN FINANCING ACTIVITIES	**(8 802 162)**	**(8 400 000)**	**(402 161)**
NET INCREASE/(DECREASE) IN CASH HELD	**(13 243 306)**	**4 214 375**	**(17 457 681)**
Cash/cash equivalents at the year begin:	63 000 967	63 298 588	(297 621)
Cash/cash equivalents at the year end:	49 757 661	67 512 963	(17 755 302)
NET INCREASE/(DECREASE) IN CASH HELD	**(13 243 306)**	**4 214 375**	**(17 457 681)**

Refer to note 52.2 for further details relating to material variances and adjustments.

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2025

ADJUSTMENTS TO APPROVED BUDGET

	2025 R (Original Budget)	2025 R (Adjustments)	2025 R (Final and Approved Budget)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates	103 077 671	-	103 077 671
Service charges	317 346 188	7 015 000	324 361 188
Other revenue	22 678 127	32 832 373	55 510 500
Transfers and Subsidies - Operational	59 267 000	2 457 000	61 724 000
Transfers and Subsidies - Capital	27 266 478	(4 009 699)	23 256 779
Interest	11 984 501	-	11 984 501
Payments			
Suppliers and Employees	(517 742 224)	9 991 247	(507 750 977)
Finance Charges	(6 440 250)	-	(6 440 250)
Transfers and Grants	(2 586 600)	2 586 600	-
NET CASH FROM OPERATING ACTIVITIES	**14 850 891**	**50 872 521**	**65 723 412**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	7 500 000	(2 000 000)	5 500 000
Payments			
Capital Assets	(83 807 576)	25 198 539	(58 609 037)
NET CASH USED IN INVESTING ACTIVITIES	**(76 307 576)**	**23 198 539**	**(53 109 037)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Borrowing long term/refinancing	19 274 559	(19 274 559)	-
Payments			
Repayment of borrowing	(8 400 000)	-	(8 400 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**10 874 559**	**(19 274 559)**	**(8 400 000)**
NET INCREASE/(DECREASE) IN CASH HELD	**(50 582 126)**	**54 796 501**	**4 214 375**
Cash/cash equivalents at the year begin:	143 511 627	(80 213 039)	63 298 588
Cash/cash equivalents at the year end:	92 929 501	(25 416 538)	67 512 963
NET INCREASE/(DECREASE) IN CASH HELD	**(50 582 126)**	**54 796 501**	**4 214 375**

Refer to note 52.2 for further details relating to material variances and adjustments.

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

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

The 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 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.

1.2 TRANSITIONAL PROVISIONS

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

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

1.3 PRESENTATION CURRENCY

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

1.4 GOING CONCERN ASSUMPTION

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

1.5 COMPARATIVE INFORMATION

1.5.1 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.

1.5.2 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.

1.6 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 operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.7 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.

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

1.8.1 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.

1.8 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

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

1.8.1.1 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

1.8.1.2 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 foreign currency transactions.

1.8.2 Effective dates not yet determined

Where a Standard of GRAP has been issued but is not yet effective and the Minister of Finance has not yet determined an effective date for implementation, 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.

1.8 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

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:

1.8.2.1 GRAP 103 (Revised 2022) - Heritage Assets

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

Preliminary investigations indicate that 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.

1.8.2.2 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.

1.8.2.3 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 does not foresee that it will be party to any transfers of functions in the near future.

1.8.2.4 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 does not foresee that it will be party to any mergers in the near future.

1.8.2.5 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.

1.8.2.6 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.

1.9 INVESTMENT PROPERTY

1.9.1 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.

1.9.2 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.

1.9.3 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.

1.9 INVESTMENT PROPERTY (CONTINUED)

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 the a prospective basis.

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

	YEARS
Buildings	100
Land	Indefinite

1.9.4 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.

1.9.5 Derecognition

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

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

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

1.10 PROPERTY, PLANT AND EQUIPMENT

1.10.1 Initial Recognition

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

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

1.10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

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

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

1.10.2 Subsequent Measurement - Cost Model

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

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

1.10.3 Depreciation

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

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

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 are accounted for on a prospective basis.

1.10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	YEARS		YEARS
Infrastructure		**Land and Buildings**	
Roads and Storm water	8 - 99	Buildings and Improvements	10 - 120
Electricity Network	10 - 100	Land	Indefinite
Sewerage Network	13 - 89		
Water Network	10 - 102	**Other Assets**	
Refuse Removal	10 - 64	Computer Hardware	5 - 20
		Furniture and Office Equipment	8 - 30
Community		Vehicles	8 - 50
Cemeteries	100	Special Vehicles	15 - 50
Clinics	100	Tools and Equipment	8 - 33
Community Halls	5 - 100	Other	10 - 50
Libraries	10 - 120		
Parks & Gardens	20 - 100	**Capitalised Restoration Cost (Part of Land)**	
Recreation Grounds	50 - 100	Landfill Sites	2 - 53
Sports facilities	10 - 100		
Markets	10 - 30		
Finance lease assets			
Office Machines	3 - 15		

1.10.4 Impairment

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

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

1.10.5 Derecognition

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

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

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

1.11 INTANGIBLE ASSETS

1.11.1 Initial Recognition

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

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

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

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

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

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

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

1.11.2 Subsequent Measurement - Cost Model

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

1.11.3 Amortisation

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

1.11 INTANGIBLE ASSETS (CONTINUED)

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 the Statement of Financial Performance, unless it is included in the carrying amount of another asset.

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

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

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

	Years
Computer Software	5 - 10

1.11.4 Impairment

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

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

1.11.5 Derecognition

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

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

1.12 IMPAIRMENT OF NON-MONETARY ASSETS

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

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

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

1.12.1 Recoverable amount of Cash-generating assets

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

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

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

1.12.2 Recoverable amount of Non-cash-generating assets

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

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

1.12.3 Impairment loss

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

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

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

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

1.12 IMPAIRMENT OF NON-MONETARY ASSETS (CONTINUED)

1.12.4 Reversal of an impairment loss

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

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

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

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

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

1.13 INVENTORIES

1.13.1 Initial Recognition

Inventories are assets:

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

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

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

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

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

1.13 INVENTORIES (CONTINUED)

1.13.2 Subsequent Measurement

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

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

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

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

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

The basis of allocating cost to inventory items is the weighted average method.

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

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

1.14 EMPLOYEE BENEFITS

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

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

1.14.1 Post-Retirement Benefits

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

1.14 EMPLOYEE BENEFITS (CONTINUED)

1.14.1.1 Multi-employer defined contribution plans

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

1.14.1.2 Post Retirement Medical Obligations

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

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

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

1.14.2 Long-term Benefits

1.14.2.1 Long Service Awards

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

1.14 EMPLOYEE BENEFITS (CONTINUED)

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

1.14.3 Short-term Benefits

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

Short-term employee benefits include items such as:

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

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

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

1.14.3.1 Provision for Staff Leave

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

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

1.14.3.2 Staff Bonuses Accrued

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

1.14 EMPLOYEE BENEFITS (CONTINUED)

1.14.3.3 Provision for Performance Bonuses

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

1.15 PROVISIONS

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

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

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

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

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

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

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

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

1.16 LEASES

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

1.16.1 Municipality as Lessee

1.16.1.1 Finance Leases

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

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

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

1.16.1.2 Operating leases

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

1.16.2 Municipality as Lessor

1.16.2.1 Operating Leases

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

1.17 FINANCIAL INSTRUMENTS

1.17.1 Initial Recognition

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

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

1.17.2 Subsequent Measurement

Financial instruments are categorised as follow:

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

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

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

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

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

1.17 FINANCIAL INSTRUMENTS (CONTINUED)

1.17.3 Impairment and uncollectability of financial assets

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

1.17.3.1 Financial assets measured at amortised cost

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

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

1.17.3.2 Financial assets measured at cost

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

1.17.4 Derecognition of financial instruments

1.17.4.1 Financial assets

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

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

1.17 FINANCIAL INSTRUMENTS (CONTINUED)

1.17.4.2 Financial liabilities

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

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

1.17.5 Offsetting of financial instruments

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

1.18 STATUTORY RECEIVABLES

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

1.18.1 Initial Recognition

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

1.18.2 Subsequent Measurement

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

1.18.3 Impairment and uncollectability of statutory receivables

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

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

1.18 STATUTORY RECEIVABLES (CONTINUED)

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

1.18.4 Derecognition

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

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

1.19 CASH AND CASH EQUIVALENTS

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

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

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

1.20 RECEIVABLES

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

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

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

1.21 TAXES (VALUE ADDED TAX)

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

1.22 PAYABLES AND ANNUITY LOANS

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

1.23 CONSUMER DEPOSITS

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

1.24 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND UNSPENT PUBLIC CONTRIBUTIONS

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

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

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

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

1.25 RESERVES

1.25.1 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.

1.25 RESERVES (CONTINUED)

(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.

1.26 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.

1.26.1 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.

1.26.1.1 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.

1.26.1.2 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.

1.26.1.3 Fines

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue. In cases where fines and summonses are issued by another government departments, revenue will only be recognised when monies are received, as the Municipality does not have any control over fines issued by other government institutes.

1.26 REVENUE (CONTINUED)

1.26.1.4 Insurance Receipts

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.

1.26.1.5 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.

1.26.1.6 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.

1.26.1.7 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.

1.26.1.8 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.

1.26.1.9 Availability Charges

Availability charges are based on the approved tariffs of the municipality. This charge is levied where the municipality has installed the relevant infrastructure network(s) (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 network(s).

1.26 REVENUE (CONTINUED)

1.26.1.10 Infrastructure Levy

The infrastructure is based on the approved tariffs of the municipality. The fixed fee is charged to consumers in the municipal area to recover maintenance costs associated with service delivery infrastructure.

1.26.2 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.

1.26.2.1 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.

1.26.2.2 Investment income

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.

1.26.2.3 Rental income

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

1.26 REVENUE (CONTINUED)

1.26.2.4 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.

1.26.2.5 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.

1.26.2.6 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.

1.26.2.7 Deferred payment

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

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

1.27 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.

1.28 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.

1.29 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.

1.30 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.

1.31 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.

1.32 CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

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.

1.33 CAPITAL COMMITMENTS

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

1.34 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.

1.35 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.

1.35 RELATED PARTIES (CONTINUED)

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.

1.36 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.

1.36 ACCOUNTING BY PRINCIPALS AND AGENTS (CONTINUED)

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

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

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

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

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

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

1.37 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. The Standard only requires disclosure of the relevant resources.

The Municipality has assessed that it does not control any living resources.

1.38 SEGMENT REPORTINGS

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.

1.38 SEGMENT REPORTINGS (CONTINUED)

Management 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.

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.

1.39 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:

1.39.1 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 intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

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.

1.39.2 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.

1.39.3 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.

1.39.4 Impairment of non-monetary assets

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

1.39.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical obligations 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.

1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

1.39.6 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 earthworks as published by Statistics South Africa.

1.39.7 Distinguishing between 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.

1.39.8 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.

1.39.9 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.

1.39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

1.39.10 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.

1.39.11 Applying 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.

		2025 R	2024 R
2	**CASH AND CASH EQUIVALENTS**		
	Primary Bank Account	45 957 811	59 201 117
	Call and Notice Deposits	3 789 000	3 789 000
	Cash Floats	10 850	10 850
	Total	**49 757 661**	**63 000 967**

Due to the short term nature of cash deposits, all balances included above is in line with their fair value

The cash available for investments in the Primary Bank Account was transferred to Call and Notice Deposits after year-end (R 15 million on 8 July 2025).

Cash and Cash Equivalents are held to support the following commitments:

	2025 R	2024 R
Unspent Conditional Grants	1 602 917	3 386 137
Unspent Annuity Loans	-	2 540 927
Unspent Housing Allocation (Rent-to-Own)	10 423 042	10 469 873
Capital Replacement Reserve	10 600 000	39 500 000
Committed Investments	3 789 000	3 789 000
Working Capital Requirements	23 342 702	3 315 029
Total	**49 757 661**	**63 000 967**

Primary Bank Account

Bredasdorp ABSA - Account number 40 5883 2586

Bank Statement Balance - Opening Balance	58 742 924	35 814 134
Bank Statement Balance - Closing Balance	45 176 234	58 742 924
Cashbook Balance - Opening Balance	59 201 117	36 215 427
Cashbook Balance - Closing Balance	45 957 811	59 201 117

Guarantees relating to The Post Office amounting to R 50 000 (2024 - R 50 000) are held at ABSA:

Other Bank Accounts

Bredasdorp ABSA - Account number 40 6412 1626

The municipality utilises this account for traffic fine deposits. The account is cleared to the Primary Account on a monthly basis. There are no cash book balance nor bank account balance on 30 June 2024 and 30 June 2025.

		2025 R	2024 R
2	**CASH AND CASH EQUIVALENTS (CONTINUED)**		

Call and Notice Deposits

Call and Notice Deposits consist out of the following

	2025 R	2024 R
ABSA - Acc No 2078493223	1 254 000	1 254 000
ABSA - Acc No 2079252816	2 535 000	2 535 000
Total	**3 789 000**	**3 789 000**

Interest of 7.87% (2024 - 9.26%) were attracted by these short term deposits at year end.

The ABSA Investments, Acc No 2078493223 and Acc No 2079252816, are attached to a guarantee provided by the municipality to Eskom (Electricity Account Guarantee). These deposits are fixed for a period of 12 months from 2 June 2025 and 17 June 2025 (2024 - 31 May 2024 and 14 June 2024) respectively.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

30 JUNE 2025

	Gross Balance R	Allowance for impairment R	Net Receivable R
Service Receivables	**81 201 520**	**40 376 257**	**40 825 264**
Electricity	24 375 533	4 448 945	19 926 589
Water	23 515 721	14 383 699	9 132 021
Refuse	13 304 857	8 569 685	4 735 172
Sewerage	9 687 149	6 466 673	3 220 476
Other Services	10 318 261	6 507 255	3 811 006
Other Receivables	**8 406 206**	**-**	**8 406 206**
Asset Sales	5 775 300	-	5 775 300
Pre-paid Electricity	573 832	-	573 832
Accrued Interest	254 367	-	254 367
Payments in Advance	1 802 706	-	1 802 706
Total	**89 607 726**	**40 376 257**	**49 231 469**

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

30 JUNE 2024

	Gross Balance R	Allowance for impairment R	Net Receivable R
Service Receivables	**76 535 398**	**38 348 701**	**38 186 696**
Electricity	27 256 006	6 223 011	21 032 995
Water	20 866 917	12 551 626	8 315 291
Refuse	11 918 640	7 996 791	3 921 849
Sewerage	8 452 078	5 914 744	2 537 333
Other Services	8 041 757	5 662 529	2 379 228
Other Receivables	**3 921 514**	**-**	**3 921 514**
Asset Sales	1 166 989	-	1 166 989
Pre-paid Electricity	722 199	-	722 199
Accrued Interest	297 619	-	297 619
Sundry Receivables	2 032	-	2 032
Payments in Advance	1 732 674	-	1 732 674
Total	**80 456 911**	**38 348 701**	**42 108 210**
Balance Previously Reported	**80 559 111**	**38 348 701**	**42 210 410**
Prior Period Adjustment - Refer to note 49.01	(102 200)	-	(102 200)
Restated Balance on 30 June 2024	**80 456 911**	**38 348 701**	**42 108 210**

The carrying value of receivables are in line with their fair value. A credit period of 30 days are granted on initial recognition of the receivable, which is considered to be in line with industry norms. Interest at prime rate + 1% is charged on overdue accounts.

Ageing of service receivables:	2025 R	2024 R
Electricity Ageing		
Current (0 - 30 days)	18 817 625	16 568 274
Past Due (31 - 60 Days)	706 086	4 699 939
Past Due (61 - 90 Days)	891 624	802 778
Past Due (90 Days +)	3 960 199	5 185 016
Total	**24 375 533**	**27 256 006**
Water Ageing		
Current (0 - 30 days)	7 066 416	5 568 545
Past Due (31 - 60 Days)	1 018 091	2 289 642
Past Due (61 - 90 Days)	1 963 703	1 152 670
Past Due (90 Days +)	13 467 511	11 856 060
Total	**23 515 721**	**20 866 917**

	2025	2024
	R	R

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Refuse Ageing

	2025	2024
Current (0 - 30 days)	3 226 652	2 177 826
Past Due (31 - 60 Days)	495 626	1 191 629
Past Due (61 - 90 Days)	1 098 863	534 690
Past Due (90 Days +)	8 483 716	8 014 495
Total	**13 304 857**	**11 918 640**

Sewerage Ageing

	2025	2024
Current (0 - 30 days)	1 955 234	1 281 404
Past Due (31 - 60 Days)	406 825	695 525
Past Due (61 - 90 Days)	808 501	406 545
Past Due (90 Days +)	6 516 589	6 068 604
Total	**9 687 149**	**8 452 078**

Other Services Ageing

	2025	2024
Current (0 - 30 days)	1 354 753	695 361
Past Due (31 - 60 Days)	458 081	570 995
Past Due (61 - 90 Days)	1 202 542	405 609
Past Due (90 Days +)	7 302 884	6 369 792
Total	**10 318 261**	**8 041 757**

Total Service Receivables Ageing

	2025	2024
Current (0 - 30 days)	32 420 680	26 291 409
Past Due (31 - 60 Days)	3 084 708	9 447 730
Past Due (61 - 90 Days)	5 965 233	3 302 292
Past Due (90 Days +)	39 730 899	37 493 967
Total	**81 201 520**	**76 535 398**

Ageing per Customer Classification - 30 June 2025

	Consumers	Industrial/ Commercial	National and Provincial Government
	R	R	R
Current (0 - 30 days)	22 883 860	8 964 272	572 548
Past Due (31 - 60 Days)	2 748 150	203 492	133 066
Past Due (61 - 90 Days)	5 720 039	158 764	86 429
Past Due (90 Days +)	36 561 383	2 069 774	1 099 742
Sub-Total	**67 913 433**	**11 396 302**	**1 891 786**
Less Allowance for Impairment	(38 133 665)	(2 242 592)	-
Total	**29 779 768**	**9 153 710**	**1 891 786**

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Ageing per Customer Classification - 30 June 2024

	Consumers R	Industrial/ Commercial R	National and Provincial Government R
Current (0 - 30 days)	17 788 573	8 197 193	305 643
Past Due (31 - 60 Days)	6 610 322	2 722 224	115 185
Past Due (61 - 90 Days)	2 813 767	453 205	35 319
Past Due (90 Days +)	33 684 783	2 991 653	817 531
Sub-Total	**60 897 444**	**14 364 276**	**1 273 678**
Less Allowance for Impairment	(34 831 397)	(3 517 304)	-
Total	**26 066 047**	**10 846 972**	**1 273 678**

Included in Consumers are indigent balances amounting to R 6 711 968 (2024 - R 5 143 102). These balances were fully impaired.

	2025 R	2024 R
Reconciliation of Allowance for impairment		
Balance at the beginning of the year	38 348 701	23 137 417
Contribution to the provision	4 287 051	18 038 735
Electricity	(1 069 486)	2 406 479
Water	2 349 158	7 500 270
Refuse	975 931	3 322 661
Sewerage	881 318	2 593 802
Other Services	1 150 130	2 215 522
Bad Debts Written off	(2 259 496)	(2 827 451)
Electricity	(704 580)	(229 465)
Water	(517 085)	(1 106 810)
Refuse	(403 037)	(608 369)
Sewerage	(329 390)	(489 996)
Other Services	(305 404)	(392 812)
Balance at the end of the year	**40 376 257**	**38 348 701**

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 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.

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

30 JUNE 2025

	Gross Balance R	Allowance for impairment R	Net Receivable R
Service Receivables	**23 420 084**	**8 518 275**	**14 901 810**
Rates	19 956 660	7 762 337	12 194 323
Availability Charges	3 463 424	755 937	2 707 487
Other Receivables	**5 540 368**	**4 115 422**	**1 424 946**
Unpaid Fines	5 208 750	4 115 422	1 093 328
Sundry Deposits	331 618	-	331 618
Total	**28 960 452**	**12 633 696**	**16 326 756**

30 JUNE 2024

	Gross Balance R	Allowance for impairment R	Net Receivable R
Service Receivables	**22 172 638**	**10 354 217**	**11 818 422**
Rates	18 105 608	8 859 783	9 245 824
Availability Charges	4 067 031	1 494 433	2 572 597
Other Receivables	**4 074 268**	**3 145 799**	**928 469**
Unpaid Fines	3 742 650	3 145 799	596 851
Sundry Deposits	331 618	-	331 618
Total	**26 246 906**	**13 500 015**	**12 746 891**

The carrying value of receivables are in line with their fair value. A credit period of 30 days are granted on initial recognition of the receivable, which is considered to be in line with industry norms. Interest at prime rate + 1% is charged on overdue accounts.

Ageing of service receivables:	**2025** **R**	**2024** **R**
Rates Ageing		
Current (0 - 30 days)	7 126 513	5 127 100
Past Due (31 - 60 Days)	735 602	2 606 034
Past Due (61 - 90 Days)	1 571 004	661 644
Past Due (90 Days +)	10 523 541	9 710 829
Total	**19 956 660**	**18 105 608**

		2025 R	2024 R
4	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)**		
	Availability Charges		
	Current (0 - 30 days)	1 665 716	1 243 112
	Past Due (31 - 60 Days)	205 320	600 597
	Past Due (61 - 90 Days)	160 198	242 304
	Past Due (90 Days +)	1 432 190	1 981 018
	Total	**3 463 424**	**4 067 031**
	Total Service Receivables Ageing		
	Current (0 - 30 days)	8 792 229	6 370 212
	Past Due (31 - 60 Days)	940 921	3 206 631
	Past Due (61 - 90 Days)	1 731 203	903 948
	Past Due (90 Days +)	11 955 732	11 691 847
	Total	**23 420 084**	**22 172 638**

Ageing per Customer Classification - 30 June 2025

	Consumers R	Industrial/ Commercial R	National and Provincial Government R
Current (0 - 30 days)	7 573 153	480 424	738 651
Past Due (31 - 60 Days)	622 485	35 350	283 086
Past Due (61 - 90 Days)	1 453 388	26 996	250 819
Past Due (90 Days +)	7 924 675	402 846	3 628 211
Sub-Total	**17 573 702**	**945 616**	**4 900 766**
Less Allowance for Impairment	(8 121 580)	(396 695)	-
Total	**9 452 122**	**548 921**	**4 900 766**

Ageing per Customer Classification - 30 June 2024

	Consumers R	Industrial/ Commercial R	National and Provincial Government R
Current (0 - 30 days)	5 640 209	390 790	339 213
Past Due (31 - 60 Days)	2 791 386	143 163	272 081
Past Due (61 - 90 Days)	713 283	51 805	138 860
Past Due (90 Days +)	9 388 163	656 099	1 647 585
Sub-Total	**18 533 042**	**1 241 857**	**2 397 739**
Less Allowance for Impairment	(9 687 266)	(666 951)	-
Total	**8 845 776**	**574 906**	**2 397 739**

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Included in Consumers are indigent balances amounting to R 486 261 (2024 - R 352 895). These balances were fully impaired.

	2025 R	2024 R
Reconciliation of Allowance for impairment		
Balance at the beginning of the year	13 500 015	9 031 729
Contribution to the provision	1 563 834	6 213 969
Rates	(1 018 278)	3 073 508
Availability Charges	(723 911)	981 932
Fines	3 306 023	2 158 529
Bad Debts Written off	(2 430 153)	(1 745 682)
Rates	(79 168)	(168 371)
Availability Charges	(14 585)	(16 611)
Fines	(2 336 400)	(1 560 700)
Balance at the end of the year	**12 633 696**	**13 500 015**

The Allowance for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 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.

	2025 R	2024 R

5 OPERATING LEASES

5.1 OPERATING LEASE ASSETS

Operating Lease Asset	**268 116**	**293 501**

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	293 501	369 782
Movement during the year	(25 385)	(76 281)
Balance at the end of the year	**268 116**	**293 501**

	2025 R	2024 R
5 OPERATING LEASES (CONTINUED)		

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

	2025 R	2024 R
Within 1 Year	1 295 608	1 018 404
Between 1 and 5 Years	2 955 433	2 110 383
After 5 Years	776 305	482 585
Total	**5 027 346**	**3 611 372**

The lease payments are in respect of properties being lease out over a period ranging up to 2034 (2024 - 2031).

5.2 OPERATING LEASE LIABILITIES

	2025 R	2024 R
Operating Lease Liability	-	-

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

Reconciliation of Operating Lease Liability:

	2025 R	2024 R
Balance at the beginning of the year	-	30 735
Movement during the year	-	(30 735)
Balance at the end of the year	**-**	**-**

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

	2025 R	2024 R
Within 1 Year	159 360	637 440
Between 1 and 5 Years	-	159 360
Total	**159 360**	**796 800**

The operating lease liability relates to the following lease arrangements:

The "Old Nedbank Gebou" and "Tourism Building". The lease terms ended on 31 December 2023 and 30 June 2024 respectively. Leases escalated between 6% and 7.5% over the respective lease terms. The leases are yet to be renewed and is currently on a month to month basis.

A lease agreement was entered into with Nashua relating to the rental of printers. Based on the terms of the agreement and the GRAP 13 assessment, it was considered appropriate to classify the arrangement as an operating lease rather than a finance lease. The initial lease commenced on 1 October 2020 and expired on 30 September 2023. The lease amount payable was R 70 740 per month (VAT Exclusive) and there are no escalation over the lease term. The lease was renewed in the current year (on the same printers) for a further 2 years ending 30 June 2025. The lease amount payable is R 53 120 (VAT Exclusive) and there are no escalation over the term.

		2025	2024
		R	R
6	**LONG-TERM RECEIVABLES**		
	Receivables with Repayment Arrangements	11 968 094	7 555 943
	Individual Housing Loans	133 202	134 932
	Total Gross Balance	**12 101 295**	**7 690 875**
	Less: Allowance for Debt Impairment	(11 968 094)	(7 555 943)
	Total Net Balance	**133 202**	**134 932**
	Less: Current portion of Long-term Receivables	(1 979)	(1 731)
	Individual Housing Loans	(1 979)	(1 731)
	Total	**131 222**	**133 202**

Individual Housing Loans

The loans was granted to facilitate housing schemes in the municipal area.

Receivables with repayment arrangements

On 30 June 2025, debtors amounting to R 11 968 094 (2025 - R 7 555 943) have made arrangements to settle their accounts over an re-negotiated period. Total payments to the value of R 7 735 045 (2024 - R 4 804 224) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables. Total payments to the value of R 4 233 049 (2024 - R 2 751 719) are due within the next 12 month. As these amount are fully impaired, there are no balance to be transferred to current receivables.

	2025	2024
	R	R
Reconciliation of Allowance for impairment		
Balance at the beginning of the year	7 555 943	5 592 933
Contribution to/(Reversal of) the provision	4 412 150	1 963 010
Balance at the end of the year	**11 968 094**	**7 555 943**

The allowance for impairment only relates to Receivables with repayment arrangements. Receivables with repayment arrangements are impaired in full. Management has taken a conservative approach to impair the debtors in full. This is due to historic poor collection rates of the said receivables and the arrangement itself considered a significant indicator for impairment.

		2025	2024
		R	R
7	**INVENTORY**		
	Consumables	2 168 524	2 278 427
	Water	99 682	102 627
	Total	**2 268 206**	**2 381 054**

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

No inventory were pledged as security for liabilities.

No Inventory losses or surpluses were identified during the annual stores counts.

	2025	2024
Inventory recognised as an expense during the year.	2 581 514	2 998 926

8 INVESTMENT PROPERTY

	2025	2024
Investment Property - Carrying Value	**39 097 729**	**39 672 685**

The movement in investment properties is reconciled as follows:

	2025	2024
Opening Carrying Value	**39 672 685**	**39 730 001**
Cost	39 814 284	39 909 284
Accumulated Depreciation	(141 600)	(179 284)
Depreciation for the year	(5 746)	(8 530)
Disposals	(569 209)	(48 786)
Cost	(615 000)	(95 000)
Accumulated Depreciation	45 791	46 214
Closing Carrying Value	**39 097 729**	**39 672 685**
Cost	39 199 284	39 814 284
Accumulated Depreciation	(101 555)	(141 600)

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.

9 PROPERTY PLANT AND EQUIPMENT

30 June 2025	Cost				Accumulated Depreciation				Accumulated Impairment			
	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Closing Balance R	Carrying Value R
Land and Buildings	**133 134 315**	**6 231 626**	**(11 733)**	**139 354 208**	**42 505 432**	**588 331**	**-**	**43 093 764**	**4 654 001**	**-**	**4 654 001**	**91 606 443**
Land	92 077 339	3 978 314	(11 733)	96 043 919	29 190 604	52 009	-	29 242 613	3 593 410	-	3 593 410	63 207 896
Buildings	41 056 977	2 253 313	-	43 310 289	13 314 828	536 323	-	13 851 151	1 060 592	-	1 060 592	28 398 547
Infrastructure	**539 235 776**	**41 528 018**	**(2 297 443)**	**578 466 350**	**129 805 673**	**13 418 528**	**(791 220)**	**142 432 981**	**-**	**-**	**-**	**436 033 370**
Roads and Storm water	212 281 617	21 969 606	(2 038 057)	232 213 166	45 048 635	5 853 085	(742 128)	50 159 593	-	-	-	182 053 573
Electricity Network	107 144 181	5 063 689	-	112 207 870	28 232 194	1 909 308	-	30 141 502	-	-	-	82 066 369
Sewerage Network	121 641 924	2 606 231	(241 944)	124 006 211	25 919 112	3 353 438	(31 685)	29 240 865	-	-	-	94 765 345
Water Network	88 673 913	8 192 901	(17 441)	96 849 372	28 438 754	2 015 748	(17 407)	30 437 095	-	-	-	66 412 277
Refuse Removal	9 494 141	3 695 591	-	13 189 732	2 166 977	286 948	-	2 453 926	-	-	-	10 735 806
Community Assets	**48 263 627**	**5 909 894**	**(4 419)**	**54 169 102**	**8 414 275**	**1 685 496**	**(3 135)**	**10 096 636**	**129 002**	**547 107**	**676 109**	**43 396 356**
Cemeteries	320 729	291 488	-	612 217	29 199	4 227	-	33 427	-	-	-	578 791
Clinics	201 995	-	-	201 995	45 372	1 920	-	47 292	-	-	-	154 703
Community Halls	15 076 860	75 000	-	15 151 860	1 548 409	168 343	-	1 716 752	-	-	-	13 435 109
Libraries	5 124 835	-	-	5 124 835	2 024 104	82 488	-	2 106 593	-	-	-	3 018 242
Parks & Gardens	8 652 148	797 859	(4 419)	9 445 588	1 642 920	368 458	(3 135)	2 008 243	46 646	-	46 646	7 390 698
Recreation Grounds	1 766 423	294 108	-	2 060 531	465 216	28 125	-	493 341	-	-	-	1 567 189
Sports facilities	11 534 178	4 451 439	-	15 985 617	2 056 401	819 709	-	2 876 110	82 356	547 107	629 463	12 480 044
Markets	5 586 459	-	-	5 586 459	602 654	212 225	-	814 879	-	-	-	4 771 580
Other Assets	**78 198 655**	**7 748 776**	**(1 341 445)**	**84 605 987**	**32 445 740**	**4 780 236**	**(1 115 334)**	**36 110 642**	**-**	**57 016**	**57 016**	**48 438 329**
Computer Hardware	12 813 826	962 230	(676 671)	13 099 384	6 653 160	1 059 427	(534 762)	7 177 826	-	-	-	5 921 558
Furniture and Office Equipment	11 266 311	1 106 306	(203 096)	12 169 522	6 396 536	720 101	(173 018)	6 943 618	-	-	-	5 225 903
Vehicles	25 046 154	753 932	-	25 800 087	9 827 157	1 166 869	-	10 994 026	-	-	-	14 806 061
Special Vehicles	10 828 189	3 420 264	-	14 248 453	2 310 112	713 770	-	3 023 882	-	-	-	11 224 571
Tools and Equipment	11 033 598	1 436 971	(201 981)	12 268 588	5 231 366	791 739	(153 859)	5 869 245	-	-	-	6 399 343
Other	7 210 576	69 073	(259 697)	7 019 952	2 027 408	328 330	(253 695)	2 102 044	-	57 016	57 016	4 860 892
Total	**798 832 374**	**61 418 314**	**(3 655 040)**	**856 595 647**	**213 171 120**	**20 472 591**	**(1 909 688)**	**231 734 022**	**4 783 004**	**604 123**	**5 387 127**	**619 474 498**

CAPE AGULHAS LOCAL MUNICIPALITY

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

9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

30 JUNE 2024	Cost				Accumulated Depreciation				Accumulated Impairment			
	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Closing Balance R	Carrying Value R
Land and Buildings	**136 159 152**	**5 812 266**	**(8 837 103)**	**133 134 315**	**40 381 194**	**2 124 238**	**-**	**42 505 432**	**4 654 001**	**-**	**4 654 001**	**85 974 881**
Land	100 912 842	1 600	(8 837 103)	92 077 339	27 544 233	1 646 371	-	29 190 604	3 593 410	-	3 593 410	59 293 324
Buildings	35 246 311	5 810 666	-	41 056 977	12 836 961	477 867	-	13 314 828	1 060 592	-	1 060 592	26 681 557
Infrastructure	**505 734 142**	**33 501 634**	**-**	**539 235 776**	**116 228 279**	**13 577 394**	**-**	**129 805 673**	**-**	**-**	**-**	**409 430 103**
Roads and Storm water	194 566 784	17 714 833	-	212 281 617	39 315 828	5 732 807	-	45 048 635	-	-	-	167 232 982
Electricity Network	105 131 576	2 012 604	-	107 144 181	25 766 225	2 465 969	-	28 232 194	-	-	-	78 911 987
Sewerage Network	120 719 930	921 995	-	121 641 924	22 607 701	3 311 411	-	25 919 112	-	-	-	95 722 813
Water Network	80 061 830	8 612 083	-	88 673 913	26 580 031	1 858 724	-	28 438 754	-	-	-	60 235 159
Refuse Removal	5 254 022	4 240 119	-	9 494 141	1 958 494	208 483	-	2 166 977	-	-	-	7 327 163
Community Assets	**46 874 696**	**1 388 931**	**-**	**48 263 627**	**7 191 861**	**1 222 414**	**-**	**8 414 275**	**-**	**129 002**	**129 002**	**39 720 349**
Cemeteries	320 729	-	-	320 729	25 035	4 164	-	29 199	-	-	-	291 530
Clinics	201 995	-	-	201 995	43 452	1 920	-	45 372	-	-	-	156 623
Community Halls	15 076 860	-	-	15 076 860	1 383 190	165 219	-	1 548 409	-	-	-	13 528 451
Libraries	5 077 453	47 382	-	5 124 835	1 942 984	81 120	-	2 024 104	-	-	-	3 100 731
Parks & Gardens	8 374 887	277 261	-	8 652 148	1 296 201	346 719	-	1 642 920	-	46 646	46 646	6 962 581
Recreation Grounds	1 766 423	-	-	1 766 423	440 538	24 678	-	465 216	-	-	-	1 301 207
Sports facilities	11 534 178	-	-	11 534 178	1 616 819	439 582	-	2 056 401	-	82 356	82 356	9 395 421
Markets	4 522 172	1 064 287	-	5 586 459	443 643	159 011	-	602 654	-	-	-	4 983 805
Other Assets	**67 072 291**	**13 417 777**	**(2 291 413)**	**78 198 655**	**29 365 550**	**4 517 857**	**(1 437 667)**	**32 445 740**	**-**	**-**	**-**	**45 752 916**
Computer Hardware	11 375 368	1 585 851	(147 393)	12 813 826	5 666 633	1 077 213	(90 686)	6 653 160	-	-	-	6 160 666
Furniture and Office Equipment	10 452 773	911 398	(97 860)	11 266 311	5 756 299	705 849	(65 612)	6 396 536	-	-	-	4 869 776
Vehicles	20 945 328	5 220 761	(1 119 935)	25 046 154	9 527 261	1 092 787	(792 891)	9 827 157	-	-	-	15 218 997
Special Vehicles	10 355 672	1 212 788	(740 271)	10 828 189	2 017 961	637 863	(345 712)	2 310 112	-	-	-	8 518 077
Tools and Equipment	10 558 384	637 959	(162 744)	11 033 598	4 608 436	742 807	(119 877)	5 231 366	-	-	-	5 802 233
Other	3 384 766	3 849 019	(23 209)	7 210 576	1 788 960	261 338	(22 889)	2 027 408	-	-	-	5 183 168
Total	**755 840 282**	**54 120 608**	**(11 128 516)**	**798 832 374**	**193 166 884**	**21 441 903**	**(1 437 667)**	**213 171 120**	**4 654 001**	**129 002**	**4 783 004**	**580 878 250**

9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

The impairment on buildings relates to the building donated by P & B Limeworks during the year which was damaged during a fire. 24% of the property was damaged during 2020/2021. Due to vandalism, the building was further impaired during 2021/2022 (further 54% to increase total impairment to 78%). No further impairments nor reversals was required since 2021/22. The Soccer Field in Napier was impaired during 2023/2024. The impairment in the 2024/25 financial year relates to the Zwelitsha Sportsgrounds that were vandalised.

	2025	2024
	R	R
The following work in progress balances (Cost) are included in PPE. No Depreciation charge is recognised against these amounts.		
Infrastructure - Roads and Storm water	2 167 622	1 761 978
Infrastructure - Electricity Network	21 058 692	16 004 505
Infrastructure - Sewerage Network	1 063 760	810 000
Infrastructure - Water Network	17 534 049	10 901 556
Infrastructure - Refuse Removal	1 449 030	5 229 944
Total Work in Progress (WIP)	**43 273 153**	**34 707 983**

The prior year disclosure relating to Work in Progress were restated. Refer to note 49.08

There were no delays that are considered to be "significant" that warrants any further disclosure of individual projects as required by GRAP 17 paragraph 87 (b).

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

Refer to note 20 for more detail relating to this asset financed by way of a provision

		2025	2024
		R	R
10	**INTANGIBLE ASSETS**		
	Intangible Assets - Carrying Value	**1 885 808**	**2 435 597**

The movement in intangible assets is reconciled as follows:

	2025	2024
Opening Carrying Value	**2 435 597**	**3 128 503**
Cost	7 054 607	7 090 437
Accumulated Amortisation	(4 619 011)	(3 961 934)
Disposals	-	(2 130)
Cost	-	(35 830)
Accumulated Amortisation	-	33 700
Amortisation for the year	(549 788)	(690 776)
Closing Carrying Value	**1 885 808**	**2 435 597**
Cost	7 054 607	7 054 607
Accumulated Amortisation	(5 168 799)	(4 619 011)

There are no Work In Progress included in carrying value of intangible assets.

Intangible Assets consist only out of software

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

		2025	2024
		R	R
11	**LONG-TERM LIABILITIES**		
	Annuity Loans	48 747 107	57 951 353
	Sub-Total	**48 747 107**	**57 951 353**
	Less: Current portion of Long-term Liabilities	9 920 530	9 172 193
	Annuity Loans	9 920 530	9 172 193
	Total	**38 826 577**	**48 779 160**

Long Term Liabilities were fully utilised to purchase property plant and equipment. No cash were set aside to finance future instalments.

		2025	2024
		R	R
11	**LONG-TERM LIABILITIES (CONTINUED)**		
	The municipality opted to finance assets from external funding during the current and previous financial year. Detail are as follows:		
	Opening Balance - Unspent Loans	2 540 927	17 139 911
	Assets purchased	(2 540 927)	(14 598 984)
	Annuity Loans Raised	-	-
	Closing Balance - Unspent Loans	**-**	**2 540 927**
	Annuity Loans		
	Amalgamated Banks of South Africa (ABSA)	867 849	1 328 805
	Interest is calculated between 9.84% and 10.60% (2024 - 9.84% and 10.60%) interest rate. Loan period for remaining loans are 10 years and will be redeemed between 30 June 2026 and 30 June 2027 . Annuity loans consist out of 2 (2024 - 2) loan agreements		
	Nedbank	6 100 000	7 800 000
	Interest is calculated between 9.92% and 10.35% (2024 - 9.92% and 10.35%) interest rate. Loan period for remaining agreements are 10 years (2024 - 10 years) and loans will be redeemed between 30 June 2028 and 30 June 2029 (2024 - June 2028 to June 2029) . Annuity loan balance consist out of 2 (2024 - 2) loan agreements.		
	Standard Bank	18 628 716	21 559 856
	Interest is calculated between 9.69% and 10.07% (2024 - 10.69% to 11.07%) interest rate. Loan period ranges from 5 to 10 years (2024 - 5 to 10 years) and loans will be redeemed between 30 June 2026 and 30 June 2031 (2024 - 30 June 2026 and 30 June 2031) . Annuity loans consist out of 2 (2024 - 2) loan agreements.		

		2025	2024
		R	R
11	**LONG-TERM LIABILITIES (CONTINUED)**		
	First National Bank	23 150 542	27 262 691
	Interest is calculated between 9.31% and 9.37% (2024 - 10.31% and 10.37%) interest rate. Loan period ranges from 5 to 10 year and loans will be redeemed between 30 June 2027 and 30 June 2032 . Annuity loans consist out of 3 (2024 - 3) loan agreements.		
		48 747 107	**57 951 353**

Further detail relating to Annuity Loans is included in Appendix A.

Annuity loans are payable as follows:

	2025	2024
Payable within one year	14 401 506	15 060 695
Payable within two to five years	38 663 683	46 860 595
Payable after five years	10 663 463	18 441 771
Total amount payable	**63 728 652**	**80 363 061**
Less: Outstanding Future Finance Charges	(14 981 546)	(22 411 708)
Present value of annuity loans	**48 747 107**	**57 951 353**

		2025	2024
		R	R
12	**CONSUMER DEPOSITS**		
	Electricity	4 753 300	4 478 958
	Water	2 922 241	2 794 499
	Total	**7 675 542**	**7 273 457**
	Guarantees held in lieu of Electricity and Water Deposits	**172 000**	**172 000**

The carrying value of consumer deposits are in line with its fair value. Outstanding balances does not attract any interest.

		2025	2024
		R	R
13	**PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Trade Payables	46 986 207	32 857 208
	Balance previously reported		33 104 205
	Prior Period Adjustment - Refer to note 49.03		(246 998)
	Retentions	5 717 828	4 915 958
	Pre-Paid Electricity	857 696	705 478
	Debtors with credit balances	5 523 342	3 997 779
	Department of Infrastructure	12 806 889	12 953 628
	Sundry Creditors	130 101	405 015
	Sundry Deposits	2 371 005	109 091
	Total	**74 393 066**	**55 944 157**

Payables are being recognised net of any discounts received
As prescribed by the MFMA, all payables are payable within 30 days. This credit period granted is considered to be in line with industry norms. The carrying value of payables are in line with its fair value.

Payables are not secured.

Sundry deposits include Hall, Builders and Housing Deposits and Unallocated Deposits.

The Department of Infrastructure consist out of the following:

	2025	2024
	R	R
Advances received for the construction of housing top structures - note 37	12 721 441	12 959 159
Rent-to-Buy Initiative	10 423 042	10 469 873
Integrated Residential Development Project (IRDP)	2 298 399	2 489 286
Advances received/(Outstanding Funds) in terms of principal-agent arrangments - note 59	85 448	(5 531)
Total	**12 806 889**	**12 953 628**

		2025	2024
14	**UNSPENT CONDITIONAL GOVERNMENT GRANTS**		
	National Government	1 231 394	1 664 544
	Provincial Government	371 523	1 721 593
	Total	**1 602 917**	**3 386 137**

Detail reconciliations of all grants received and grant conditions met are included in note 23. Unspent grant balances are recognised to the extent that conditions are not yet met.

Also refer to Appendix D for further detail relating to grants.

No grants were withheld in the current year, other than the grants returned to National Treasury.

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.

		2025 R	2024 R
15	**UNSPENT PUBLIC CONTRIBUTIONS**		
	Overberg District Municipality	-	37 000
	Total	**-**	**37 000**

Detail reconciliations of all public contributions received are included in note 24. 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.

		2025 R	2024 R
16	**TAXES**		
	VAT Output in Suspense	4 666 910	3 970 196
	VAT Input in Suspense	(4 736 366)	(2 985 113)
	VAT Payable to/(Refundable from) SARS	8 035 933	6 665 710
	Total	**7 966 477**	**7 650 793**
	Disclosed as		
	Current Asset	(4 736 366)	(2 985 113)
	Current Liability	12 702 843	10 635 906
	Total	**7 966 477**	**7 650 793**
	Balance previously reported		765 905
	Prior Period Adjustment - Refer to note 49.04		6 884 888
	Total		**7 650 793**

VAT is accounted for on the payment basis.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies.

The Input VAT in Suspense balance represents the Input VAT accrued on outstanding payables at year-end while the Output VAT in suspense represents the Output VAT accrued on outstanding debtors at year-end less the portion which we do not expect to recover from the respective debtor due to non-collectability (ie Output VAT impaired).

17 CURRENT EMPLOYEE BENEFITS

	2025 R	2024 R
Post Retirement Medical Benefits	2 512 000	2 055 000
Long Service Awards	1 581 000	1 392 000
Performance Bonuses	690 130	629 422
Bonuses	4 797 060	4 787 501
Staff Leave	10 434 762	9 644 866
Total	**20 014 951**	**18 508 789**

The movement in current employee benefits are reconciled as follows:

Performance Bonuses	2025 R	2024 R
Opening Balance	629 422	537 511
Contribution during the year	632 949	557 054
Payments made	(572 241)	(465 143)
Closing Balance	**690 130**	**629 422**

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.

Bonuses	2025 R	2024 R
Opening Balance	4 787 501	4 576 450
Contribution during the year	8 889 418	8 807 582
Payments made	(8 879 859)	(8 596 531)
Closing Balance	**4 797 060**	**4 787 501**

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

Staff Leave	2025 R	2024 R
Opening Balance	9 644 866	9 892 526
Contribution during the year	2 133 557	1 471 234
Payments made	(1 343 661)	(1 718 894)
Closing Balance	**10 434 762**	**9 644 866**

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 in the event of encashment. There is no possibility of reimbursement.

		2025	2024
		R	R
18	**PROVISIONS**		
	SARS Ruling - Output VAT Payable on Library Funding	-	-
	Balance previously reported		5 219 609
	Prior Period Adjustment - Refer to note 49.05		(5 219 609)
	Total	**-**	**-**
19	**EMPLOYEE BENEFITS**		
	Post Retirement Medical Benefits	51 861 000	43 449 000
	Long Service Awards	9 713 000	9 547 000
	Sub-Total	**61 574 000**	**52 996 000**
	Less: Current portion of Employee Benefits	**4 093 000**	**3 447 000**
	Post Retirement Medical Benefits	2 512 000	2 055 000
	Long Service Awards	1 581 000	1 392 000
	Total	**57 481 000**	**49 549 000**

19.1 Post Retirement Medical Benefits

The movement in Post Retirement Medical Benefits are reconciled as follows:

	2025	2024
Opening Balance	**43 449 000**	**39 559 000**
Contribution during the year	6 621 000	6 273 000
Current Service Cost	1 446 000	1 432 000
Interest Expense	5 175 000	4 841 000
Payments made	(2 140 720)	(1 672 533)
Actuarial Losses/(Gains)	3 931 720	(710 467)
Change in Financial Assumptions	1 597 000	(876 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	2 334 720	165 533
Total balance at year-end	**51 861 000**	**43 449 000**
Less Current Portion	2 512 000	2 055 000
Total	**49 349 000**	**41 394 000**

The Post Retirement Medical Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2025	2024
In-service members	136	136
In-service non-members	216	230
Continuation members	44	38
Total	**396**	**404**

19 EMPLOYEE BENEFITS (CONTINUED)

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

	2025 R	2024 R
In-service employees	24 839 000	22 984 000
Continuation members	27 022 000	20 465 000
Total Unfunded Liability	**51 861 000**	**43 449 000**

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

Last Valuation and Actuarial Valuation Method

The last valuation was performed on 10 July 2025. The Projected Unit Credit Method has been used to value the liabilities.

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. Furthermore, employees employed after 1 January 2007 require at least ten years of service at retirement in order to qualify for the medical aid subsidy.
- Continuation members and their eligible dependants receive a 70% subsidy.
- All post-employment subsidies are subject to a maximum subsidy. The maximum subsidy was assumed to be R 5,791 per principal member per month for the year ending 30 June 2026, and has been assumed to increase annually on 1 July at 75% of salary inflation.
- Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy

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

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

19 EMPLOYEE BENEFITS (CONTINUED)

- 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.
- The administration of this Defined-Benefit Obligation poses a burden on the Municipality

Significant Actuarial Assumptions

Interest Rates	2025	2024
Discount rate	11.00%	12.19%
Medical aid contribution inflation rate	6.80%	7.69%

The discount rate reflects the time value of money and is approximated with reference to the market yields at reporting date on government bonds.

Mortality Rates

The SA 85-90 is utilised as reference for mortality during employment. The PA 90 -1 with a 1% mortality improvement per annum from 2010 is utilised as reference for mortality post-employment.

Average Retirement Age

It has been assumed that in-service members will retire at age 62 for all employees (2024 - 62), which then implicitly allows for expected rates of early and ill-health retirement. Normal retirement is set at 65.

Member Continuation

The continuation of membership at retirement is estimated at 75% (2024 - 75%).

Other Assumptions

Interest Rates	2025	2024
CPI Inflation	5.00%	6.19%
Net Discount Rate (Medical Aid Contributions)	3.90%	4.18%
Maximum subsidy inflation rate	4.50%	5.39%
Net Discount Rate (Maximum Subsidy))	6.20%	6.45%

Replacement Ratio

A Replacement Ratio (expected pension as a percentage of final salary, at retirement) of 65% (2024 - 65%) was used.

19 EMPLOYEE BENEFITS (CONTINUED)

Termination of Service

If an eligible employee leaves due to resignation or retrenchment, the employer's Defined-Benefit Obligation in respect of that employee ceases. The termination rates are 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 - 39	5.00%	5.00%
Age: 40 - 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%

Other Assumptions

The proportion with a spouse dependant at retirement is estimated at 60% (2024 - 60%). The proportion of eligible in-service non-members joining a scheme by retirement and continuing with the subsidy at and after retirement is estimated at 15% (2024 - 15%). It has been assumed that female spouses will be five years younger than their male counterparts. Furthermore, its assumed that 60% (2024 - 60%) of eligible employees on a health care arrangement at retirement will have a subsidised spouse dependant. For current retiree members, actual subsidised spouse dependants were used and the potential for remarriage was ignored.

Medical Schemes

The municipality contributes to the following medical schemes on a monthly basis:

Bonitas	Hosmed	Keyhealth	LA Health	Samwumed

It is assumed that the that continuation members and in service members will remain on the same medical scheme and option. In-service non-members were assumed to join Samwumed B, should they join a scheme by retirement and continue to receive the post-employment subsidy

Sensitivity Analysis - Liability at year-end

The Defined-Benefit Obligation are 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:

19 EMPLOYEE BENEFITS (CONTINUED)

Assumption	In-service members R m	Continuation members R m	Total liability R m	% change
Liability	24.839	27.022	51.861	
Medical aid contribution inflation rate				
+ 1%	26.176	27.739	53.915	4%
- 1%	22.891	26.059	48.950	-6%
Discount rate				
+ 1%	21.442	24.888	46.330	-11%
- 1%	29.063	29.517	58.580	13%
Post-employment mortality				
+ 1 year	24.344	26.369	50.713	-2%
- 1 year	25.317	27.665	52.982	2%
Average retirement age				
- 1 year	27.171	27.022	54.193	4%
Membership continuation				
- 10%	21.695	27.022	48.717	-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).

The municipality expects to make contributions to the various medical schemes amounting to R 2 648 000 in the next financial year.

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

Future years	Expected Benefit Payments R m	% contribution of bracket
Future year 1 to 10	44.241	6%
Future year 11 to 20	94.861	12%
Future year 21 to 30	153.780	20%
Future year 31 to 40	187.118	24%
Future year 41 to 50	154.569	20%
Future year 51 to 60	91.502	12%
Future year 61 to 70	35.141	5%
Future year 71 to 80	7.010	1%
Total	**768.222**	**100%**

19 EMPLOYEE BENEFITS (CONTINUED)

The contributions subsequent 80 years (relating to current eligible employees and continuation member) is considered insignificant to be included in the analysis.

19.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

	2025	2024
	R	R
Opening Balance	**9 547 000**	**9 484 000**
Contribution during the year	1 667 000	1 701 000
Current Service Cost	680 000	681 000
Interest Expense	987 000	1 020 000
Payments made	(1 081 666)	(974 702)
Actuarial Gain	(419 334)	(663 298)
Change in Financial Assumptions	(58 000)	(160 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(361 334)	(503 298)
Total balance at year-end	**9 713 000**	**9 547 000**
Less Current Portion	1 581 000	1 392 000
Total	**8 132 000**	**8 155 000**

The following members are eligible for long service bonuses:

	2025	2024
In-service members	352	366

Last Valuation and Actuarial Valuation Method

The last valuation was performed on 10 July 2025. The Projected Unit Credit Method has been used to value the liabilities.

Characteristics of Plan and Associated Risks

The municipality provides a long service award benefits as follows:

- The Municipality offers employees Long Service Awards for every five years of service completed, from ten 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 award ranges from 4% of total earnings for the first “Completed Service” milestone reached (ie 10 years) up to 26.3% of total annual earnings for the last “Completed Service” milestone reached (ie 45 years)
- Earnings relates to the officials basic salary.
- The Municipality does not pay any pro-rata Long Service Awards

19 EMPLOYEE BENEFITS (CONTINUED)

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

- Inflation: The risk that future CPI inflation and earnings 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 long service awards may increase the Defined-Benefit Obligation for the Municipality.
- The administration of this Defined-Benefit Obligation poses a burden on the Municipality

	2025	2024
Key Actuarial Assumptions used are as follows:		
Interest Rates		
Discount rate	9.90%	11.13%
CPI inflation rate	3.90%	5.28%
General earnings inflation rate	4.90%	6.28%
Net Discount Rate	4.80%	4.57%

The discount rate reflects the time value of money and is approximated with reference to the market yields at reporting date on government bonds.

Normal and Average Retirement Age

It has been assumed that in-service members will retire at age 62 for all employees (2024 - 62), which then implicitly allows for expected rates of early and ill-health retirement. Normal retirement is set at 65.

Mortality Rates

The SA 85-90 is utilised as reference for mortality during employment.

Termination of Service

If an eligible employee leaves due to resignation or retrenchment, the employer's Defined-Benefit Obligation in respect of that employee ceases. The following termination rates are 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 - 39	5.00%	5.00%
Age: 40 - 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%

19 EMPLOYEE BENEFITS (CONTINUED)

Sensitivity Analysis - Defined Benefit Obligation at year-end

The Defined-Benefit Obligation are 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 assumptions which tends to have the greatest impact on the results are as follows:

- the general earnings inflation rate assumption;
- the discount rate assumption;
- the average retirement age of employees; and
- assumed service termination rates.

The impact of the aforementioned assumptions are disclosed below:

Sensitivity Analysis - Liability at year-end

Assumption	**Total liability R m**	**% change**
Liability	9.713	
General earnings inflation rate		
+ 1%	10.276	6%
- 1%	9.201	-5%
Discount rate		
+ 1%	9.188	-5%
- 1%	10.299	6%
Average retirement age		
+ 2 years	11.316	17%
- 2 years	8.318	-14%
Rates of termination of service		
x 200 %	8.083	-17%
x 50 %	10.825	11%

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

Expected contributions and maturity analysis

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

19 EMPLOYEE BENEFITS (CONTINUED)

The municipality also has a reimbursement right for contributions made towards employees in the roads department as disclosed in note

The municipality expects to make long service awards payments (benefits vesting) amounting to R 1 706 000 in the next financial year.

Maturity analysis of expected benefits to be paid in respect of the current eligible employees can be illustrated as follows (Undiscounted):

Future years	Expected Benefit Payments R m	% contribution of bracket
Future year 1 to 10	15.050	35%
Future year 11 to 20	15.862	37%
Future year 21 to 30	10.515	24%
Future year 31 to 40	1.607	4%
Total	**43.034**	**100%**

The benefits vesting subsequent 40 years (relating to current eligible employees) is considered insignificant to be included in the analysis.

19.3 Defined Contribution Plans

Council contributes to the following defined contribution plans:

	2025 R	2024 R
Municipal Councillors Pension Fund	116 180	94 185
SAMWU National Provident Fund	1 194 257	1 186 363
Consolidated Retirement Fund	18 205 999	17 574 040
Total	**19 516 436**	**18 854 588**

The retirement benefit fund is 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.

		2025	2024
		R	R

20 NON-CURRENT PROVISIONS

	2025 R	2024 R
Rehabilitation Provision - Landfill Sites	**78 778 356**	**69 032 216**

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

	2025 R	2024 R
Opening Balance	**69 032 216**	**74 395 913**
Contribution during the year	9 746 140	(5 363 698)
Increase/(Decrease) in estimate	3 354 295	(12 329 840)
Interest Cost	6 391 845	6 966 143
Total balance at year-end	**78 778 356**	**69 032 216**
Less Current Portion	-	-
Total	**78 778 356**	**69 032 216**

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

Site	Expected Rehabilitation date	2025 R	2024 R
Bredasdorp	Aug-68	8 222 671	5 494 002
Napier	Nov-29	28 975 215	26 864 606
Waenhuiskrans	Nov-29	7 069 792	5 273 179
Struisbaai	Nov-30	28 322 950	25 418 048
L'Agulhas	Nov-2029 (Site Closed)	6 100 548	5 881 003
Sub-Total		**78 691 176**	**68 930 837**
Post Monitoring and Inspection Cost		87 180	101 378
Total		**78 778 356**	**69 032 216**

There are no current portion associated with this liability, as there are no intention to rehabilitate any sites within 12 months of reporting date.

Discount rates specific to the nature and timeframe of the provision is utilised to calculate the effect of time value of money. The discount rate used was stated at between 8.45% and 10.60% (2024 – 8.94% and 11.70%).

The post closure and monitoring cost relates to the Bredasdorp and L'Agulhas Site. These costs are guided by the relevant site licences as well as the conditions included in the "Minimum Requirements".

Environmental Specialists were utilised to determine the cost of rehabilitation of landfill sites.

20 NON-CURRENT PROVISIONS (CONTINUED)

The estimated area per site to be rehabilitated at year end were as follows (Rehabilitation area - m²):

	2025	2024
Bredasdorp	84 441	82 932
Napier	37 563	40 810
Waenhuiskrans	6 286	5 782
Struisbaai	32 864	42 127
L'Agulhas	6 286	5 603

The cost of rehabilitation per square meter is based on the current cost of construction at each reporting period. The cost per square meter were estimated as follows (R/m²):

	2025	2024
Bredasdorp	708	669
Napier	865	778
Waenhuiskrans	1 262	1 078
Struisbaai	993	747
L'Agulhas	1 348	1 241

21 RESERVES

	2025 R	2024 R
Accumulated Surplus	471 184 034	434 819 186
Capital Replacement Reserve	10 600 000	39 500 000
Total	**481 784 034**	**474 319 186**

22 PROPERTY RATES

	2025 R	2024 R
Total Property Rates	104 812 270	97 513 217
Less: Rebates	(3 382 486)	(3 219 526)
Total	**101 429 784**	**94 293 690**

The last general valuation was implemented on 1 July 2023 (after application and approval by the MEC was granted in terms of Section 32(2)(b)(ii) of the Municipal Property Rates Act, 2004 (No 6 of 2004). A new valuation roll will be implemented every 5 years.

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. A further R 235 000 (2024 - R 235 000) valuation exemption is applicable to registered indigents in terms of the policy criteria directive.

Rates are levied annually and monthly. Monthly rates are payable by the last day of the following month and annual rates are payable before 31 October. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

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

22 PROPERTY RATES (CONTINUED)

Property rate levied are based on the following rateable valuations:

	2025 R	2024 R
Residential	10 632 598 700	10 387 892 700
Business & Commercial	732 500 000	733 562 100
Industrial	216 161 000	206 021 000
Public benefit Organizations	77 575 000	67 025 000
Public Service Infrastructure	46 605 100	7 941 000
State-owned	539 193 800	405 375 800
Agricultural	3 922 512 800	3 930 059 900
Municipal Property	293 075 000	266 184 900
Vacant Land	729 471 300	766 437 300
Other	201 644 800	334 227 500
Multi-Purpose	408 476 000	479 111 000
Total Valuation	**17 799 813 500**	**17 583 838 200**

The following rates are applicable to the valuations above:

	2025	2024
Residential Developed	0.007245 c / R	0.006835 c / R
Residential Vacant	0.007787 c / R	0.007346 c / R
Business and Commercial	0.009191 c / R	0.008590 c / R
Industrial	0.009561 c / R	0.009020 c / R
Public Benefit Organisations	0.001812 c / R	0.001709 c / R
State Owned	0.009191 c / R	0.008590 c / R
Agricultural - Bona fide	0.001812 c / R	0.001709 c / R
Public Service Purpose	0.009191 c / R	0.008590 c / R
Public Service Infrastructure	0.000000 c / R	0.000000 c / R
Private Open Space	0.007245 c / R	0.006835 c / R
Private Road	0.007245 c / R	0.006835 c / R
Private Township Area	0.007245 c / R	0.006835 c / R
Protected Area (Exempted)	0.000000 c / R	0.006835 c / R
Multi Purpose - Agricultural	0.001812 c / R	0.001709 c / R
Multi Purpose - Residential	0.007245 c / R	0.006835 c / R
Multi Purpose - Business and Commercial	0.009191 c / R	0.008590 c / R
Multi Purpose - Creche	0.009191 c / R	0.008590 c / R
Illegal Usage	3.114810 c / R	2.938500 c / R

		2025	2024
		R	R
23	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Unconditional Grants - National Government	**43 073 000**	**40 379 740**
	Equitable Share	43 073 000	40 379 740
	Conditional Grants - National Government	**23 394 020**	**23 784 884**
	Financial Management Grant (FMG)	1 700 000	1 550 000
	Municipal Infrastructure Grant (MIG)	17 084 766	16 031 037
	Water Services Infrastructure Grant (WSIG)	2 540 385	3 028 221
	Skills Development Fund and SETA Bursaries	705 870	416 745
	National Electrification Programme (INEP)	-	577 881
	Expanded Public Works Program (EPWP)	1 363 000	2 181 000
	Conditional Grants - Provincial Government	**2 277 070**	**255 407**
	Library Grant	1 320 070	35 400
	Proclaimed Road Subsidy	-	90 000
	Other Provincial Allocations	957 000	130 007
	Total	**68 744 090**	**64 420 031**
	Disclosed as:		
	Government Grants and Subsidies - Capital	18 683 745	16 652 328
	Government Grants and Subsidies - Operating	50 060 345	47 767 703
	Total	**68 744 090**	**64 420 031**
	Grants per Vote (MFMA Sec 123 (c)):		
	Equitable share	43 073 000	40 379 740
	Engineering Services	20 075 150	20 447 139
	Executive and Council	1 993 870	759 645
	Financial Services & ICT	1 700 000	1 791 107
	Management Services	1 902 070	1 042 400
	Total	**68 744 090**	**64 420 031**

The movements per grant can be summarised as follows:

		2025	2024
		R	R
23.01	**Equitable Share**		
	Grants Received	43 073 000	40 379 740
	Transferred to Revenue - Operating	(43 073 000)	(40 379 740)
	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.

23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

	2025 R	2024 R
23.02 Financial Management Grant (FMG)		
Grants Received	1 700 000	1 550 000
Transferred to Revenue - Operating	(1 700 000)	(1 550 000)
Closing Unspent Balance	**-**	**-**

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

	2025 R	2024 R
23.03 Municipal Infrastructure Grant (MIG)		
Opening Unspent Balance	192 765	4 783 802
Grants Received	17 085 000	11 440 000
Transferred to Revenue - Capital	(14 464 991)	(13 406 989)
Transferred to Revenue - Operating	(2 619 775)	(2 624 048)
Funds Returned to National Treasury	(193 000)	-
Closing Unspent Balance	**-**	**192 765**

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

	2025 R	2024 R
23.04 Water Services Infrastructure Grant (WSIG)		
Opening Unspent Balance	1 471 779	369 740
Grants Received	2 300 000	4 500 000
Transferred to Revenue - Capital	(2 209 030)	(2 633 235)
Transferred to Revenue - Operating	(331 355)	(394 985)
Funds Returned to National Treasury	-	(369 740)
Closing Unspent Balance	**1 231 394**	**1 471 779**

The WSIG grant is a conditional grant used to facilitate the planning and implementation of various water and on-site sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities as well as support to municipalities in implementing water conservation and water demand management projects.

	2025 R	2024 R
23.05 Skills Development Fund and SETA Bursaries		
Grants Received	705 870	416 745
Transferred to Revenue - Operating	(705 870)	(416 745)
Closing Unspent Balance	**-**	**-**

23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The Skills Development fund (including SETA allocations) is utilised to cover expenditure relating to training, development of scares skills and bursary beneficiaries defined.

	2025	2024
	R	R
23.06 National Electrification Programme (INEP)		
Opening Unspent Balance	-	577 881
Transferred to Revenue - Capital	-	(576 704)
Transferred to Revenue - Operating	-	(1 177)
Closing Unspent Balance	**-**	**-**

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.

	2025	2024
	R	R
23.07 Expanded Public Works Program (EPWP)		
Grants Received	1 363 000	2 181 000
Transferred to Revenue - Operating	(1 363 000)	(2 181 000)
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.

	2025	2024
	R	R
23.08 Library Grant		
Opening Unspent Balance	1 464 600	-
Grants Received	-	1 500 000
Transferred to Revenue - Capital	(1 147 887)	(35 400)
Transferred to Revenue - Operating	(172 183)	-
Closing Unspent Balance	**144 530**	**1 464 600**

23 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The library grant relates to ad hoc allocations to acquire/construct or maintain library related assets in the municipal area. An amount of R 1 500 000 was allocated in prior year towards the Church Street Bredasdorp Roof Project which was finalised in current year.

	2025 R	2024 R
23.09 Proclaimed Road Subsidy		
Grants Received	-	90 000
Transferred to Revenue - Operating	-	(90 000)
Closing Unspent Balance	**-**	**-**

The subsidy is utilised to upgrade and maintain the provincial road network in the municipal area.

	2025 R	2024 R
23.10 Other Provincial Allocations		
Opening Unspent Balance	256 993	-
Grants Received	927 000	387 000
Transferred to Revenue - Capital	(861 837)	-
Transferred to Revenue - Operating	(95 163)	(130 007)
Closing Unspent Balance	**226 993**	**256 993**

Other Provincial Allocations includes grants such as the Community Development Workers (CDW), Provincial Finance Management Support Grant and Regional Socio-Economic Project Grants.

	2025 R	2024 R
23.11 Total Grants		
Opening Unspent Balance	3 386 138	5 731 423
Grants Received	67 153 870	62 444 485
Transferred to Revenue - Capital	(18 683 745)	(16 652 328)
Transferred to Revenue - Operating	(50 060 345)	(47 767 703)
Funds Returned to National Treasury	(193 000)	(369 740)
Closing Unspent Balance	**1 602 917**	**3 386 138**

		2025 R	2024 R
24	**PUBLIC CONTRIBUTIONS AND DONATIONS**		
	Overberg District Municipality	37 000	-
	Mayoral State of the Municipality Address	-	40 000
	Total	**37 000**	**40 000**
	Disclosed as:		
	Public Contributions and Donations - Operating	37 000	40 000
	Total	**37 000**	**40 000**

The movements per public contribution can be summarised as follows:

24.01	**Overberg District Municipality**		
	Opening Unspent Balance	37 000	-
	Public Contributions during the year	-	37 000
	Transferred to Revenue - Operating	(37 000)	-
	Closing Unspent Balance	**-**	**37 000**

This donation was received from the Overberg District Municipality as a contribution towards the safety forum and Maintenance of the Van Brakel Crossing Camera project.

		2025 R	2024 R
24.02	**Mayoral State of the Municipality Address**		
	Public Contributions during the year	-	40 000
	Transferred to Revenue - Operating	-	(40 000)
	Closing Unspent Balance	**-**	**-**

The State of the municipality address was held on 26 July 2023 and was hosted by the Mayor of the Cape Agulhas Municipality. The contribution received was allocated towards to costs of the event held.

		2025 R	2024 R
24.03	**Total**		
	Opening Unspent Balance	37 000	-
	Public Contributions during the year	-	77 000
	Transferred to Revenue - Operating	(37 000)	(40 000)
	Closing Unspent Balance	**-**	**37 000**
25	**CONTRIBUTED ASSETS**		
	Annene Booysen Centre Assets (Building and Movable Assets)	-	3 647 479
	Solar Power Supply Assets	-	1 064 287
	Total	**-**	**4 711 766**

		2025	2024
		R	R
26	**FINES**		
	Traffic and Other Fines	4 966 351	2 852 303
	Library Fines	10 773	9 089
	Total	**4 977 124**	**2 861 392**

In terms of the requirements of GRAP 23 and iGRAP1 (revised), all fines issued during the year less any cancellations or reductions identified are recognised as revenue.

		2025	2024
		R	R
27	**ACTUARIAL GAINS**		
	Post Retirement Medical Benefits	-	710 467
	Long Service Awards	419 334	663 298
	Total	**419 334**	**1 373 765**
28	**AVAILABILITY CHARGES**		
	Electricity Revenue	4 058 756	3 667 986
	Water Revenue	2 607 401	2 551 624
	Refuse Removal Revenue	4 224 672	3 780 256
	Sewerage and Sanitation Revenue	3 907 235	3 549 465
	Total	**14 798 064**	**13 549 330**
29	**SERVICE CHARGES**		
	Electricity Revenue	180 918 504	159 029 066
	Water Revenue	51 743 074	53 173 755
	Refuse Removal Revenue	32 577 082	29 509 890
	Sewerage and Sanitation Revenue	20 819 955	19 133 207
	Total Revenue	**286 058 613**	**260 845 917**
	Less: Rebates	(17 009 847)	(16 163 304)
	Water Revenue	(8 074 039)	(7 339 551)
	Refuse Removal Revenue	(5 642 523)	(5 437 227)
	Sewerage and Sanitation Revenue	(3 293 285)	(3 386 526)
	Total	**269 048 767**	**244 682 613**

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

		2025 R	2024 R
30	**RENTAL OF FACILITIES AND EQUIPMENT**		
	Halls and Offices	141 201	119 278
	Properties	2 247 696	1 820 252
	Resorts	7 421 624	6 688 808
	Sports Grounds	7 696	8 735
	Total	**9 818 216**	**8 637 073**
31	**INTEREST EARNED - EXTERNAL INVESTMENTS**		
	Call and Notice Deposits	1 869 182	4 287 437
	Current Accounts	3 349 932	3 572 730
	Total	**5 219 114**	**7 860 167**

Interest earned amounting to R 581 399 (2024 - R 1 083 627) was received on the fund invested related to the Rent-To-Own initiative. The interest was allocated to the project in line with the conditions of the allocation received. Refer to note 13 for more detail.

		2025 R	2024 R
32	**INTEREST EARNED - OUTSTANDING DEBTORS**		
	Interest Earned - Service Debtors	3 809 604	2 647 862
	Interest Earned - Penalty Interest on Property Rates	1 150 458	1 012 776
	Total	**4 960 062**	**3 660 637**
33	**LICENCES AND PERMITS**		
	Roadworthy Certificates	106 338	87 415
	Roadworthy Applications	345 140	319 124
	Driver Licences	736 047	803 558
	Business Licences	39 513	-
	Total	**1 227 038**	**1 210 097**
34	**AGENCY SERVICES**		
	Vehicle Licencing	1 912 846	1 792 618
	Vehicle Registrations	938 176	864 138
	Temporary and Special Licences	26 974	32 883
	Duplicate Vehicle Registrations	95 458	75 596
	Total	**2 973 453**	**2 765 234**

The Municipality acts as an agent for the Department of Mobility and manages the issuing of vehicle registrations and licencing, Temporary and Special Licences and the issuing of Duplicate Vehicle Licences. The municipality earns an agency fee (12% on Vehicle Licences and 100% on all other collections) in this regard. The following transactions occurred during the period under review:

		2025 R	2024 R
34	**AGENCY SERVICES (CONTINUED)**		
	Balance at the beginning of year	133 806	145 690
	Revenue collected from third parties	17 385 875	16 921 198
	Agency Fee Earned	(2 973 453)	(2 765 234)
	VAT on Agency Fee Earned	(446 018)	(414 785)
	Collections paid over to The Department	(14 155 501)	(13 753 062)
	Balance at the end of year	**(55 292)**	**133 806**

		2025 R	2024 R
35	**OTHER INCOME**		
	Commission Received	41 811	49 303
	Clearance Certificates	162 748	151 304
	Connections - Electricity	1 588 224	1 634 896
	Connections - Water	977 723	962 957
	Connections - Sewer	522 300	457 424
	Town Planning Fees	541 073	437 611
	Building Plan Fees	1 414 204	1 534 106
	Library Services	7 197 391	7 288 696
	Garden Refuse Removal	22 237	20 416
	Reduction in Rehabilitation Provision	614 285	3 495 337
	IT Shared Services	-	837 469
	Sundry Income	2 285 771	2 259 752
	Total	**15 367 767**	**19 129 271**
	Disclosed as		
	Revenue From Non-Exchange Transactions	695 699	3 495 337
	Revenue From Exchange Transactions	14 672 068	15 633 934
	Total	**15 367 767**	**19 129 271**

Sundry income represents a wide range of revenue items (such as tender deposits, burial fees, copies and faxes) which is not considered material to warrant separate disclosure in the financial statements.

		2025 R	2024 R
36	**GAINS ON DISPOSAL OF PROPERTIES AND MOVABLE ASSETS**		
	Investment Property, Land and Movable Assets	4 842 475	202 792
	Total	**4 842 475**	**202 792**

The gains on the disposal of properties mainly have reference to properties sold in the municipal area at pre-determined market value. These disposals are aligned with the municipality's Long-Term Financial Plan strategy.

		2025	2024
		R	R
37	**CONSTRUCTION CONTRACTS**		
	Construction of Housing Top Structures	1 627 136	9 714 419
	Total	**1 627 136**	**9 714 419**

The Municipality has assessed that it acts as the Developer for the Department of Infrastructure for the construction of top structures (Rent-to-Buy Initiative and Integrated Residential Development Project)

The municipality received R 10 million and R 15 million relating to the "Rent-to-Buy" initiative of the Department of Infrastructure during 2020/21 and 2022/23 respectively. The payable balance at each reporting period represents the portion of the 2 aforementioned receipts not yet spent at year-end. The "Rent-to-Buy" initiative is performed on an agency basis on behalf of the department.

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.

	2025	2024
	R	R
Reconciliation for the year		
Opening Balance	12 959 159	19 371 719
Payments / Advances received	808 030	2 218 232
Interest Earned	581 388	1 083 627
Expenditure incurred / Revenue Recognised	(1 627 136)	(9 714 419)
Gross amount due to Department of Infrastructure	**12 721 441**	**12 959 159**
Rent-to-Buy Initiative	10 423 042	10 469 873
Integrated Residential Development Project	2 298 399	2 489 286

		2025	2024
38	**EMPLOYEE RELATED COSTS**		
	Basic Salaries and Wages	123 462 663	119 830 517
	Pension and UIF Contributions	19 647 063	19 072 112
	Medical Aid Contributions	6 512 608	6 314 750
	Performance Bonus	632 949	557 054
	Overtime	9 306 335	8 752 454
	Motor Vehicle Allowance	8 202 527	8 136 668
	Cellphone Allowance	565 644	521 885
	Housing Allowances	882 327	907 890
	Acting Allowance	1 426 013	1 006 780
	Other benefits and allowances	9 421 394	8 272 229
	Workmens Compensation Contributions	848 938	808 435
	Payments in lieu of leave	2 133 557	1 471 234
	Long service awards	680 000	681 000
	Post Retirement Medical Benefits	1 446 000	1 432 000
	Total	**185 168 017**	**177 765 008**

38 EMPLOYEE RELATED COSTS (CONTINUED)

The total employee related cost includes temporary workers funded from the Expanded Public Works Programme Grant, Financial Management Grant, Municipal Infrastructure Grant and internal funded job creation programmes (especially over the festive season).

Remuneration of Key Personnel

There are no post-employment or termination benefits payable to them at the end of the contract period. The benefits are as follows:

Remuneration of the Municipal Manager - E Phillips (1/10/2022 to 31/05/2025)

	2025	2024
	R	R
Basic Salary	945 606	1 099 869
Pension and UIF Contributions	160 219	166 416
Medical Aid Contributions	41 223	36 626
Performance Bonus	191 572	145 712
Rural Allowance	87 804	94 857
Motor Vehicle Allowance	109 238	119 168
Cellphone Allowance	16 500	18 000
Payments in lieu of leave	122 603	-
Other benefits and allowances	-	40 680
Total	**1 674 764**	**1 721 329**

Remuneration of the Community Services Manager - M Boyce (01/07/2023 to 31/01/2024)

	2025	2024
	R	R
Basic Salary	-	516 210
Pension and UIF Contributions	177	84 867
Medical Aid Contributions	-	24 136
Performance Bonus	69 788	-
Rural Allowance	-	45 876
Motor Vehicle Allowance	-	30 068
Cellphone Allowance	-	8 400
Payments in lieu of leave	-	4 237
Other benefits and allowances	-	11 865
Total	**69 965**	**725 659**

The performance bonus of the former Community Services Manager relates to the 2023/24 financial year. The bonus, along with the relevant UIF contributions, was paid in December 2024.

38 EMPLOYEE RELATED COSTS (CONTINUED)

Remuneration of the Community Services Manager - KS Moodley (Permanent from 13 May 2024)

	2025 R	2024 R
Basic Salary	1 063 501	143 524
Pension and UIF Contributions	2 125	354
Rural Allowance	78 645	10 613
Motor Vehicle Allowance	60 000	8 080
Cellphone Allowance	14 400	1 939
Acting Allowance	2 136	-
Other benefits and allowances	-	2 916
Total	**1 220 807**	**167 426**

The Acting allowance relates to Municipal Manager responsibilities

Remuneration of the Corporate Services Manager - GCC van der Westhuizen (Permanent from 1 March 2025)

	2025 R	2024 R
Basic Salary	242 641	-
Pension and UIF Contributions	44 384	-
Rural Allowance	21 326	-
Motor Vehicle Allowance	18 340	-
Cellphone Allowance	4 800	-
Total	**331 491**	**-**

Remuneration of the Civil Engineering Services Manager - H Krohn (Permanent from 01/04/2023)

	2025 R	2024 R
Basic Salary	1 063 501	1 091 240
Pension and UIF Contributions	2 125	2 125
Performance Bonus	157 290	119 637
Rural Allowance	78 645	78 895
Motor Vehicle Allowance	60 000	60 000
Cellphone Allowance	16 200	16 200
Acting Allowance	2 349	-
Other benefits and allowances	-	40 680
Total	**1 380 111**	**1 408 778**

The Acting allowance relates to Municipal Manager responsibilities

38 EMPLOYEE RELATED COSTS (CONTINUED)

Remuneration of the Chief Financial Officer - PJ Van Biljon (01/08/2022 to resignation on 31/03/2024)

	2025 R	2024 R
Basic Salary	-	975 884
Pension and UIF Contributions	177	1 594
Medical Aid Contributions	-	42 835
Performance Bonus	153 591	199 794
Motor Vehicle Allowance	-	90 000
Cellphone Allowance	-	10 800
Payments in lieu of leave	-	140 990
Acting Allowance	-	6 771
Other benefits and allowances	-	31 197
Total	**153 769**	**1 499 865**

The performance bonus of the former Chief Financial Officer relates to the 2023/24 financial year. The bonus, along with the relevant UIF contributions, was paid in December 2024.

Remuneration of the Chief Financial Officer - WC Jonker (Permanent as from 01/06/2024)

	2025 R	2024 R
Basic Salary	678 854	57 371
Pension and UIF Contributions	124 319	9 966
Medical Aid Contributions	30 352	2 123
Rural Allowance	78 645	6 554
Motor Vehicle Allowance	72 000	6 000
Cellphone Allowance	14 400	1 200
Other benefits and allowances	220 101	20 037
Total	**1 218 672**	**103 251**

39 REMUNERATION OF COUNCILLORS

Councillor Allowance	4 211 836	3 792 714
Cellphone Allowance	517 796	497 946
Motor Vehicle Allowance	1 361 786	1 304 341
Pension Contributions	661 752	593 754
Medical Aid Contributions	13 124	28 228
Total	**6 766 293**	**6 216 983**

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and one mayoral committee member are full-time. They are provided with secretarial support and an office each at the cost of the Council.

39 REMUNERATION OF COUNCILLORS (CONTINUED)

Remuneration per Councillor		2025 R	2024 R
Executive Mayor (Executive Deputy Mayor up to 24 June 2024)	R Ross	1 058 587	828 731
Executive Mayor (Resigned on 14 June 2024)	P J Swart	28 514	949 571
Executive Deputy Mayor (from 25 June 2024, former Mayoral Committee Member)	K E Donald	864 332	743 186
Speaker	G D Burger	844 909	816 468
Councillor - Mayoral Committee	G Olwage	-	12 823
Councillor - Mayoral Committee	A Eksteen	814 856	713 563
Councillor - Mayoral Committee	S Ngxowa	798 895	-
Councillor - Part time	J G A Niewoudt	366 378	358 299
Councillor - Part time	D Jantjies	517 420	358 299
Councillor - Part time	R Louw	366 378	358 299
Councillor - Part time	J August-Marthinus	368 675	359 248
Councillor - Part time	M Matthysen	368 675	359 248
Councillor - Part time	R Mokotwana	368 675	359 248
Total		**6 766 293**	**6 216 983**

Councillor S Ngxowa was elected as Mayoral Committee member on 25 June 2024. The Councillor did however not receive any remuneration during June 2024.

Councillor G Olwage was suspended from the Democratic Alliance party in November 2022 and was replaced by Dr A Eksteen who has won the by-election in February 2023. Councillor Olwage received back pay during the 2023/2024 financial year.

Former Executive Mayor, PJ Swart, only received back pay during the 2024/2025 financial year.

40 DEBT IMPAIRMENT

	2025 R	2024 R
Receivables from exchange transactions	4 287 051	18 038 735
Receivables from non-exchange transactions	1 563 834	6 213 969
Long Term Receivables	4 412 150	1 963 010
Total Debt Impairment	**10 263 035**	**26 215 714**
Movement in VAT included in debt impairment	(583 681)	(2 079 288)
Total	**9 679 355**	**24 136 426**

41 DEPRECIATION AND AMORTISATION

	2025 R	2024 R
Investment Property	5 746	8 530
Property, Plant and Equipment	20 472 591	21 441 903
Intangible Assets	549 788	690 776
Total	**21 028 125**	**22 141 209**

		2025	2024
		R	R
42	**IMPAIRMENTS**		
	Property, Plant and Equipment	604 123	129 002
	Total	**604 123**	**129 002**
43	**ACTUARIAL LOSSES**		
	Post Retirement Medical Benefits	3 931 720	-
	Total	**3 931 720**	**-**

43 REPAIRS AND MAINTENANCE

The Accounting Standards Board (ASB) issued a FAQ which states that the line item "Repairs and Maintenance" is no longer permitted in the Statement of Financial Performance, and that the said expenditure should be classified by it's nature. Accordingly, the items classified to the following line items:

	2025	2024
	R	R
Employee Related Costs	61 441 353	57 143 983
Contracted Services	16 562 659	15 350 812
Other Expenditure	8 784 535	8 826 022
	86 788 547	**81 320 818**

In line with the requirements of GRAP 17, the repairs and maintenance related expenditure can be attributed to the following asset classes:

	2025	2024
	R	R
Furniture, Office Equipment and Tools	741 037	904 909
Buildings and Commonage	17 660 895	17 563 360
Computer Software	2 096 639	2 218 665
Vehicles	5 960 076	5 020 228
Infrastructure: Roads and Stormwater	13 779 386	13 207 689
Infrastructure: Electricity	11 047 128	10 852 480
Infrastructure: Sewerage	12 043 385	10 880 295
Infrastructure: Water	18 472 879	17 082 043
Infrastructure: Refuse	4 987 123	3 591 150
Total	**86 788 547**	**81 320 818**
Maintenance previously disclosed		**82 266 058**
Correction of prior year accruals		(209 622)
Line items not qualifying as maintenance removed from disclosure		(735 618)
Restated Maintenance Disclosure		**81 320 818**

		2025	2024
		R	R
44	**FINANCE CHARGES**		
	Finance Charges - Cash	**5 784 653**	**7 240 172**
	Annuity Loans	5 639 110	7 036 736
	ABSA Fleet Cards	14 929	-
	Overdue Accounts	130 614	203 437
	Finance Charges - Non-Cash	**13 148 902**	**13 307 154**
	Overdue Accounts - Output VAT	595 057	480 011
	Rehabilitation Provision - Landfill Sites	6 391 845	6 966 143
	Post Retirement Medical Benefits	5 175 000	4 841 000
	Long Service Awards	987 000	1 020 000
	Total	**18 933 555**	**20 547 326**
45	**BULK PURCHASES**		
	Electricity	154 380 473	133 052 011
	Water	350 522	265 848
	Total	**154 730 995**	**133 317 859**
46	**CONTRACTED SERVICES**		
	Audit Committee	134 292	109 016
	Construction of Housing Top Structures	1 627 136	9 714 419
	Debt Collection Services	2 082 690	1 569 538
	Fire Services	1 605 941	1 480 523
	Information Technology Support	7 743 263	7 991 137
	Legal fees	767 255	773 222
	Maintenance Contractors	14 466 021	13 132 148
	Professional Services	6 170 974	4 088 755
	Property Valuation	573 077	375 743
	Refuse Removal	5 769 062	3 439 518
	Security Services	2 732 484	2 157 246
	Traffic Fine Management	56 925	-
	Total	**43 729 120**	**44 831 266**

		2025	2024
		R	R
47	**TRANSFERS AND GRANTS**		
	Contribution - Elim Community	631 029	631 015
	Contribution - Shipwreck Museum	63 304	63 304
	Contribution - Overberg Radio	155 000	150 000
	Contribution - Ons Huis	-	45 217
	Contribution - Save House	65 043	65 043
	Contribution - Anti Animal Cruelty League	41 896	-
	Social Support	47 970	127 237
	Subsidy - Low Cost Housing	3 558	2 669
	Total	**1 007 801**	**1 084 486**

		2025	2024
48	**OTHER EXPENDITURE**		
	Advertising	541 871	342 274
	Audit fees	5 414 166	3 845 411
	Bank Charges	1 788 274	1 812 013
	Bursaries	269 996	349 926
	Chemicals	5 205 877	6 325 529
	Cleaning material	301 035	403 490
	Cleaning services & washing	122 424	96 449
	Commission Paid	1 564 598	1 157 868
	Conferences & Seminars	52 294	20 277
	Donations	126 186	5 300
	Entertainment costs	16 366	36 691
	Equipment Hire	712 873	678 497
	Free Basic Electricity	712 923	652 419
	Fuel Cost	5 288 287	8 127 891
	Insurance	3 356 161	2 279 346
	License fees	175 553	86 813
	License fees - Vehicles	325 253	296 120
	Life Guards (Beaches)	527 059	442 295
	Maintenance Materials and Small Tools	5 763 497	6 025 812
	Marketing	512 004	780 822
	Oil & Lubricants	159 402	83 932
	Postage	163 357	104 121
	Printing & Stationery	994 730	811 321
	Protective Clothing	627 389	917 168
	Public Communication	84 775	165 630
	Refreshments	150 232	144 902
	Refuse Bags	538 296	540 546
	Rental Paid	1 656 446	2 553 416
	Service Charges	2 346 326	1 383 247
	Service connections - new	318 983	273 336

		2025	2024
		R	R
48	**OTHER EXPENDITURE (CONTINUED)**		
	Socio-Economic Development	5 000	298 380
	Subscriptions - Organisations	1 796 619	1 758 435
	Subsistence & Travel Allowances	1 928 644	1 041 100
	Telephone costs	3 192 709	3 253 947
	Training & Development - Staff	307 026	991 792
	Training Levy	1 519 933	1 442 426
	Union Representative	13 196	33 951
	Ward Committees	528 203	509 844
	Other	1 920 688	1 727 024
	Total	**51 028 649**	**51 799 762**

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3

49.01 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Balance previously reported	**42 210 410**
Correction of receivable and payable raised for commission on property sales up to 30 June 2023	(102 200)
Effect on Accumulated Surplus - Refer to note 49.05	(88 869)
Effect on Taxes - Refer to note 49.04	(13 330)
Restated Balance on 30 June 2024	**42 108 210**

49.02 PROPERTY PLANT AND EQUIPMENT

Balance previously reported	**581 169 884**
Correction of Retentions incorrectly recorded up to 30 June 2023 - Refer to note 49.06	(146 201)
Effect on Land and Buildings (Buildings)	(6 869)
Effect on Infrastructure (Sewerage Network)	(37 513)
Effect on Infrastructure (Water Network)	(46 071)
Effect on Community Assets (Parks and Gardens)	(55 748)
Correct allocation of cost identified in the review of infrastructure projects on 30 June 2023	-
Effect on Infrastructure (Roads and Storm water)	95 856
Effect on Infrastructure (Electricity Network)	67 668
Effect on Infrastructure (Water Network)	(163 524)
Correction of depreciation up to 30 June 2023 due to correction of Work in Progress, Retentions and allocation errors identified - Refer to note 49.05	(23 689)
Effect on Land and Buildings (Buildings)	458
Effect on Infrastructure (Roads and Storm water)	(31 968)
Effect on Infrastructure (Electricity Network)	(42 737)
Effect on Infrastructure (Sewerage Network)	617
Effect on Infrastructure (Water Network)	46 225
Effect on Community Assets (Parks and Gardens)	3 717

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

	2024 R
Correction of depreciation during 2023/2024 due to correction of Work in Progress, Retentions and allocation errors identified - Refer to note 49.06	(121 745)
Effect on Land and Buildings (Buildings)	229
Effect on Infrastructure (Roads and Storm water)	(3 034)
Effect on Infrastructure (Electricity Network)	(37 661)
Effect on Infrastructure (Sewerage Network)	(27 085)
Effect on Infrastructure (Water Network)	(56 052)
Effect on Community Assets (Parks and Gardens)	1 858
Correction of Capitalised Restoration Cost incorrectly dislosed as separate asset class instead of including it as part of Land	-
Effect on Land and Buildings (Land)	321 127
Effect on Capitalised Restoration Cost	(321 127)
Restated Balance on 30 June 2024	**580 878 250**

49.03 PAYABLES FROM EXCHANGE TRANSACTIONS

Balance previously reported	**56 191 154**
Correction of accruals incorrectly raised on 30 June 2024	(246 998)
Effect on Statement of Financial Performance - Refer to note 49.06	(217 122)
Effect on Taxes - Refer to note 49.04	(29 876)
Restated Balance on 30 June 2024	**55 944 157**

49.04 TAXES

Balance previously reported	**765 905**
Correction of VAT Asset (Input and Receivables) incorrectly netted off against VAT liability	-
Effect on Current Assets	(3 217 622)
Effect on Current Liabilities	3 217 622
Correction of accruals incorrectly raised on 30 June 2024 - Refer to note 49.03	29 876
Correction of receivable and payable raised for commision on property sales up to 30 June 2023 - Refer to note 49.01	(13 330)
Output VAT on Libraries incorrectly accounted for as a provision rather than a VAT (Taxes) Liability.	5 219 609
Account for Interest and Penalties on the Output VAT relating to Libraries previously not accrued for.	1 648 734
Effect up to 30 June 2023 - Refer to note 49.05	1 059 392
Effect durin 2023/2024 - Refer to note 49.06	589 341
Restated Balance on 30 June 2024	**7 650 793**

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

49.05 PROVISIONS

	2024 R
Balance previously reported	**5 219 609**
Output VAT on Libraries incorrectly accounted for as a provision rather than a VAT (Taxes) Liability - Refer to note 49.04	(5 219 609)
Restated Balance on 30 June 2024	**-**

49.05 ACCUMULATED SURPLUS

	2024 R
Balance previously reported	**436 631 302**
Corrections relating to 2023/2024 - Refer to note 49.06	(640 165)
Corrections up to 30 June 2023	
Correction of receivable and payable raised for commision on property sales up to 30 June 2023 - Refer to note 49.01	(88 869)
Correction of depreciation up to 30 June 2023 - Refer to note 49.02	(23 689)
Account for Interest and Penalties on the Output VAT relating to Libraries previously not accrued for - Refer to note 49.04	(1 059 392)
Restated Balance on 30 June 2024	**434 819 186**

49.06 STATEMENT OF FINANCIAL PERFORMANCE

	2024 R
Deficit previously reported	**(2 621 285)**
Other Income (Non-Exchange)	(146 201)
Correction of Retentions incorrectly recorded during 2023/2024 - Refer to note 49.02	(146 201)
Depreciation and Amortisation	**(121 745)**
Correction of accruals incorrectly raised on 30 June 2024 - Refer to note 49.02	(121 745)
Finance Charges	**(480 011)**
Account for Interest and Penalties on the Output VAT relating to Libraries previously not accrued for - Refer to note 49.04	(480 011)
Contracted Services	**31 400**
Correction of accruals incorrectly raised on 30 June 2024 - Refer to note 49.03	31 400
Other Expenditure	**76 392**
Correction of accruals incorrectly raised on 30 June 2024 - Refer to note 49.03	185 722
Account for Interest and Penalties on the Output VAT relating to Libraries previously not accrued for - Refer to note 49.04	(109 330)
Restated Deficit on 30 June 2024	**(3 261 450)**

49 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUED)

	2024
	R
49.07 CASH FLOW STATEMENT	
OPERATING ACTIVITIES	
Service Charges - previously reported	**230 836 454**
Cash flow calculations incorrectly included a VAT portion which should be accounted for on the Other Revenue line item	5 520 089
Service Charges - Restated	**236 356 543**
Other Revenue - previously reported	**33 140 363**
Cash flow calculations incorrectly included a VAT portion which should be accounted for on the Other Revenue line item	(5 520 089)
Forfeits correction incorrectly not accounted for as part of capital outflow	(146 201)
Other Revenue - Restated	**27 474 074**
INVESTING ACTIVITIES	
Purchase of Property, Plant and Equipment - previously reported	**(58 456 817)**
Forfeits correction incorrectly not accounted for as part of capital outflow	146 201
Purchase of Property, Plant and Equipment - Restated	**(58 310 617)**
49.08 OTHER DISCLOSURE ITEMS	
Property Plant and Equipment - Work in Process previously reported	**41 972 597**
Work in progress projects previously not transferred to completed projects	(7 264 615)
Infrastructure - Roads and Storm water	(497 975)
Infrastructure - Electricity Network	(2 025 441)
Infrastructure - Sewerage Network	(2 200 178)
Infrastructure - Water Network	(2 541 020)
Property Plant and Equipment - Work in Process restated	**34 707 983**

Also refer to restatement of comparatives of repairs and maintenanance in note 43

		2025 R	2024 R
50	**NET CASH FROM OPERATING ACTIVITIES**		
	Net Surplus/(Deficit) for the year - Before adjustments below:	7 464 848	(3 261 450)
	Non-Cash Revenue	(5 876 095)	(9 783 661)
	Actuarial Gains	(419 334)	(1 373 765)
	Reduction in Landfill Site Provision	(614 285)	(3 495 337)
	Gains on Disposal of Properties	(4 842 475)	(202 792)
	Contributed Assets	-	(4 711 766)
	Non-Cash Expenditure	50 113 182	61 812 682
	Debt Impairment	10 263 035	26 215 714
	Depreciation and Amortisation	21 028 125	22 141 209
	Impairments	604 123	129 002
	Actuarial Losses	3 931 720	-
	Finance Charges	12 553 845	12 827 143
	Loss on disposal of PPE	1 732 334	499 614
	Contributions - Provisions and Employee Benefits	13 781 923	12 948 870
	Post Retirement Medical Benefits	1 446 000	1 432 000
	Long Service Awards	680 000	681 000
	Performance Bonuses	632 949	557 054
	Bonuses	8 889 418	8 807 582
	Staff Leave	2 133 557	1 471 234
	Expenditure - Provisions and Employee Benefits	(14 018 147)	(13 427 803)
	Post Retirement Medical Benefits	(2 140 720)	(1 672 533)
	Long Service Awards	(1 081 666)	(974 702)
	Performance Bonuses	(572 241)	(465 143)
	Bonuses	(8 879 859)	(8 596 531)
	Staff Leave	(1 343 661)	(1 718 894)
	Other adjustments	(5 499 906)	(18 187 054)
	Bad Debts Written Off	(4 689 649)	(4 573 133)
	Funds Returned to National Treasury	(193 000)	(369 740)
	Interest on Department of Infrastructure Funds	581 388	1 083 627
	Movement in Construction Contract Payable	(819 107)	(7 496 187)
	Movement on Operating Lease Asset	25 385	76 281
	Movement on Operating Lease Liability	-	(30 735)
	Movement in Arrangements	(4 412 150)	(1 963 010)
	Movement in Asset Sales Debtor	4 007 227	(4 914 158)
	Operating Surplus before changes in working capital	45 965 805	30 101 585
	Movement in working capital	(3 023 444)	(21 498 236)
	Receivables (Exchange and Non-Exchange)	(11 864 361)	(21 778 499)
	Inventory	112 848	(181 280)
	Payables from exchange transactions	9 637 520	157 026
	Unspent Conditional Government Grants	(1 590 220)	(1 975 547)
	Unspent Public Contributions	(37 000)	37 000
	Consumer Deposits	402 085	1 130 157
	Taxes	315 684	1 112 907
	Cash Flow from Operating Activities	**42 942 361**	**8 603 349**

		2025	2024
		R	R
51	**CASH AND CASH EQUIVALENTS**		

Cash and Cash Equivalents comprise out of the following:

	2025 R	2024 R
Primary Bank Account	45 957 811	59 201 117
Call and Notice Deposits	3 789 000	3 789 000
Cash Floats	10 850	10 850
Total	**49 757 661**	**63 000 967**

Refer to note 2 for more details relating to cash and cash equivalents. There are no reconciling items to report on in terms of GRAP 2 paragraph 46.

52 BUDGET COMPARISONS

52.1 COMPARABLE BASIS

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

The following items are affected by these classification differences:

Statement of financial position

Taxes are disclosed as VAT in the budget statements

The operating lease asset is disclosed as Other Current Assets in the budget statement.

Long-Term Receivables are disclosed as Non-current receivables from non-exchange transactions in the budget statement.

Current Portion of Long-Term Liabilities are disclosed as Financial liabilities (Current), while Long-Term Liabilities are disclosed as Borrowing (Non-Current).

Payables from Exchange Transactions and the Operating Lease Liability is disclosed as part of Trade and other payables from exchange transactions in the budget statement.

Unspent Conditional Government Grants and Unspent Public Contributions are disclosed as Trade and other payables from non-exchange transactions in the budget statement.

Current Employee Benefits are disclosed Provisions (current) in the budget statement.

Employee Benefits (Long Service Awards) and Non-Current Provisions are disclosed as Provisions in the budget statement, while Employee Benefits (Post Retirement Medical Benefits) are disclosed as Other non-current liabilities.

52 BUDGET COMPARISONS (CONTINUED)

Statement of financial performance

In order to ensure that the actual results for the year is compared to the final budget on a comparable basis, the following reclassifications are done on the actuals to ensure alignment (Where applicable, the budget title is disclosed in brackets, where both the actuals and budgets figures are similar in nature, but the naming of the item differs between the 2 statements):

Revenue	Statement of Financial Performance R	Reclassification due to mSCOA/NT versus GRAP classification R	Per Budget Comparison R
Revenue from Non-Exchange Transactions			
Property rates	101 429 784	-	101 429 784
Government Grants and Subsidies - Operating / (Transfer and subsidies - Operational)	50 060 345	9 019 549	59 079 894
Public Contributions and Donations - Operating	37 000	(37 000)	-
Fines / (Fines, penalties and forfeits)	4 977 124	109 993	5 087 117
Interest	-	1 150 458	1 150 458
Actuarial Gains / (Other Gains)	419 334	-	419 334
Third Party - Insurance Receipts	315 509	(315 509)	-
Availability Charges / (Operational Revenue)	14 798 064	-	14 798 064
Other Income	695 699	(695 699)	-
Gains on disposal of Assets	-	4 842 475	4 842 475
Revenue from Exchange Transactions			
Service Charges	269 048 767	13 566 754	282 615 521
Service charges - Electricity	180 918 504	11 110 084	192 028 588
Service charges - Water	43 669 035	1 470 776	45 139 811
Service charges - Waste Water Management	17 526 670	279 106	17 805 776
Service charges - Waste Management	26 934 558	706 788	27 641 346
Sale of Goods and Rendering of Services	-	9 829 992	9 829 992
Rental of Facilities and Equipment / (Rental from Fixed Assets)	9 818 216	(7 421 624)	2 396 592

52 BUDGET COMPARISONS (CONTINUED)

	Statement of Financial Performance R	Reclassification due to mSCOA/NT versus GRAP classification R	Per Budget Comparison R
Interest Earned - External Investments / (Interest earned from Current and Non Current Assets)	5 219 114	-	5 219 114
Interest Earned - Outstanding Debtors / (Interest earned from Receivables)	4 960 062	(1 150 458)	3 809 604
Licences and Permits	1 227 038	(1 174 591)	52 447
Agency Services	2 973 453	1 188 049	4 161 502
Other Income	14 672 068	(14 672 068)	-
Operational Revenue	-	3 075 476	3 075 476
Gains on Disposal of Properties and Movable Assets	4 842 475	(4 842 475)	-
Construction Contracts	1 627 136	(1 627 136)	-
Capital Revenue			
Government Grants and Subsidies - Capital / (Transfers and subsidies - Capital)	18 683 745	-	18 683 745
Total Revenue	**505 804 934**	**10 846 185**	**516 651 119**

Significant reclassifications relating to revenue are as follows:

Transfer and subsidies - Operational - The municipality assessed to be an agent in its relationship with the Department of Housing, resulting in no revenue and expenditure being recognised in the records of the municipality for financial statements purposes (Titel Deed Transfers and Housing Capacity Clerk) For budget purposes, the actuals for Transfer and subsidies - Operational is adjusted accordingly to reflect revenue on a similar basis as to how the function is budgeted for. Construction Contracts revenue are also budgeted for as part of Transfer and subsidies - Operational. Library Services are disclosed as Other Income in the statement of financial performance, while disclosed as a Transfer and subsidies - Operational in the budget statement.

Gains on Disposal of Properties and Movable Assets relates to Gains on disposal of Assets in the budget statement. The item is however considered non-exchange in nature for budget purposes.

Service Charges, other than being consolidated on the face of the Statement of Financial Performance, while being disclosed per service in the budget statements, also includes internal revenue amounting to R 10 688 164 for budget comparison purposes. Refuse revenue also includes the Reduction in Rehabilitation Provision amounting to R 614 285 which is disclosed as Other Income in the financial statements. The remaining reclassification relates to Sundry fees (ie Connection Fees) attached to Services which are disclosed as part of Other Revenue, while budgeted for as part of the relevant service charge.

52 BUDGET COMPARISONS (CONTINUED)

Camping and Entrance Fees are recorded as part of rental of Rental of Facilities and Equipment while budgeted for as part of Sale of Goods and Rendering of Services.

Interest Earned - Outstanding Debtors is segregated between Interest earned from Receivables and Interest in the budget statement.

Licences and Permits is largely budgeted for as part of Agency Services in the budget statement.

Other income is included in Service Charges, Sale of Goods and Rendering of Services, Operational Revenue and Fines, penalties and forfeits in the budget statement.

	Statement of Financial Performance R	Reclassification due to mSCOA/NT versus GRAP classification R	Per Budget Comparison R
Expenditure			
Employee Related Costs	185 168 017	4 853 121	190 021 138
Remuneration of Councillors	6 766 293	-	6 766 293
Debt Impairment	9 679 355	(4 689 649)	4 989 706
Irrecoverable debts written off	-	4 689 649	4 689 649
Depreciation and Amortisation	21 028 125	604 123	21 632 248
Impairments	604 123	(604 123)	-
Actuarial Losses	3 931 720	(3 931 720)	-
Finance Charges / (Interest)	18 933 555	(11 566 845)	7 366 710
Bulk Purchases / (Bulk purchases - electricity)	154 730 995	(350 522)	154 380 473
Inventory Consumed	-	22 096 890	22 096 890
Contracted Services	43 729 120	(3 876 678)	39 852 442
Transfers and Grants / (Transfers and Subsidies)	1 007 801	1 220 533	2 228 333
Other Expenditure / (Operational Costs)	51 028 649	(1 582 054)	49 446 595
Loss on Disposal of Property, Plant and Equipment/ (Loss on Disposal of Assets)	1 732 334	-	1 732 334
Other Losses	-	3 983 460	3 983 460
Total Expenditure	**498 340 086**	**10 846 185**	**509 186 271**

Significant reclassifications relating to expenditure are as follows:

Employee Related Costs are mainly affected by Finance Charges relating to Post Retirement Medical Benefits are budgeted as part of Employee Related Costs. Life Guards are budgeted for as Employee Related Costs, while disclosed as part of Other Expenses in the financial statements.

Irrecoverable debts written off is separated from Debt Impairment in the budget statement.

Finance Charges relating to the Non-Current Provision are budgeted as part of Operational Expenditure. Also refer to Employee Related Cost regarding the treatment of Finance Charges relating to Post Retirement Medical Benefits.

52 BUDGET COMPARISONS (CONTINUED)

Inventory Consumed is mainly accounted for as part of Other Expenditure in the financial statements. Inventory consumed also includes an adjustment relating to expenditure incurred on housing projects where the basis of accounting differs between the financial statements and the budgeted figures (Also refer to revenue above for more detail). Construction contracts expenses (Housing Top Structures) is budgeted for as part of Inventory Consumed while allocated to Contracted Services in financial statements.

Contracted Services are mainly affected by Software Licences/Computer Services disclosed as Operational Costs for budget purposes.

Operational Costs also affected by internal service charges amounting to R 10 688 164 which was budgeted for as both revenue and expenditure for budget purposes. Also refer to Inventory Consumed and Contracted Services above

Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis, except for the relationship with the Department of Infrastructure (Construction Contracts and Principle-Agent Relationship) as defined above as well as Consumer Deposits that are considered an Investing Activity rather than a Operating Activity for budget purposes. The library services are also included as Transfers and Subsidies - Operational rather than Other Revenue in the budget statement. This resulted in the following adjustments to the cash flow statement to ensure that the figures are comparable. Proceeds on Disposal of Assets are included as part of Proceeds on disposal of PPE in budget Statement.

	Cash Flow Statement	Reclassification due to mSCOA/NT versus GRAP classification	Per Budget Comparison
Receipts from Operating Activities	**R**	**R**	**R**
Other Revenue	23 636 839	(8 407 506)	15 229 333
Transfers and Subsidies - Operational	49 795 162	8 254 421	58 049 583
Total affected by reclassifications	**73 432 001**	**(153 085)**	**73 278 917**
Payments from Operating Activities			
Suppliers and Employees	(431 604 622)	(249 000)	(431 853 622)
Total affected by reclassifications	**(431 604 622)**	**(249 000)**	**(431 853 622)**
Receipts from Financing Activities			
Increase in Consumer Deposits	-	402 085	402 085
Total affected by reclassifications	**-**	**402 085**	**402 085**

52 BUDGET COMPARISONS (CONTINUED)

52.2 MATERIAL VARIANCES

Statement of financial position - Budget Adjustments

Cash and cash equivalents	The municipality did not expect to raise any external loans in the current year. The balance was also aligned to prior year audited results.
Trade and other receivables from exchange transactions	Decrease in projections to account for non-collectability of debtors. The balance was also aligned to prior year audited results.
Property, plant and equipment	Decrease to account for lower than expected spending on capital projects.
Trade and other payables from exchange transactions	Increase mainly due to additional allocations towards bulk purchases budget.
Trade and other payables from non-exchange transactions	Decrease to account for expected unspent grants at year-end.
Provisions (Current)	Align to prior year audited results and include provision for library VAT previously not included.
Borrowing	The municipality opted not to raise any further borrowings in the current year to ensure current borrowings remain affordable.
Provisions (Non-Current)	Align budget to prior year audited results, taking into account estimated increase during the year.
Accumulated Surplus/(Deficit)	Proposed downward adjustment to align to prior year audited results and proposed operating program for the year.
Funds and Reserves	Proposed downward adjustment to ensure budget remains funded.

Statement of financial position - Budget versus Actual

Cash and cash equivalents	Variance mainly due to operating performance of the municipality producing less cash than originally budgeted for.
Trade and other receivables from exchange transactions	Collections higher than initially anticipated in budget process. Budget also too conservative with regards to non-collectability.
Property, plant and equipment	Insufficient budget allocation towards Depreciation and Asset Impairment.
Trade and other payables from exchange transactions	Spending patterns significantly higher than expected up to year-end resulting in payables being higher than anticipated during budget process.
Accumulated Surplus	Variance in line with operating performance identified in Statement of Financial Performance (Budget Comparisons)

Statement of financial performance - Budget Adjustments

Inventory consumed	Decrease mainly due to reduced fuel allocation to fleet and generators.

52 BUDGET COMPARISONS (CONTINUED)

Statement of financial performance - Budget versus Actual

Bulk purchases - electricity	Insufficient budget allocation towards bulk purchases.
Inventory Consumed	Lower expenditure due to cost containment, especially fuel cost.
Debt impairment	Lower than expected impairment raised due to positive effect of revenue enhancement mechanisms employed in current year.
Depreciation and amortisation	Insufficient budget allocation towards depreciation. Budget not aligned to prior year audited results.
Transfers and subsidies - Capital	Variance mainly due to underspending of WSIG. VAT portion of grant recognised as revenue accounted for as operating revenue.

Cash Flow Statement - Budget Adjustments

Service Charges	Upwards adjustment to account for impact of revenue enhancement initiatives (is Auxiliaries) being implemented in the current year.
Other Revenue	Upwards adjustment to account for impact of revenue enhancement initiatives (is Auxiliaries) being implemented in the current year.
Suppliers and Employees	Reduction in operational expenses during Adjustment Budget Process in April 2025.
Capital Assets	Direct result of reduction in Capital Budget during Adjustment Budget Process in April 2025.
Borrowing long term/refinancing	The municipality did not expect to raise any external loans in the current year.
Cash Opening Balance	Reduce cash to align to prior year audited results.
Cash Closing Balance	Refer to reasons above

Cash Flow Statement - Budget versus Actual

Service charges	Budget projections too optimistic, resulting in significant variance.
Other Revenue	Budget projections too optimistic, resulting in significant variance.
Transfers and Subsidies - Capital	Variance mainly due to VAT portion of grant received recognised as an operating grant.
Suppliers and Employees	Significant increase in trade payables at year end not budgeted for. Expenses paid after year-end.
Capital Assets	Significant increase in trade payables at year end not budgeted for. Expenses paid after year-end.
Cash/cash equivalents at the year end:	Refer to reasons above

53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

53.1 UNAUTHORISED EXPENDITURE

Unauthorised expenditure consist out of the following:

	2025 R	2024 R
Opening balance	41 794 721	11 219 006
Unauthorised expenditure current year - operating	31 826 925	27 287 629
Unauthorised expenditure current year - capital	91 412	3 288 086
Approved by Council	(41 794 721)	-
Unauthorised expenditure awaiting approval	**31 918 337**	**41 794 721**

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.

	2025 (Actual) R	2025 (Final Budget) R	2025 (Unauthorised) R
Unauthorised expenditure - Operating			
Engineering Services	297 195 637	273 115 951	24 079 686
Executive and Council	55 790 015	61 341 836	-
Financial Services & ICT	86 843 098	79 095 859	7 747 239
Management Services	69 199 500	74 776 385	-
Total	**509 028 250**	**488 330 031**	**31 826 925**
Unauthorised expenditure - Capital			
Engineering Services	46 428 282	47 496 957	-
Executive and Council	1 038 680	947 268	91 412
Financial Services & ICT	1 978 731	1 990 993	-
Management Services	7 994 308	8 173 819	-
Total before iGRAP Adjustments	**57 440 000**	**58 609 037**	**91 412**
iGrap 2 Adjustment	3 978 314	-	-
Total	**61 418 314**	**58 609 037**	**91 412**

The unauthorised operating expenditure have reference to non-cash items such as depreciation, impairments, loss on the disposal of PPE and actuarial losses. Insufficient budget was also allocated to Bulk Purchases as well as Inventory Consumed (Engineering Services - resulting from a charge out budget error of R 7 million)

The unauthorised capital expenditure have reference to the RSEP project where a R 200 000 budget allocation was incorrectly allocated to operating expenditure instead of capital expenditure. Sufficient budget allocation was made to the project in total.

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

The iGRAP 2 Adjustment relates to the Capitalised Restoration Cost Addition in Property Plant and Equipment. The expenditure does not represent an actual tangible capital expenditure item. It represents an increase in the landfill site restoration provision that is recorded as an increase in property plant and equipment. Accordingly, this non-cash increase in property plant and equipment is not considered against the approved budget appropriations to determine unauthorised expenditure incurred in terms of Section 32 of the MFMA.

53.2 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure consist out of the following:

	2025 R	2024 R
Opening balance	666 700	463 263
Fruitless and wasteful expenditure incurred	130 614	203 437
Recovered in current (recognised as revenue)	(25 000)	-
Approved by Council	(206 187)	-
Fruitless and wasteful expenditure awaiting approval	**566 127**	**666 700**

Details of Fruitless expenditure incurred:

Interest paid on Eskom overdue accounts	127 864	203 437
Interest paid on VAT late payment	2 750	-
Total	**130 614**	**203 437**

The criminal proceedings instituted by the new council (MPAC) in a attempt to recover the fruitless and wasteful expenditure previously incurred (R25 000) was completed and the funds were recovered. The 566 127 was referred to Financial Misconduct Disciplinary Board for further investigation. Subsequently, a forensic investigation was also conducted that were not yet completed at year-end.

53.3 IRREGULAR EXPENDITURE

Irregular expenditure consist out of the following:

	2025 R	2024 R
Opening balance	116 661 498	103 674 871
Irregular expenditure incurred	2 578 389	12 986 627
Approved by Council	(116 661 498)	-
Irregular expenditure awaiting approval	**2 578 389**	**116 661 498**

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

	2025 R	2024 R
Details of Irregular expenditure incurred :		
Non-compliance with PPPFA and the regulations of PPR 2022	-	1 770 460
Non-compliance with Regulation 17(1)(a) and (c) of the Municipal Supply Chain Management Regulations (Fuel)	372 678	1 473 736
Non-compliance with Regulation 19(a) of the Municipal Supply Chain Management Regulations	1 627 136	9 742 431
Non-compliance with Regulation 43 of the Municipal Supply Chain Management Regulations.	349 724	-
Non-compliance with Regulation 44(c) of the Municipal Supply Chain Management Regulations.	228 850	-
Total	**2 578 389**	**12 986 627**

Non-compliance with Regulation 19(a) of the Municipal Supply Chain Management Regulations was identified by the municipality due to fact that no competitive bidding or alternative processes were followed in terms of Sec 116(3) of the MFMA in the appointment of ASLA as Housing Implementation Agent with effect from 1 July 2018.

The irregular expenditure has been referred to MPAC for further investigation. No recovery, disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred after the investigation was completed.

53.4 MATERIAL LOSSES

	2025	2024
Electricity distribution losses		
- Units purchased (Kwh)	69 547 773	65 232 345
- Units lost during distribution (Kwh)	6 266 136	4 534 957
- Percentage lost during distribution	9.01%	6.95%
- Rand Value of Loss	9 775 172	6 212 891

	2025	2024
Water distribution losses		
- Kilo litres purified	2 467 472	2 576 353
- Kilo litres lost during distribution	429 005	504 969
- Percentage lost during distribution	17.39%	19.60%
- Rand Value of Loss	2 243 696	2 509 696

54 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

	2025 R	2024 R
54.01 Salga Contributions [MFMA 125 (1)(b)]		
Opening balance	(1 732 674)	(1 687 864)
Expenditure incurred	1 732 674	1 687 864
Payments	(1 802 706)	(1 732 674)
Payments in advance	**(1 802 706)**	**(1 732 674)**
54.02 Audit Fees [MFMA 125 (1)(c)]		
Opening balance	-	-
Expenditure incurred	5 414 166	3 845 411
External Audit - Auditor-General	5 414 166	3 845 411
Payments	(5 414 166)	(3 845 411)
Outstanding Balance	**-**	-
54.03 VAT [MFMA 125 (1)(c)]		
Opening balance	(6 665 710)	(6 647 002)
Amounts received during the year	(1 601 178)	(4 061 992)
Amounts paid during the year	6 268 612	7 160 891
Output VAT Payable	(46 153 270)	(40 179 322)
Input VAT Claimable	40 818 631	37 651 057
Interest Raised	(595 057)	(480 011)
Penalties Raised	(107 961)	(109 330)
Outstanding Balance	**(8 035 933)**	**(6 665 710)**
Vat in suspense due to cash basis of accounting	**69 457**	**(985 083)**

VAT is accounted for on the cash basis. All VAT returns have been submitted by the due date throughout the year.

	2025 R	2024 R
54.04 PAYE, SDL and UIF [MFMA 125 (1)(c)]		
Opening Balance	-	2 014 977
Payments due to SARS	31 327 060	29 101 394
Payments	(31 327 060)	(31 116 371)
Outstanding Balance (Paid on 5 July 2023)	**-**	**-**
54.05 PENSION AND MEDICAL AID CONTRIBUTIONS [MFMA 125 (1)(c)]		
Payments due to pension fund and medical aid	44 563 770	42 568 371
Payments	(44 563 770)	(42 568 371)
Outstanding Balance	**-**	**-**

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

54.06 COUNCILLORS ARREAR ACCOUNTS [MFMA 124 (1)(b)]

The following Councillor were in arrears for more than 90 days during the relevant financial year:

	2025 R	2024 R
None	-	-

54.07 QUOTATIONS AWARDED - DEVIATIONS FROM SCM

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

	2025 R	2024 R
Emergency (SCM 36 (1) (a) (i)):		
Less than R 30 000	131 845	58 391
Between R 30 000 and R 200 000	447 297	162 803
Above R200 000	422 161	-
Total	**1 001 303**	**221 194**
Sole Provider (SCM 36 (1) (a) (ii)):		
Less than R 30 000	87 465	163 600
Between R 30 000 and R 200 000	35 087	309 674
Total	**122 552**	**473 274**
Impractical or Impossible (SCM 36 (1) (a) (v)):		
Less than R 30 000	723 931	238 935
Between R 30 000 and R 200 000	1 356 724	1 214 724
Above R200 000	3 816 189	1 162 049
Total	**5 896 844**	**2 615 709**
Total Deviations		
Less than R 30 000	943 242	460 927
Between R 30 000 and R 200 000	1 839 108	1 687 201
Above R200 000	4 238 350	1 162 049
Total	**7 020 699**	**3 310 177**

54.08 OTHER NON-COMPLIANCE [MFMA 125(2)(e)]

None

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

54.09 TRADING WITH EMPLOYEES IN SERVICE OF THE STATE

During the period under review, the municipality did not engage with any employees in service of the state (SCM 44).

54.10 TRADING WITH FAMILY MEMBERS OF EMPLOYEES IN SERVICE OF THE STATE

During the year under review, the municipality engaged with the following entities where spouses, children or parents of suppliers are in service of the state (SCM 45):

Name (State institution)	Supplier name	2025 R	2024 R
TL Du Toit (Department of Health)	Cape Agulhas Civils	4 112 695	10 716 100
V Zeeman (Spouse of owner is employed by Overberg District Municipality)	DC Zeeman t/a Aluminium Design	137 626	41 500
Yazeed Daniels - Spouse of Director Finance & Records Officer at the WCED	Alveo Water (Pty) Ltd	541 648	2 600 182
Ms Litzie Saaiman the spouse of Manager Bart Saaiman is in service of the WCED.	Mubesko Africa (Pty) Ltd	1 567 215	213 655
J.N. Du Toit (Spouse) is an Inspector for drivers licences at the City of Cape Town, Traffic Services	Kemanzi (PTY) LTD	466 526	615 000
Tanya Lubbe spouse employed by Gauteng Education Department. Ina Nel spouse employed by City of Cape Town.	Actom	1 047 449	-
Riana Steenekamp is employed by Overstrand Local Municipality (Assistant Media Officer)	Max Internet Technologies CC T/A Maxitec	297 634	-
Matsietsi Mekoa spouse is employed in The Presidency	Brima Logistics	4 234	-
Nirvasha Moodley spouse works for the Department of Health.	Conlog (Pty) Ltd	50 175	-
Spouse of Jorina Minnie is employed by the City of Cape Town (Operations and Systems Integration)	JPCE (PTY) LTD	269 369	-

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

		2025 R	2024 R
Nadira Andhee wife of Ujush Andhee (Director) is employed as an Educator in KZN.	Piston Power Chemicals CC	-	108 346
Eugene Hlongwane spouse is a Manager at the City of Cape Town	TSCH International Holdings (PTY) LTD	-	94 486
AN Sesele (Spouse) employed at the Department of Education in the Free Sate.	Lucem Group (Pty) Ltd	-	104 257
Philda Schoeman - Spouse employed at Department of Social Development	Gamma's Transport	-	8 800
Deon Samuels - Spouse employed by SAPS.	Ian Dickie & Company (Pty) Ltd	-	18 353
Total		**8 494 571**	**14 520 679**

55 CAPITAL COMMITMENTS

	2025	2024
Commitments in respect of Capital Expenditure:	**1 104 906**	**7 426 437**
Approved and contracted for:		
Infrastructure	1 104 906	7 426 437
Total	**1 104 906**	**7 426 437**
This expenditure will be financed from:		
Government Grants	-	2 621 795
Internally Generated Funds	1 104 906	4 804 642
Total	**1 104 906**	**7 426 437**

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

56 FINANCIAL RISK MANAGEMENT

The municipality is potentially exposed to the following risks:

56.1 Credit Risk

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

	2025	2024
	R	R
The following financial assets are exposed to credit risk:		
Cash and Cash Equivalents	49 746 811	62 990 117
Receivables from exchange transactions	47 428 763	40 375 536
Receivables from non-exchange transactions	3 039 105	2 904 215
Current Portion of Long-term Receivables	1 979	1 731
Long-Term Receivables	131 222	133 202
Total	**100 347 881**	**106 404 800**

There were no changes in the in the approach how credit risk is managed during the period under review.

Cash and Cash Equivalents

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

There are no restrictions on the cash deposits held, no cash were pledged as security and no collateral is held for any cash and cash equivalents, other than Guarantees in favour of the following third parties - Post Office - R 50 000 (2024 - R 50 000)

Also refer to deposit linked to an Eskom Guarantee included in note 2

Credit risk is further managed and guided by the Cash Management and Investment Policy.

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.

56 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

Also refer to note 3 for more information regarding balances renegotiated beyond the original 30 days payment period initially granted.

No receivables were pledged as security for liabilities and no collateral is held from any consumers (other than consumer deposits).

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

	2025 R	2024 R
Electricity	1 697 763	5 509 194
Water	2 956 374	3 425 026
Refuse	1 753 767	1 961 484
Sewerage	1 449 160	1 393 200
Other Services	2 634 795	1 787 550
Availability Charges	1 093 598	1 424 150
Total	**11 585 457**	**15 500 602**

These receivables can be aged as follows:

	2025 R	2024 R
1 Month Past due	2 762 728	8 994 317
2 Months Past due	5 582 202	2 917 670
3 Months Past due	1 573 520	2 344 617
> 3 Months Past due	1 667 008	1 243 999
Total	**11 585 457**	**15 500 602**

<u>Long Term Receivables (including current portion)</u>

Long Term Receivables are disclosed after taking into account any provision for impairment raised against the outstanding balance. Each outstanding balance are individually assessed for impairment.

No receivables were pledged as security for liabilities and no collateral is held from any of the counter parties.

Refer to note 6 for more detail regarding long term receivables, included debt impairment raised against outstanding gross balances.

56.2 Currency risk (Market Risk)

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

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

56 FINANCIAL RISK MANAGEMENT (CONTINUED)

56.3 Interest rate risk (Market Risk)

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

The following balances are exposed to interest rate fluctuations:

	2025 R	2024 R
Cash and Cash Equivalents (Excluding Cash on Hand)	49 746 811	62 990 117
Long-term Liabilities (Including Current Portion)	(48 747 107)	(57 951 353)
Net balance exposed	**999 705**	**5 038 764**

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

	2025 R	2024 R
0.5% (2024 - 0.5%) increase in interest rates	4 999	25 194
0.5% (2024 - 0.5%) decrease in interest rates	(4 999)	(25 194)

Management does not foresee significant interest rate movements during the next 12 months.

56.4 Liquidity risk

Liquidity risk is the risk encountered by an entity 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:

30 JUNE 2025		**PAYABLE**	
	Within 1 Year	**Two to five years**	**After five years**
Annuity Loans	14 401 506	38 663 683	10 663 463
Payables from exchange transactions	68 012 028	-	-
Total	**82 413 535**	**38 663 683**	**10 663 463**

30 JUNE 2024		**PAYABLE**	
	Within 1 Year	**Two to five years**	**After five years**
Annuity Loans	15 060 695	46 860 595	18 441 771
Payables from exchange transactions	51 240 900	-	-
Total	**66 301 595**	**46 860 595**	**18 441 771**

The liquidity risk is further managed and guided by the Liquidity Policy.

56 FINANCIAL RISK MANAGEMENT (CONTINUED)

There were no changes to the exposure to liquidity risk and how the risk is managed during the period under review.

56.5 Other price risk (Market Risk)

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

The municipality is not exposed to any other price risk.

57 FINANCIAL INSTRUMENTS

The municipality recognised the following financial instruments (All balances are recognised at amortised cost.)

	2025	2024
Financial Assets	R	R
Cash and Cash Equivalents	49 757 661	63 000 967
Receivables from exchange transactions	47 428 763	40 375 536
Receivables from non-exchange transactions	3 039 105	2 904 215
Current Portion of Long-term Receivables	1 979	1 731
Long-Term Receivables	131 222	133 202
Total	**100 358 731**	**106 415 650**
Financial Liabilities		
Current Portion of Long-term Liabilities	9 920 530	9 172 193
Payables from exchange transactions	68 012 028	51 240 900
Long-term Liabilities	38 826 577	48 779 160
Total	**116 759 135**	**109 192 252**

58 STATUTORY RECEIVABLES

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

	2025	2024
	R	R
Receivables from Non-Exchange Transactions		
Rates	12 194 323	9 245 824
Fines	1 093 328	596 851
Total	**13 287 651**	**9 842 675**
Taxes		
VAT Receivable from SARS (VAT Control)	-	-
Total	**-**	**-**

58 STATUTORY RECEIVABLES

VAT receivable from SARS is considered to be Statutory Receivable. Input Vat in Suspense is not included in the disclosure as there are no transaction to “settle” with a specific counterparty (SARS) at year-end.

Statutory Receivables are disclosed after taking into account any impairments raised against gross amounts. Refer to note 4 for more detail relating to fines and rates receivables.

	2025 R	2024 R
Rates Receivable past due and impaired	**7 452 030**	**8 424 393**
Rates Receivable past due not impaired	**5 378 117**	**4 554 114**

59 PRINCIPAL-AGENT ARRANGEMENTS

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

59.1 Department of Mobility

Refer to note 34 for more detail regarding the arrangement as well as the transactions that were undertaken as part of principal-agent arrangement

59.2 Department of Infrastructure

The Municipality acts as an agent for the Department of Infrastructure for the Integrated Residential Development Project (IRDP) to facilitate the deed transfers to qualifying beneficiaries. The municipality also appoints a clerk on behalf of the department to capacitate the housing department to fulfil its housing mandate:

The beneficiary arrangement relating to the process of management beneficial for the construction contracts as disclosed in note 37, is managed on behalf of the Department of Infrastructure by the municipality.

No resources are held on behalf of The Department of Infrastructure.

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

	2025 R	2024 R
Balance at beginning of year	(5 531)	172 926
Payments received from the Department	249 000	396 000
Expenditure incurred on behalf of the Department	(158 021)	(574 457)
Balance at end of year	**85 448**	**(5 531)**

59 EVENTS AFTER REPORTING DATE (CONTINUED)

Communication (From Minister A Bredell) of a formal intergovernmental dispute in terms of section 41 of the intergovernmental relations framework act, act no. 13 of 2005 vis-à-vis the upper limits of total remuneration packages of municipal managers and managers directly accountable to municipal managers was received in 8 August 2025. The impact on the upper limits for 2024/25 financial year could not be determined to date.

As of 31 August 2025 a forensic investigation into allegations of fraud relating to building plan scrutiny fees were still in progress. The final amount of a financial loss must still be confirmed and communicated to the municipality but estimated at approximately R780 000 for the 2024/25 financial year. The estimate do not meet the revenue and receivable recognition criteria.

60 IN-KIND DONATIONS AND ASSISTANCE

60.1 Refer to notes 24 and 25 for more detail regarding to public contributions and and other assistance/donated assets received.

61 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

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

62 CONTINGENT LIABILITIES

The municipality were exposed to the following contingent liabilities at year end:

62.1 Guarantees in favour of the following third parties - Post Office - R 50 000 (2024 - R 50 000)

62.2 A claim for flood damages was lodged against the municipality amounting to R 91 093. The municipality is of opinion that the claim will be successfully defended.

63 CONTINGENT ASSETS

The municipality recorded the following contingent assets at year end:

63.1 The municipality is party to various legal actions instituted against a number of third parties resulting from zoning interdicts, nuisance and dangerous dogs as well as eviction proceedings. In total there are 12 (2024 - 5) cases with a total estimated potential inflow of resources amounting to R 375 000 (2024 - R 150 000) (legal cost to be recovered).

64 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.

65 RELATED PARTIES (CONTINUED)

Related parties are defined in note 1.35

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.

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

Remuneration of related parties are disclosed in notes 38 and 39

The following purchases were made during the year where Councillors, Management or Employees have an interest:

Entity	Employee	2025 R	2024 R
C M Hopley (DJ AT Cape Agulhas Community Market Day - LED Office Aug 2022)	Urlene Jantjies & Nathan Arends	1 950	-
Shoprite Checkers - Bredasdorp (Refreshments)	E Zieff	90 329	95 535
Enid Benetha Marie Atkins (Catering)	T Atkins	-	22 427
Johanna Emma Phillips T/A Embroidery-N-More	E Behr	-	16 190
JP van Zyl - Bulk Water Purchases - Sandrifdam	W van Zyl	104 133	95 260
MAT Overberg Retailers	L Teixeira & J Teixeira	-	5 800
Kemp and Associates (Legal Panel)	Donald Richard October	-	4 613
Total		**196 412**	**239 825**

66 NON-LIVING RESOURCES

Management identified the following non-living resources (other than land):

- Aquifer (from where water is extracted by utilising boreholes)

67 SEGMENT REPORTING

67.1 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 45 departments/functional areas and accordingly the segments were aggregated for reporting purposes as follow:

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	Socio Economic Development, Housing, Cemetries and Libraries
3	Tourism, Parks and Resorts	Tourism, Parks, Sport Facilities, Beaches and Holiday Resorts
4	Public and Environmental Safety	Traffic control, Law Enforcement and Environmental control
5	Town Planning and Building Control	Town planning and building control
6	Streets and Stormwater	Construction and maintenance of roads and storm water
7	Electricity Services	Electricity services
8	Water Services	Water services
9	Sewerage Services	Sewerage services
10	Refuse Removal Services	Refuse removal

67.2 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.

67.3 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.

67.4 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 as follows:

67 SEGMENT REPORTING (CONTINUED)

30 JUNE 2025	Governance and administration R	Community Services R	Tourism, Parks and Resorts R	Public and Environmental Safety R	Town Planning and Building Control R	Streets and Stormwater R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Removal Services R	Total R
REVENUE											
External Revenue from Non-Exchange Transactions	**166 547 676**	**1 612 843**	**150 000**	**5 153 351**	**-**	**-**	**4 058 756**	**5 147 785**	**3 907 235**	**4 838 957**	**191 416 604**
Property Rates	101 429 784	-	-	-	-	-	-	-	-	-	101 429 784
Government Grants and Subsidies - Capital	15 326 828	1 147 887	-	-	-	-	-	2 209 030	-	-	18 683 745
Government Grants and Subsidies - Operating	48 974 808	454 183	150 000	150 000	-	-	-	331 355	-	-	50 060 345
Public Contributions and Donations - Operating	-	-	-	37 000	-	-	-	-	-	-	37 000
Fines	-	10 773	-	4 966 351	-	-	-	-	-	-	4 977 124
Actuarial Gains	419 334	-	-	-	-	-	-	-	-	-	419 334
Third Party - Insurance Receipts	315 509	-	-	-	-	-	-	-	-	-	315 509
Availability Charges	-	-	-	-	-	-	4 058 756	2 607 401	3 907 235	4 224 672	14 798 064
Other Income	81 414	-	-	-	-	-	-	-	-	614 285	695 699
External Revenue from Exchange Transactions	**18 896 029**	**7 440 202**	**7 456 273**	**4 174 437**	**2 037 307**	**-**	**182 655 155**	**44 649 103**	**18 495 893**	**26 956 795**	**312 761 194**
Service Charges	-	-	-	-	-	-	180 918 504	43 669 035	17 526 670	26 934 558	269 048 767
Rental of Facilities and Equipment	2 318 586	70 311	7 429 320	-	-	-	-	-	-	-	9 818 216
Interest Earned - External Investments	5 219 114	-	-	-	-	-	-	-	-	-	5 219 114
Interest Earned - Outstanding Debtors	4 960 062	-	-	-	-	-	-	-	-	-	4 960 062
Licences and Permits	-	-	-	1 187 526	39 513	-	-	-	-	-	1 227 038
Agency Services	-	-	-	2 973 453	-	-	-	-	-	-	2 973 453
Other Income	1 555 793	7 369 891	26 953	13 458	1 997 794	-	1 736 652	980 069	969 223	22 237	14 672 068
Gains on Disposal of Properties and Movable Assets	4 842 475	-	-	-	-	-	-	-	-	-	4 842 475
Construction Contracts	**-**	**1 627 136**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1 627 136**
TOTAL REVENUE	**185 443 706**	**10 680 182**	**7 606 273**	**9 327 788**	**2 037 307**	**-**	**186 713 912**	**49 796 889**	**22 403 128**	**31 795 752**	**505 804 934**
EXPENDITURE	**139 865 259**	**15 330 276**	**23 786 684**	**23 518 436**	**8 110 749**	**23 480 749**	**172 201 763**	**34 335 679**	**21 007 662**	**36 702 827**	**498 340 086**
Employee Related Costs	67 214 911	12 417 173	17 963 182	16 347 547	7 175 754	12 881 400	11 080 999	17 215 701	9 721 021	13 150 328	185 168 017
Remuneration of Councillors	6 766 293	-	-	-	-	-	-	-	-	-	6 766 293
Debt Impairment	731 621	-	-	3 306 023	-	-	(590 612)	3 359 138	1 359 704	1 513 481	9 679 355
Depreciation and Amortisation	7 557 589	-	-	-	-	5 853 085	1 909 308	2 015 748	3 353 438	338 957	21 028 125
Impairments	57 016	-	547 107	-	-	-	-	-	-	-	604 123
Actuarial Losses	3 931 720	-	-	-	-	-	-	-	-	-	3 931 720
Finance Charges	10 221 122	22 440	274 988	-	-	244 167	1 091 975	348 368	222 481	6 508 014	18 933 555
Bulk Purchases	-	-	-	-	-	-	154 380 473	350 522	-	-	154 730 995
Contracted Services	17 195 734	2 021 041	1 819 749	2 325 421	566 068	600 786	757 418	2 775 349	2 853 402	12 814 153	43 729 120
Transfers and Grants	962 347	3 558	-	41 896	-	-	-	-	-	-	1 007 801
Other Expenditure	25 000 796	866 064	3 181 658	1 497 549	368 928	2 605 382	3 572 204	8 270 854	3 287 322	2 377 894	51 028 649
Loss on Disposal of Property, Plant and Equipment	226 110	-	-	-	-	1 295 930	-	-	210 294	-	1 732 334
TOTAL EXPENDITURE	**139 865 259**	**15 330 276**	**23 786 684**	**23 518 436**	**8 110 749**	**23 480 749**	**172 201 763**	**34 335 679**	**21 007 662**	**36 702 827**	**498 340 086**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**45 578 446**	**(4 650 095)**	**(16 180 411)**	**(14 190 648)**	**(6 073 443)**	**(23 480 749)**	**14 512 148**	**15 461 210**	**1 395 465**	**(4 907 074)**	**7 464 848**
Less: Government Grants and Subsidies - Capital	(15 326 828)	(1 147 887)	-	-	-	-	-	(2 209 030)	-	-	**(18 683 745)**
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**30 251 618**	**(5 797 982)**	**(16 180 411)**	**(14 190 648)**	**(6 073 443)**	**(23 480 749)**	**14 512 148**	**13 252 179**	**1 395 465**	**(4 907 074)**	**(11 218 897)**
CAPITAL EXPENDITURE FOR THE YEAR	3 020 050	1 440 939	6 034 790	428 728	89 629	20 063 047	6 292 089	5 900 033	5 867 744	12 281 265	**61 418 314**

67 SEGMENT REPORTING (CONTINUED)

30 JUNE 2024	Governance and administration R	Community Services R	Tourism, Parks and Resorts R	Public and Environmental Safety R	Town Planning and Building Control R	Streets and Stormwater R	Electricity Services R	Water Services R	Sewerage Services R	Refuse Removal Services R	Total R
REVENUE											
External Revenue from Non-Exchange Transactions	**159 221 676**	**441 489**	**1 464 287**	**3 062 303**	**-**	**-**	**4 245 867**	**5 579 845**	**3 549 465**	**7 275 593**	**184 840 525**
Property Rates	94 293 690	-	-	-	-	-	-	-	-	-	94 293 690
Government Grants and Subsidies - Capital	13 406 989	35 400	-	-	-	-	576 704	2 633 235	-	-	16 652 328
Government Grants and Subsidies - Operating	46 364 540	397 000	400 000	210 000	-	-	1 177	394 985	-	-	47 767 703
Public Contributions and Donations - Operating	40 000	-	-	-	-	-	-	-	-	-	40 000
Contributed Assets	3 647 479	-	1 064 287	-	-	-	-	-	-	-	4 711 766
Fines	-	9 089	-	2 852 303	-	-	-	-	-	-	2 861 392
Actuarial Gains	1 373 765	-	-	-	-	-	-	-	-	-	1 373 765
Third Party - Insurance Receipts	95 213	-	-	-	-	-	-	-	-	-	95 213
Availability Charges	-	-	-	-	-	-	3 667 986	2 551 624	3 549 465	3 780 256	13 549 330
Other Income	-	-	-	-	-	-	-	-	-	3 495 337	3 495 337
External Revenue from Exchange Transactions	**16 093 133**	**7 538 772**	**6 714 450**	**4 041 948**	**1 995 998**	**-**	**160 807 820**	**46 802 900**	**16 564 449**	**24 093 078**	**284 652 547**
Service Charges	-	-	-	-	-	-	159 029 066	45 834 204	15 746 681	24 072 662	244 682 613
Rental of Facilities and Equipment	1 869 117	70 414	6 697 543	-	-	-	-	-	-	-	8 637 073
Interest Earned - External Investments	7 860 167	-	-	-	-	-	-	-	-	-	7 860 167
Interest Earned - Outstanding Debtors	3 660 637	-	-	-	-	-	-	-	-	-	3 660 637
Licences and Permits	-	-	-	1 210 097	-	-	-	-	-	-	1 210 097
Agency Services	-	-	-	2 765 234	-	-	-	-	-	-	2 765 234
Other Income	2 500 421	7 468 358	16 907	66 617	1 995 998	-	1 778 753	968 696	817 768	20 416	15 633 934
Gains on Disposal of Properties and Movable Assets	202 792	-	-	-	-	-	-	-	-	-	202 792
Construction Contracts	-	**9 714 419**	-	-	-	-	-	-	-	-	**9 714 419**
TOTAL REVENUE	**175 314 809**	**17 694 679**	**8 178 737**	**7 104 251**	**1 995 998**	**-**	**165 053 687**	**52 382 744**	**20 113 914**	**31 368 671**	**479 207 490**
EXPENDITURE	**133 836 086**	**24 346 224**	**23 171 585**	**21 453 436**	**6 892 499**	**21 998 607**	**157 877 336**	**36 978 764**	**19 456 916**	**36 457 488**	**482 468 941**
Employee Related Costs	65 562 235	12 965 925	17 716 648	15 473 168	6 276 352	12 056 448	10 690 601	15 545 946	8 838 981	12 638 705	177 765 008
Remuneration of Councillors	6 216 983	-	-	-	-	-	-	-	-	-	6 216 983
Debt Impairment	5 948 296	-	-	2 158 529	-	-	2 531 565	7 276 702	2 732 342	3 488 992	24 136 426
Depreciation and Amortisation	6 917 444	-	-	-	-	5 732 807	2 465 969	1 858 724	3 311 411	1 854 854	22 141 209
Impairments	-	-	129 002	-	-	-	-	-	-	-	129 002
Finance Charges	9 906 881	58 650	183 620	-	-	554 120	1 638 074	797 838	227 560	7 180 583	20 547 326
Bulk Purchases	-	-	-	-	-	-	133 052 011	265 848	-	-	133 317 859
Contracted Services	15 729 178	10 073 598	2 103 380	2 123 838	341 149	811 979	848 271	2 425 391	1 638 588	8 735 893	44 831 266
Transfers and Grants	1 081 818	2 669	-	-	-	-	-	-	-	-	1 084 486
Other Expenditure	21 973 638	1 245 381	3 038 935	1 697 902	274 998	2 843 252	6 650 845	8 808 314	2 708 034	2 558 462	51 799 762
Loss on Disposal of Property, Plant and Equipment	499 614	-	-	-	-	-	-	-	-	-	499 614
TOTAL EXPENDITURE	**133 836 086**	**24 346 224**	**23 171 585**	**21 453 436**	**6 892 499**	**21 998 607**	**157 877 336**	**36 978 764**	**19 456 916**	**36 457 488**	**482 468 941**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**41 478 723**	**(6 651 545)**	**(14 992 848)**	**(14 349 185)**	**(4 896 500)**	**(21 998 607)**	**7 176 351**	**15 403 981**	**656 997**	**(5 088 817)**	**(3 261 450)**
Less: Government Grants and Subsidies - Capital	(13 406 989)	(35 400)	-	-	-	-	(576 704)	(2 633 235)	-	-	**(16 652 328)**
Less: Contributed Assets	(3 647 479)	-	(1 064 287)	-	-	-	-	-	-	-	**(4 711 766)**
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**24 424 255**	**(6 686 945)**	**(16 057 135)**	**(14 349 185)**	**(4 896 500)**	**(21 998 607)**	**6 599 646**	**12 770 745**	**656 997**	**(5 088 817)**	**(24 625 545)**
CAPITAL EXPENDITURE FOR THE YEAR	7 046 398	65 043	3 013 660	2 096 560	-	18 970 471	3 155 786	8 685 556	2 872 836	8 214 298	**54 120 608**

68 NATIONAL TREASURY APPROPRIATION STATEMENT

	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	105 378 600	-	105 378 600	101 429 784	(3 948 816)	94 293 690
Service charges	273 222 854	6 100 000	279 322 854	282 615 521	3 292 667	260 003 756
Investment revenue	7 638 543	-	7 638 543	5 219 114	(2 419 429)	7 860 167
Transfers Recognised - Operational	59 267 000	2 105 000	61 372 000	59 079 894	(2 292 106)	66 222 743
Other own revenue	51 891 665	-	51 891 665	49 623 062	(2 268 603)	39 477 020
Total Operating Revenue	**497 398 662**	**8 205 000**	**505 603 662**	**497 967 374**	**(7 636 288)**	**467 857 377**
Employee costs	187 960 289	(1 421 169)	186 539 120	190 021 138	3 482 018	182 239 867
Remuneration of councillors	6 301 600	1 099 473	7 401 073	6 766 293	(634 780)	6 216 983
Depreciation and amortisation	12 441 583	14 154 301	26 595 884	26 621 954	26 070	41 833 505
Finance charges	7 246 300	4 088	7 250 388	7 366 710	116 322	8 740 183
Inventory consumed and bulk purchases	177 808 500	(8 992 193)	168 816 307	176 477 363	7 661 056	166 978 422
Transfers and subsidies	2 586 600	247 338	2 833 938	2 228 333	(605 605)	1 931 641
Other expenditure	102 471 094	(13 577 773)	88 893 321	99 704 480	10 811 159	84 542 319
Total Expenditure	**496 815 966**	**(8 485 935)**	**488 330 031**	**509 186 271**	**20 856 240**	**492 482 921**
Surplus/(Deficit)	**582 696**	**16 690 935**	**17 273 631**	**(11 218 897)**	**(28 492 528)**	**(24 625 545)**
Transfers recognised - capital	27 266 478	(3 657 699)	23 608 779	18 683 745	(4 925 034)	16 652 328
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	4 711 766
Surplus/(Deficit) for the year	**27 849 174**	**13 033 236**	**40 882 410**	**7 464 848**	**(33 417 562)**	**(3 261 450)**

68 NATIONAL TREASURY APPROPRIATION STATEMENT (CONTINUED)

	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 & funds sources						
Capital expenditure	**72 876 151**	**(14 267 114)**	**58 609 037**	**61 418 314**	**2 809 277**	**54 120 608**
Transfers recognised - capital	27 266 478	(8 875 345)	18 391 133	18 683 745	292 612	16 652 328
Borrowing	21 174 559	(17 104)	21 157 455	2 540 927	(18 616 528)	14 598 984
Internally generated funds	24 435 114	(5 374 665)	19 060 449	40 193 642	21 133 193	22 869 296
Total sources of capital funds	**72 876 151**	**(14 267 114)**	**58 609 037**	**61 418 314**	**2 809 277**	**54 120 608**
Cash flows						
Net cash from (used) operating	14 850 891	50 872 521	65 723 412	42 540 277	(23 183 135)	7 473 193
Net cash from (used) investing	(76 307 576)	23 198 539	(53 109 037)	(46 981 420)	6 127 617	(52 782 091)
Net cash from (used) financing	10 874 559	(19 274 559)	(8 400 000)	(8 802 162)	(402 161)	(10 531 463)
Net Cash Movement for the year	**(50 582 126)**	**54 796 501**	**4 214 375**	**(13 243 304)**	**(17 457 679)**	**(55 840 360)**
Cash/cash equivalents at beginning of year	143 511 627	(80 213 039)	63 298 588	63 000 967	(297 621)	118 841 327
Cash/cash equivalents at the year end	**92 929 501**	**(25 416 538)**	**67 512 963**	**49 757 663**	**(17 755 300)**	**63 000 966**

Refer to Appendix E for more detail relating to the National Treasury Appropriation Statements. The prior year disclosure, specifically the statement of financial performance is reclassified in line with the budget classifications applicable in the current year to ensure that information is comparable on a line by line basis.

Contributed Assets are included as part of internally generated funds.

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX A (UNAUDITED)

SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2025

INSTITUTION	LOAN NUMBER	RATE	REDEMPTION DATE	OPENING BALANCE 1 JULY 2024 R	RECEIVED DURING YEAR R	REDEEMED DURING YEAR R	CLOSING BALANCE 30 JUNE 2025 R
ANNUITY LOANS							
ABSA	3044713107	10.60%	2026/06/30	351 833	-	(166 642)	185 191
ABSA	3046537820	9.84%	2027/06/30	976 973	-	(294 314)	682 658
NEDBANK	INFRA 2	10.35%	2028/06/30	2 800 000	-	(700 000)	2 100 000
NEDBANK	INFRA 3	9.92%	2029/06/30	5 000 000	-	(1 000 000)	4 000 000
STANDARD BANK	Long (655414)	9.69%	2031/06/30	20 545 568	-	(2 439 944)	18 105 624
STANDARD BANK	Asset (655433)	10.07%	2026/06/30	1 014 288	-	(491 196)	523 092
FIRST NATIONAL BANK	4-000-520-347-806	9.35%	2032/06/30	19 008 255	-	(1 625 063)	17 383 191
FIRST NATIONAL BANK	4-000-520-347-105	9.31%	2027/06/30	5 580 333	-	(1 681 702)	3 898 631
FIRST NATIONAL BANK	4-000-520-348-543	9.37%	2027/06/30	2 674 104	-	(805 384)	1 868 719
Total Annuity Loans				**57 951 353**	**-**	**(9 204 246)**	**48 747 107**
Total Long-Term Liabilities				**57 951 353**	**-**	**(9 204 246)**	**48 747 107**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE (MUNICIPAL VOTES) FOR THE YEAR ENDING 30 JUNE 2025

VOTE	30 JUNE 2025 REVENUE R	30 JUNE 2025 EXPENDITURE R	30 JUNE 2025 SURPLUS/ (DEFICIT) R	30 JUNE 2024 REVENUE R	30 JUNE 2024 EXPENDITURE R	30 JUNE 2024 SURPLUS/ (DEFICIT) R
Engineering Services	309 720 395	(286 507 473)	23 212 922	287 330 388	(270 587 172)	16 743 216
Executive and Council	47 819 827	(55 790 015)	(7 970 188)	47 008 781	(53 765 230)	(6 756 449)
Financial Services & ICT	120 390 643	(86 843 098)	33 547 545	111 671 668	(82 765 317)	28 906 351
Management Services	27 874 069	(69 199 500)	(41 325 431)	33 196 653	(75 351 221)	(42 154 568)
Total	**505 804 934**	**(498 340 086)**	**7 464 848**	**479 207 490**	**(482 468 941)**	**(3 261 450)**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

ACTUAL VERSUS BUDGET- CAPITAL AND OPERATING EXPENDITURE (VOTES) FOR THE YEAR ENDING 30 JUNE 2025

OPERATING EXPENDITURE	ACTUAL R	BUDGET R	VARIANCE R	EXPLANATION FOR MATERIAL VARIANCES
Engineering Services	286 507 473	273 115 951	13 391 522	Variance mainly due to bulk purchases and depreciation not fully budgeted for. Also difference in treatment of internal charges between budget and actuals.
Executive and Council	55 790 015	61 341 836	(5 551 821)	Variance mainly due to cost containment on various line items.
Financial Services & ICT	86 843 098	79 095 859	7 747 239	Variance mainly due to depreciation and actuarial losses not adequately budget for.
Management Services	69 199 500	74 776 385	(5 576 885)	Mainly due to underspending on housing due to ASLA projects being put on hold
Total	**498 340 086**	**488 330 031**	**10 010 055**	
CAPITAL EXPENDITURE				
Engineering Services	50 406 595	47 496 957	2 909 638	Immaterial Variance
Executive and Council	1 038 680	947 268	91 412	Immaterial Variance
Financial Services & ICT	1 978 731	1 990 993	(12 262)	Immaterial Variance
Management Services	7 994 308	8 173 819	(179 511)	Immaterial Variance
Total	**61 418 314**	**58 609 037**	**2 809 277**	

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX D (UNAUDITED)

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

	OPENING BALANCE	GRANTS RECEIVED	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	RETURNED TO NT/PT	CLOSING BALANCE
NATIONAL GOVERNMENT	**R**	**R**	**R**	**R**	**R**	**R**
Equitable Share	-	43 073 000	(43 073 000)	-	-	-
Water Services Infrastructure Grant (WSIG)	1 471 779	2 300 000	(331 355)	(2 209 030)	-	1 231 394
Financial Management Grant (FMG)	-	1 700 000	(1 700 000)	-	-	-
Municipal Infrastructure Grant (MIG)	192 765	17 085 000	(2 619 775)	(14 464 991)	(193 000)	-
Skills Development Fund and SETA Bursaries	-	705 870	(705 870)	-	-	-
Expanded Public Works Program (EPWP)	-	1 363 000	(1 363 000)	-	-	-
Total	**1 664 545**	**66 226 870**	**(49 792 999)**	**(16 674 021)**	**(193 000)**	**1 231 394**
PROVINCIAL GOVERNMENT						
Library Grant - Church Street Bredasdorp Roof	1 464 600	-	(172 183)	(1 147 887)	-	144 530
Capacity Building Grant (FMSG)	126 993	100 000	-	-	-	226 993
Community Development Workers (CDW)	-	57 000	(57 000)	-	-	-
Regional Socio-Economic Projects	130 000	770 000	(38 163)	(861 837)	-	-
Total	**1 721 593**	**927 000**	**(267 346)**	**(2 009 724)**	**-**	**371 523**
ALL SPHERES GOVERNMENT	**3 386 138**	**67 153 870**	**(50 060 345)**	**(18 683 745)**	**(193 000)**	**1 602 917**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (1) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

	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						
Governance and administration	**188 676 463**	**545 522**	**189 221 985**	**184 468 706**	**(4 753 279)**	**175 314 809**
Executive and council	43 073 000	-	43 073 000	43 073 000	-	40 419 740
Finance and administration	145 603 463	545 522	146 148 985	141 395 706	(4 753 279)	134 895 069
Community and public safety	**25 172 991**	**2 000 000**	**27 172 991**	**18 444 475**	**(8 728 516)**	**25 405 378**
Community and social services	10 173 063	-	10 173 063	8 903 045	(1 270 018)	7 862 052
Sport and recreation	10 142 928	-	10 142 928	7 606 273	(2 536 655)	7 114 450
Housing	4 857 000	2 000 000	6 857 000	1 935 158	(4 921 843)	10 428 876
Economic and environmental services	**9 154 278**	**2 130 000**	**11 284 278**	**12 340 094**	**1 055 816**	**10 142 745**
Planning and development	3 961 598	130 000	4 091 598	3 012 307	(1 079 291)	3 060 286
Road transport	4 020 380	-	4 020 380	4 161 502	141 122	4 020 156
Environmental protection	1 172 300	2 000 000	3 172 300	5 166 285	1 993 985	3 062 303
Trading services	**301 661 408**	**(128 221)**	**301 533 187**	**301 397 844**	**(135 343)**	**278 358 539**
Energy Sources	193 608 540	250 000	193 858 540	196 328 721	2 470 181	173 382 745
Water Management	58 412 505	(5 878 221)	52 534 284	50 551 540	(1 982 744)	53 194 156
Waste water management	21 605 043	2 500 000	24 105 043	22 601 670	(1 503 373)	20 302 865
Waste management	28 035 320	3 000 000	31 035 320	31 915 913	880 593	31 478 774
Total Revenue - Standard	**524 665 140**	**4 547 301**	**529 212 441**	**516 651 119**	**(12 561 322)**	**489 221 471**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (1) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

EXPENDITURE	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
Governance and administration	**144 087 855**	**(11 304 142)**	**132 783 713**	**141 721 360**	**8 937 647**	**136 525 999**
Executive and council	40 217 180	(7 600 200)	32 616 980	28 669 270	(3 947 710)	28 435 881
Finance and administration	101 890 969	(3 655 663)	98 235 306	111 002 860	12 767 554	106 349 506
Internal audit	1 979 706	(48 279)	1 931 427	2 049 230	117 803	1 740 612
Community and public safety	**44 597 109**	**703 247**	**45 300 356**	**38 983 026**	**(6 317 330)**	**46 866 689**
Community and social services	13 366 055	(622 451)	12 743 604	11 528 154	(1 215 450)	12 516 032
Sport and recreation	17 234 073	35 610	17 269 683	17 514 426	244 743	16 391 991
Public safety	5 900 940	(511 105)	5 389 835	4 747 801	(642 034)	4 240 323
Housing	8 096 041	1 801 193	9 897 234	5 192 645	(4 704 589)	13 718 343
Economic and environmental services	**53 292 366**	**(2 308 227)**	**50 984 139**	**56 634 030**	**5 649 891**	**52 515 737**
Planning and development	18 095 676	(895 895)	17 199 781	16 142 419	(1 057 362)	15 089 908
Road transport	24 508 410	(778 375)	23 730 035	28 523 838	4 793 803	26 290 151
Environmental protection	10 688 280	(633 957)	10 054 323	11 967 773	1 913 450	11 135 678
Trading services	**259 253 636**	**8 187**	**259 261 823**	**271 847 854**	**12 586 031**	**256 574 495**
Energy Sources	171 363 871	(3 421 426)	167 942 445	181 344 100	13 401 655	165 594 673
Water Management	33 773 532	930 614	34 704 146	34 260 566	(443 580)	36 849 155
Waste water management	20 782 595	(2 093 969)	18 688 626	20 532 832	1 844 206	18 888 344
Waste management	33 333 638	4 592 968	37 926 606	35 710 356	(2 216 250)	35 242 322
Total Expenditure - Standard	**501 230 966**	**(12 900 935)**	**488 330 031**	**509 186 271**	**20 856 240**	**492 482 921**
Surplus/(Deficit) for the year	**23 434 174**	**17 448 236**	**40 882 410**	**7 464 848**	**(33 417 562)**	**(3 261 450)**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (2) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

	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						
Executive and Council	47 287 116	482 000	47 769 116	47 819 827	50 711	47 008 781
Financial Services & ICT	126 918 011	(1 900 000)	125 018 011	120 390 643	(4 627 368)	111 671 668
Management Services	30 759 948	4 000 000	34 759 948	28 032 090	(6 727 858)	33 771 111
Engineering Services	319 700 065	1 965 301	321 665 366	320 408 559	(1 256 807)	296 769 912
Total Revenue by Vote	**524 665 140**	**4 547 301**	**529 212 441**	**516 651 119**	**(12 561 322)**	**489 221 471**
EXPENDITURE						
Executive and Council	70 684 243	(9 342 407)	61 341 836	55 790 015	(5 551 821)	53 765 230
Financial Services & ICT	77 776 021	1 319 838	79 095 859	86 843 098	7 747 239	82 765 317
Management Services	75 557 540	(781 155)	74 776 385	69 357 521	(5 418 864)	76 024 263
Engineering Services	277 213 162	(4 097 211)	273 115 951	297 195 637	24 079 686	279 928 111
Total Expenditure by Vote	**501 230 966**	**(12 900 935)**	**488 330 031**	**509 186 271**	**20 856 240**	**492 482 921**
Surplus/(Deficit) for the year	**23 434 174**	**17 448 236**	**40 882 410**	**7 464 848**	**(33 417 562)**	**(3 261 450)**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (3) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE

REVENUE BY SOURCE	**ORIGINAL BUDGET 2025 R**	**BUDGET ADJUSTMENTS 2025 R**	**FINAL BUDGET 2025 R**	**ACTUAL OUTCOME 2025 R**	**BUDGET VARIANCE 2025 R**	**RESTATED OUTCOME 2024 R**
Exchange Revenue						
Service charges - Electricity	189 181 700	250 000	189 431 700	192 028 588	2 596 888	168 900 925
Service charges - Water	43 943 610	350 000	44 293 610	45 139 811	846 201	47 354 227
Service charges - Waste Water Management	16 223 500	2 500 000	18 723 500	17 805 776	(917 724)	16 097 602
Service charges - Waste Management	23 874 044	3 000 000	26 874 044	27 641 346	767 302	27 651 003
Sale of Goods and Rendering of Services	13 494 084	-	13 494 084	9 829 992	(3 664 092)	9 176 429
Agency services	4 020 380	-	4 020 380	4 161 502	141 122	4 020 156
Interest earned from Receivables	1 475 043	-	1 475 043	3 809 604	2 334 561	2 647 862
Interest earned from Current and Non Current Assets	7 638 543	-	7 638 543	5 219 114	(2 419 429)	7 860 167
Rental from Fixed Assets	2 763 116	-	2 763 116	2 396 592	(366 524)	1 948 265
Licence and permits	45 410	-	45 410	52 447	7 037	-
Operational Revenue	2 735 922	-	2 735 922	3 075 476	339 554	2 256 948
Non-Exchange Revenue						
Property rates	105 378 600	-	105 378 600	101 429 784	(3 948 816)	94 293 690
Fines, penalties and forfeits	1 136 614	2 000 000	3 136 614	5 087 117	1 950 503	3 288 698
Transfer and subsidies - Operational	59 267 000	2 105 000	61 372 000	59 079 894	(2 292 106)	66 222 743
Interest	2 800 000	-	2 800 000	1 150 458	(1 649 542)	1 012 776
Operational Revenue	15 921 096	-	15 921 096	14 798 064	(1 123 032)	13 549 330
Gains on disposal of Assets	7 500 000	(2 000 000)	5 500 000	4 842 475	(657 525)	202 792
Other Gains	-	-	-	419 334	419 334	1 373 765
Total Revenue (excluding capital transfers and contributions)	**497 398 662**	**8 205 000**	**505 603 662**	**497 967 374**	**(7 636 288)**	**467 857 377**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (3) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

REVENUE AND EXPENDITURE

	ORIGINAL BUDGET 2025 R	BUDGET ADJUSTMENTS 2025 R	FINAL BUDGET 2025 R	ACTUAL OUTCOME 2025 R	BUDGET VARIANCE 2025 R	RESTATED OUTCOME 2024 R
EXPENDITURE BY TYPE						
Employee related costs	187 960 289	(1 421 169)	186 539 120	190 021 138	3 482 018	182 239 867
Remuneration of councillors	6 301 600	1 099 473	7 401 073	6 766 293	(634 780)	6 216 983
Bulk purchases - electricity	141 932 400	(250 000)	141 682 400	154 380 473	12 698 073	133 052 011
Inventory consumed	35 876 100	(8 742 193)	27 133 907	22 096 890	(5 037 017)	33 926 412
Debt impairment	14 204 301	(50 000)	14 154 301	4 989 706	(9 164 595)	19 563 293
Depreciation and amortisation	12 441 583	-	12 441 583	21 632 248	9 190 665	22 270 211
Interest	7 246 300	4 088	7 250 388	7 366 710	116 322	8 740 183
Contracted services	33 761 997	2 587 909	36 349 906	39 852 442	3 502 536	32 602 247
Transfers and subsidies	2 586 600	247 338	2 833 938	2 228 333	(605 605)	1 931 641
Irrecoverable debts written off	1 150 000	187 000	1 337 000	4 689 649	3 352 649	4 573 133
Operational costs	53 345 896	(2 196 381)	51 149 515	49 446 595	(1 702 920)	46 867 326
Losses on disposal of Assets	-	-	-	1 732 334	1 732 334	499 614
Other Losses	8 900	48 000	56 900	3 983 460	3 926 560	-
Total Expenditure	**496 815 966**	**(8 485 935)**	**488 330 031**	**509 186 271**	**20 856 240**	**492 482 921**
Surplus/(Deficit)	**582 696**	**16 690 935**	**17 273 631**	**(11 218 897)**	**(28 492 528)**	**(24 625 545)**
Transfers and subsidies - Capital	27 266 478	(3 657 699)	23 608 779	18 683 745	(4 925 034)	16 652 328
Transfers and subsidies - Capital (In Kind)	-	-	-	-	-	4 711 766
Surplus/(Deficit) for the year	**27 849 174**	**13 033 236**	**40 882 410**	**7 464 848**	**(33 417 562)**	**(3 261 450)**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (4) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

CAPITAL EXPENDITURE

	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 (VOTE)						
Multi-year expenditure						
Executive and Council	33 000	872 437	905 437	997 279	91 842	202 719
Financial Services & ICT	1 828 900	155 833	1 984 733	1 972 471	(12 262)	2 683 758
Management Services	4 598 800	3 445 946	8 044 746	7 885 329	(159 417)	5 687 706
Engineering Services	58 980 151	(11 490 611)	47 489 540	50 385 433	2 895 893	41 898 946
Total Multi-year expenditure	**65 440 851**	**(7 016 395)**	**58 424 456**	**61 240 512**	**2 816 056**	**50 473 129**
Single-year expenditure						
Executive and Council	979 500	(937 669)	41 831	41 401	(430)	-
Financial Services & ICT	5 350 000	(5 343 740)	6 260	6 260	-	-
Management Services	155 800	(26 727)	129 073	108 979	(20 094)	-
Engineering Services	950 000	(942 583)	7 417	21 162	13 745	-
Total Single-year expenditure	**7 435 300**	**(7 250 719)**	**184 581**	**177 802**	**(6 779)**	**-**
Total Capital Expenditure by Vote	**72 876 151**	**(14 267 114)**	**58 609 037**	**61 418 314**	**2 809 277**	**50 473 129**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (4) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

CAPITAL EXPENDITURE

	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	**1 986 900**	**147 336**	**2 134 236**	**2 087 782**	**(46 454)**	**7 042 808**
Executive and council	-	-	-	-	-	194 537
Finance and administration	1 986 900	147 336	2 134 236	2 087 782	(46 454)	6 848 272
Community and public safety	**9 687 800**	**(1 774 024)**	**7 913 776**	**7 768 551**	**(145 225)**	**3 383 280**
Community and social services	1 801 800	(352 350)	1 449 450	1 440 939	(8 511)	1 028 901
Sport and recreation	7 681 000	(1 595 492)	6 085 508	5 959 790	(125 718)	1 949 373
Public safety	205 000	173 818	378 818	367 822	(10 996)	405 006
Economic and environmental services	**24 861 978**	**(3 755 707)**	**21 106 271**	**21 220 850**	**114 579**	**20 766 045**
Planning and development	1 059 500	(54 015)	1 005 485	1 096 897	91 412	1 067 877
Road transport	23 772 478	(3 711 692)	20 060 786	20 084 047	23 261	19 092 412
Environmental protection	30 000	10 000	40 000	39 906	(94)	605 755
Trading services	**36 339 473**	**(8 884 719)**	**27 454 754**	**30 341 131**	**2 886 377**	**22 928 475**
Energy sources	6 648 173	(42 524)	6 605 649	6 292 089	(313 560)	3 155 786
Water management	14 750 100	(8 962 793)	5 787 307	5 900 033	112 726	8 685 556
Waste water management	5 941 200	532 672	6 473 872	5 867 744	(606 128)	2 872 836
Waste management	9 000 000	(412 074)	8 587 926	12 281 265	3 693 339	8 214 298
Total Capital Expenditure - Standard	**72 876 151**	**(14 267 114)**	**58 609 037**	**61 418 314**	**2 809 277**	**54 120 608**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (4) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

CAPITAL EXPENDITURE

	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 (FUNDING SOURCES)						
National Government	24 996 478	(8 523 231)	16 473 247	16 674 021	200 774	16 616 928
Provincial Government	2 270 000	(352 114)	1 917 886	2 009 724	91 838	35 400
Transfers recognised - capital	**27 266 478**	**(8 875 345)**	**18 391 133**	**18 683 745**	**292 612**	**16 652 328**
Borrowing	21 174 559	(17 104)	21 157 455	2 540 927	(18 616 528)	14 598 984
Internally generated funds	24 435 114	(5 374 665)	19 060 449	40 193 642	21 133 193	22 869 296
Total Capital Funding	**72 876 151**	**(14 267 114)**	**58 609 037**	**61 418 314**	**2 809 277**	**54 120 608**

Contributed Assets is budgeted for and included a part of Internally generated funds

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (5) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

CASH FLOWS

	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 FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	103 077 671	-	103 077 671	99 499 563	(3 578 108)	89 734 956
Service charges	317 346 188	7 015 000	324 361 188	280 438 348	(43 922 840)	236 356 543
Other revenue	22 678 127	32 832 373	55 510 500	15 229 333	(40 281 167)	16 836 989
Transfers and Subsidies - Operational	59 267 000	2 457 000	61 724 000	58 049 583	(3 674 417)	57 556 707
Transfers and Subsidies - Capital	27 266 478	(4 009 699)	23 256 779	17 165 708	(6 091 071)	14 420 966
Interest	11 984 501	-	11 984 501	10 803 816	(1 180 685)	13 040 305
Payments						
Suppliers and employees	(517 742 224)	9 991 247	(507 750 977)	(431 853 622)	75 897 355	(412 148 615)
Finance charges	(6 440 250)	-	(6 440 250)	(5 784 653)	655 597	(7 240 172)
Transfers and Grants	(2 586 600)	2 586 600	-	(1 007 801)	(1 007 801)	(1 084 486)
NET CASH FROM OPERATING ACTIVITIES	**14 850 891**	**50 872 521**	**65 723 412**	**42 540 277**	**(23 183 135)**	**7 473 193**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	7 500 000	(2 000 000)	5 500 000	1 407 742	(4 092 258)	5 522 998
Decrease other non-current receivables	-	-	-	1 731	1 731	5 528
Payments						
Capital assets	(83 807 576)	25 198 539	(58 609 037)	(48 390 892)	10 218 145	(58 310 617)
NET CASH USED IN INVESTING ACTIVITIES	**(76 307 576)**	**23 198 539**	**(53 109 037)**	**(46 981 420)**	**6 127 617**	**(52 782 091)**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (5) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2025

CASH FLOWS

	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 FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	19 274 559	(19 274 559)	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	402 085	402 085	1 130 157
Payments						
Repayment of borrowing	(8 400 000)	-	(8 400 000)	(9 204 246)	(804 246)	(11 661 619)
NET CASH FROM FINANCING ACTIVITIES	**10 874 559**	**(19 274 559)**	**(8 400 000)**	**(8 802 162)**	**(402 161)**	**(10 531 463)**
NET INCREASE/ (DECREASE) IN CASH HELD	**(50 582 126)**	**54 796 501**	**4 214 375**	**(13 243 305)**	**(17 457 679)**	**(55 840 360)**
Cash/cash equivalents at the year begin:	143 511 627	(80 213 039)	63 298 588	63 000 967	(297 621)	118 841 327
Cash/cash equivalents at the year end:	92 929 501	(25 416 538)	67 512 963	49 757 661	(17 755 302)	63 000 967
NET INCREASE/ (DECREASE) IN CASH HELD	**(50 582 126)**	**54 796 501**	**4 214 375**	**(13 243 305)**	**(17 457 679)**	**(55 840 360)**