CAPE AGULHAS LOCAL MUNICIPALITY

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ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024

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 105 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 2024

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
B Vink	Member (Resigned on 31 July 2023)
Z Abrahams	Member
J Gourrah	Member
N Olivier	Member (Appointed on 2 January 2024)

ACCOUNTING OFFICER

Mr E Phillips

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	Supply Chain Management Regulations, 2005
Value Added Tax Act	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
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)

CAPE AGULHAS LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

APPROVAL OF ACCOUNTING OFFICER

I am responsible for the preparation of these annual financial statements for the financial year ended 30 June 2024, which are set out on pages 1 to 142 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 2025 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.

29 November 2024

Mr E Phillips
Accounting Officer

Date

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
ASSETS			
Current Assets		**120 634 553**	**174 273 614**
Cash and Cash Equivalents	**2**	63 000 967	118 841 327
Receivables from Exchange Transactions	**3**	42 210 410	42 185 330
Receivables from Non-exchange Transactions	**4**	12 746 891	10 673 043
Operating Lease Asset	**5.1**	293 501	369 782
Current Portion of Long-term Receivables	**6**	1 731	4 359
Inventory	**7**	2 381 054	2 199 774
Non-current Assets		**623 411 367**	**601 183 891**
Long-Term Receivables	**6**	133 202	136 102
Investment Property	**8**	39 672 685	39 730 001
Property, Plant And Equipment	**9**	581 169 884	558 189 286
Intangible Assets	**10**	2 435 597	3 128 503
Total Assets		**744 045 920**	**775 457 505**
Current Liabilities		**100 554 245**	**118 192 655**
Current Portion of Long-Term Liabilities	**11**	9 172 193	11 661 619
Consumer Deposits	**12**	7 273 457	6 143 300
Payables from Exchange Transactions	**13**	56 191 154	71 249 266
Unspent Conditional Government Grants	**14**	3 386 137	5 731 423
Unspent Public Contributions	**15**	37 000	-
Taxes	**16**	765 905	1 365 520
Operating Lease Liability	**5.2**	-	30 735
Current Employee Benefits	**17**	18 508 789	17 884 487
Provisions	**18**	5 219 609	4 126 304
Non-current Liabilities		**167 360 375**	**178 512 266**
Long-Term Liabilities	**11**	48 779 160	57 951 353
Employee Benefits	**19**	49 549 000	46 165 000
Non-Current Provisions	**20**	69 032 216	74 395 913
Total Liabilities		**267 914 620**	**296 704 921**
Net Assets		**476 131 302**	**478 752 587**
Community Wealth			
Accumulated Surplus	**21**	436 631 302	439 252 587
Capital Replacement Reserve	**21**	39 500 000	39 500 000
Total Community Wealth		**476 131 302**	**478 752 587**

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2024

REVENUE	Notes	2024 R (Actual)	2023 R (Restated)
REVENUE FROM NON-EXCHANGE TRANSACTIONS		**184 986 725**	**176 841 922**
Taxation Revenue		**94 293 690**	**86 843 163**
Property Rates	**22**	94 293 690	86 843 163
Transfer Revenue		**69 171 797**	**68 564 860**
Government Grants and Subsidies - Capital	**23**	16 652 328	21 965 462
Government Grants and Subsidies - Operating	**23**	47 767 703	46 469 398
Public Contributions and Donations - Operating	**24**	40 000	130 000
Contributed Assets	**25**	4 711 766	-
Other Revenue		**21 521 237**	**21 433 899**
Fines	**26**	2 861 392	2 734 185
Actuarial Gains	**27**	1 373 765	4 860 785
Third Party - Insurance Receipts		95 213	177 647
Availability Charges	**28**	13 549 330	12 282 434
Other Income	**35**	3 641 538	1 378 849
REVENUE FROM EXCHANGE TRANSACTIONS		**284 652 547**	**254 257 572**
Operating Activities		**284 652 547**	**254 257 572**
Service Charges	**29**	244 682 613	206 594 720
Rental of Facilities and Equipment	**30**	8 637 073	9 352 205
Interest Earned - External Investments	**31**	7 860 167	9 216 359
Interest Earned - Outstanding Debtors	**32**	3 660 637	2 301 282
Licences and Permits	**33**	1 210 097	1 127 764
Agency Services	**34**	2 765 234	2 784 749
Other Income	**35**	15 633 934	17 245 358
Gains on Disposal of Properties and Movable Assets	**36**	202 792	5 635 134
CONSTRUCTION CONTRACTS	**37**	**9 714 419**	**7 572 442**
TOTAL REVENUE		**479 353 691**	**438 671 936**
EXPENDITURE			
Employee Related Costs	**38**	177 765 008	164 166 736
Remuneration of Councillors	**39**	6 216 983	5 577 042
Debt Impairment	**40**	24 136 426	16 271 040
Depreciation and Amortisation	**41**	22 019 464	21 521 777
Impairments	**42**	129 002	153 523
Finance Charges	**44**	20 067 315	18 478 198
Bulk Purchases	**45**	133 317 859	110 785 889
Contracted Services	**46**	44 862 666	36 308 540
Transfers and Grants	**47**	1 084 486	1 104 128
Other Expenditure	**48**	51 876 153	57 267 770
Loss on Disposal of Property, Plant and Equipment		499 614	37 840
TOTAL EXPENDITURE		**481 974 976**	**431 672 484**
NET SURPLUS/(DEFICIT) FOR THE YEAR		**(2 621 285)**	**6 999 452**

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2024

	CAPITAL REPLACEMENT RESERVE R	ACCUMULATED SURPLUS R	TOTAL R
Balance on 30 June 2022 - Previously Reported	**37 500 000**	**441 173 404**	**478 673 404**
Prior Period Adjustment - Refer to note 49.07	-	(8 920 269)	(8 920 269)
Balance on 30 June 2022 - Restated	**37 500 000**	**432 253 135**	**469 753 135**
Net Surplus for the Year	-	6 999 452	6 999 452
Transfers to Reserves	20 797 806	(23 927 645)	(3 129 839)
Property, Plant and Equipment Purchased	(18 797 806)	23 927 645	5 129 839
Balance on 30 June 2023 - Restated	**39 500 000**	**439 252 587**	**478 752 587**
Net Deficit for the Year	-	(2 621 285)	(2 621 285)
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	**39 500 000**	**436 631 302**	**476 131 302**

CAPE AGULHAS LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates		89 734 956	86 010 383
Service Charges		230 836 454	208 703 313
Other Revenue		33 140 363	47 390 304
Transfers and Subsidies - Operational		47 653 779	46 568 781
Transfers and Subsidies - Capital		14 420 966	26 205 380
Interest		13 040 305	11 103 859
Payments			
Suppliers and Employees		(411 752 615)	(366 537 736)
Finance Charges		(7 240 172)	(7 298 254)
Transfers and Grants		(1 084 486)	(1 104 128)
NET CASH FROM OPERATING ACTIVITIES	**50**	**8 749 550**	**51 041 901**
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on Disposal of Assets		5 522 998	15 463 922
Decrease in Long-Term Receivables		5 528	8 431
Payments			
Purchase of Property, Plant and Equipment		(58 456 817)	(59 092 718)
NET CASH USED INVESTING ACTIVITIES		**(52 928 291)**	**(43 620 365)**
CASH FLOW FROM FINANCING ACTIVITIES			
Payments			
Loans Repaid		(11 661 619)	(11 975 923)
NET CASH USED FINANCING ACTIVITIES		**(11 661 619)**	**(11 975 923)**
NET DECREASE IN CASH HELD		**(55 840 360)**	**(4 554 389)**
Cash and Cash Equivalents at the beginning of the year		118 841 327	123 395 715
Cash and Cash Equivalents at the end of the year	**51**	63 000 967	118 841 327
NET DECREASE IN CASH HELD		**(55 840 360)**	**(4 554 389)**

CAPE AGULHAS LOCAL MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2024 R (Actual)	2024 R (Final Budget)	2024 R (Variance)
ASSETS			
Current Assets			
Cash and cash equivalents	63 000 967	146 379 429	(83 378 462)
Trade and other receivables from exchange transactions	42 210 410	67 330 471	(25 120 061)
Receivables from non-exchange transactions	12 746 891	13 744 907	(998 016)
Current portion of non-current receivables	1 731	4 359	(2 628)
Inventory	2 381 054	1 502 782	878 272
VAT	3 217 622	4 444 968	(1 227 346)
Other current assets	293 501	701 398	(407 897)
Total Current Assets	**123 852 175**	**234 108 314**	**(110 256 139)**
Non-Current Assets			
Investment property	39 672 685	39 587 962	84 723
Property, plant and equipment	581 169 884	607 508 991	(26 339 107)
Intangible assets	2 435 597	2 755 744	(320 147)
Non-current receivables from non-exchange transactions	133 202	136 102	(2 900)
Total Non-Current Assets	623 411 367	649 988 799	(26 577 432)
TOTAL ASSETS	**747 263 542**	**884 097 113**	**(136 833 571)**
LIABILITIES			
Current Liabilities			
Financial liabilities	9 172 193	11 661 614	(2 489 421)
Consumer deposits	7 273 457	6 245 324	1 028 133
Trade and other payables from exchange transactions	56 191 154	45 984 597	10 206 558
Trade and other payables from non-exchange transactions	3 423 137	10 011 424	(6 588 287)
Provisions	23 728 398	15 812 536	7 915 862
VAT	3 983 527	5 866 393	(1 882 866)
Total Current Liabilities	**103 771 867**	**95 581 888**	**8 189 979**
Non-Current Liabilities			
Borrowing	48 779 160	68 978 183	(20 199 023)
Provisions	77 187 216	89 199 683	(12 012 467)
Other non-current liabilities	41 394 000	41 070 890	323 110
Total Non-Current Liabilities	**167 360 375**	**199 248 756**	**(31 888 380)**
TOTAL LIABILITIES	**271 132 242**	**294 830 644**	**(23 698 401)**
NET ASSETS	**476 131 302**	**589 266 469**	**(113 135 167)**
COMMUNITY WEALTH			
Accumulated Surplus/(Deficit)	436 631 302	479 604 126	(42 972 824)
Funds and Reserves	39 500 000	57 588 741	(18 088 741)
TOTAL COMMUNITY WEALTH/EQUITY	**476 131 302**	**537 192 867**	**(61 061 565)**

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 2024

ADJUSTMENTS TO APPROVED BUDGET	2024 R (Original Budget)	2024 R (Adjustments)	2024 R (Final and Approved Budget)
ASSETS			
Current assets			
Cash and cash equivalents	163 271 162	(16 891 733)	146 379 429
Trade and other receivables from exchange transactions	102 004 436	(34 673 965)	67 330 471
Receivables from non-exchange transactions	10 070 853	3 674 054	13 744 907
Current portion of non-current receivables	2 129	2 230	4 359
Inventory	1 859 000	(356 218)	1 502 782
VAT	4 916 844	(471 876)	4 444 968
Other current assets	654 765	46 633	701 398
Total Current Assets	**282 779 189**	**(48 670 875)**	**234 108 314**
Non-Current Assets			
Investment property	40 106 932	(518 970)	39 587 962
Property, plant and equipment	627 440 421	(19 931 430)	607 508 991
Intangible assets	3 094 646	(338 902)	2 755 744
Non-current receivables from non-exchange transactions	146 762	(10 660)	136 102
Total Non-Current Assets	**670 788 761**	**(20 799 962)**	**649 988 799**
TOTAL ASSETS	**953 567 950**	**(69 470 837)**	**884 097 113**
LIABILITIES			
Current Liabilities			
Financial liabilities	12 047 037	(385 423)	11 661 614
Consumer deposits	5 903 224	342 100	6 245 324
Trade and other payables from exchange transactions	54 710 509	(8 725 912)	45 984 597
Trade and other payables from non-exchange transactions	5 447 540	4 563 884	10 011 424
Provisions	15 965 170	(152 634)	15 812 536
VAT	5 362 833	503 560	5 866 393
Total Current Liabilities	**99 436 313**	**(3 854 425)**	**95 581 888**
Non-Current Liabilities			
Borrowing	91 586 315	(22 608 132)	68 978 183
Provisions	82 182 050	7 017 633	89 199 683
Other non-current liabilities	42 502 780	(1 431 890)	41 070 890
Total Non-Current Liabilities	**216 271 145**	**(17 022 389)**	**199 248 756**
TOTAL LIABILITIES	**315 707 458**	**(20 876 814)**	**294 830 644**
NET ASSETS	**637 860 492**	**(48 594 023)**	**589 266 469**
COMMUNITY WEALTH			
Accumulated Surplus/(Deficit)	598 360 492	(118 756 366)	479 604 126
Funds and Reserves	39 500 000	18 088 741	57 588 741
TOTAL COMMUNITY WEALTH/EQUITY	**637 860 492**	**(100 667 625)**	**537 192 867**

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 2024

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2024 R (Actual)	2024 R (Final Budget)	2024 R (Variance)
REVENUE BY SOURCE			
Exchange Revenue			
Service charges - Electricity	168 900 925	169 964 956	(1 064 031)
Service charges - Water	47 354 227	41 357 730	5 996 497
Service charges - Waste Water Management	16 097 602	15 133 520	964 082
Service charges - Waste Management	27 651 003	26 703 326	947 677
Sale of Goods and Rendering of Services	9 176 429	12 900 860	(3 724 431)
Agency services	4 020 156	4 287 290	(267 134)
Interest earned from Receivables	2 647 862	1 385 020	1 262 842
Assets	7 860 167	6 944 130	916 037
Rental from Fixed Assets	1 948 265	2 587 580	(639 315)
Licence and permits	-	44 170	(44 170)
Operational Revenue	2 256 948	2 436 527	(179 579)
Non-Exchange Revenue			
Property rates	94 293 690	94 803 630	(509 940)
Fines, penalties and forfeits	3 434 898	6 019 460	(2 584 562)
Transfer and subsidies - Operational	66 222 743	59 864 175	6 358 568
Interest	1 012 776	850 000	162 776
Operational Revenue	13 549 330	15 626 820	(2 077 490)
Gains on disposal of Assets	202 792	10 000 000	(9 797 208)
Other Gains	1 373 765	-	1 373 765
TOTAL OPERATING REVENUE	**468 003 577**	**470 909 194**	**(2 905 617)**
EXPENDITURE BY TYPE			
Employee related costs	182 265 476	177 571 602	4 693 874
Remuneration of councillors	6 216 983	6 334 800	(117 817)
Bulk purchases - electricity	133 052 011	133 823 600	(771 589)
Inventory consumed	34 386 133	34 681 540	(295 407)
Debt impairment	19 563 293	5 720 440	13 842 853
Depreciation and amortisation	22 148 467	12 956 901	9 191 566
Interest	8 260 172	6 999 570	1 260 602
Contracted services	32 627 697	32 008 870	618 827
Transfers and subsidies	1 931 641	2 140 000	(208 359)
Irrecoverable debts written off	4 573 133	4 115 000	458 133
Operational costs	46 464 338	51 803 907	(5 339 569)
Losses on disposal of Assets	499 614	-	499 614
Other Losses	-	347 340	(347 340)
TOTAL OPERATING EXPENDITURE	**491 988 957**	**468 503 570**	**23 485 387**
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**(23 985 380)**	**2 405 624**	**(26 391 004)**
Transfers and subsidies - Capital	16 652 328	20 664 505	(4 012 177)
Transfers and subsidies - Capital (In Kind)	4 711 766	-	4 711 766
NET SURPLUS/(DEFICIT) FOR THE YEAR	**(2 621 285)**	**23 070 129**	**(25 691 414)**

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 2024

ADJUSTMENTS TO APPROVED BUDGET	2024 R (Original Budget)	2024 R (Adjustments)	2024 R (Approved Budget)	2024 R (Virements)	2024 R (Final Budget)
REVENUE BY SOURCE					
Exchange Revenue					
Service charges - Electricity	165 479 456	4 485 500	169 964 956	-	169 964 956
Service charges - Water	41 641 970	(284 240)	41 357 730	-	41 357 730
Management	19 780 470	(4 646 950)	15 133 520	-	15 133 520
Service charges - Waste Management	25 723 580	979 746	26 703 326	-	26 703 326
Sale of Goods and Rendering of Services	12 900 850	10	12 900 860	-	12 900 860
Agency services	4 287 290	-	4 287 290	-	4 287 290
Interest earned from Receivables	1 385 020	-	1 385 020	-	1 385 020
Non Current Assets	6 194 130	750 000	6 944 130	-	6 944 130
Rental from Fixed Assets	2 787 580	(200 000)	2 587 580	-	2 587 580
Licence and permits	44 170	-	44 170	-	44 170
Operational Revenue	1 616 527	820 000	2 436 527	-	2 436 527
Non-Exchange Revenue					-
Property rates	93 064 830	1 738 800	94 803 630	-	94 803 630
Fines, penalties and forfeits	6 014 460	5 000	6 019 460	-	6 019 460
Transfer and subsidies - Operational	58 906 175	958 000	59 864 175	-	59 864 175
Interest	850 000	-	850 000	-	850 000
Operational Revenue	-	15 626 820	15 626 820	-	15 626 820
Gains on disposal of Assets	15 000 000	(5 000 000)	10 000 000	-	10 000 000
TOTAL OPERATING REVENUE	**455 676 508**	**15 232 686**	**470 909 194**	**-**	**470 909 194**
EXPENDITURE BY TYPE					
Employee related costs	178 576 023	(1 004 421)	177 571 602	-	177 571 602
Remuneration of councillors	5 753 300	581 500	6 334 800	-	6 334 800
Bulk purchases - electricity	125 893 600	7 930 000	133 823 600	-	133 823 600
Inventory consumed	39 820 480	(5 471 790)	34 348 690	332 850	34 681 540
Debt impairment	6 085 440	(365 000)	5 720 440	-	5 720 440
Depreciation and amortisation	11 310 530	1 646 371	12 956 901	-	12 956 901
Interest	7 034 570	(35 000)	6 999 570	-	6 999 570
Contracted services	33 427 330	(1 418 460)	32 008 870	-	32 008 870
Transfers and subsidies	2 291 600	(151 600)	2 140 000	-	2 140 000
Irrecoverable debts written off	3 750 000	365 000	4 115 000	-	4 115 000
Operational costs	39 915 955	11 881 952	51 797 907	6 000	51 803 907
Other Losses	8 490	338 850	347 340	-	347 340
TOTAL OPERATING EXPENDITURE	**453 867 318**	**14 297 402**	**468 164 720**	**338 850**	**468 503 570**
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**1 809 190**	**935 284**	**2 744 474**	**(338 850)**	**2 405 624**
Transfers and subsidies - Capital	16 622 825	4 041 680	20 664 505	-	20 664 505
NET SURPLUS FOR THE YEAR	**18 432 015**	**4 976 964**	**23 408 979**	**(338 850)**	**23 070 129**

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 2024

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2024 R (Actual)	2024 R (Final Budget)	2024 R (Variance)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates	89 734 956	94 703 958	(4 969 002)
Service charges	230 836 454	284 962 167	(54 125 713)
Other revenue	22 503 279	27 057 612	(4 554 333)
Transfers and Subsidies - Operational	57 556 707	19 354 175	38 202 532
Transfers and Subsidies - Capital	14 420 966	20 664 505	(6 243 539)
Interest	13 040 305	6 944 130	6 096 175
Payments			
Suppliers and Employees	(412 148 615)	(420 269 267)	8 120 652
Finance Charges	(7 240 172)	-	(7 240 172)
Transfers and Grants	(1 084 486)	-	(1 084 486)
NET CASH FROM OPERATING ACTIVITIES	**7 619 393**	**33 417 280**	**(25 797 887)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	5 522 998	10 000 000	(4 477 002)
Receivables	5 528	-	5 528
Payments			
Capital Assets	(58 456 817)	(60 140 160)	1 683 343
NET CASH USED IN INVESTING ACTIVITIES	**(52 928 291)**	**(50 140 160)**	**(2 788 131)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Borrowing long term/refinancing	-	19 087 837	(19 087 837)
Increase in Consumer Deposits	1 130 157	6 245 324	(5 115 167)
Payments			
Repayment of borrowing	(11 661 619)	(6 193 520)	(5 468 099)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(10 531 463)**	**19 139 641**	**(29 671 103)**
NET INCREASE/(DECREASE) IN CASH HELD	**(55 840 360)**	**2 416 761**	**(58 257 122)**
Cash/cash equivalents at the year begin:	118 841 327	119 574 818	(733 491)
Cash/cash equivalents at the year end:	63 000 967	121 991 579	(58 990 612)
NET INCREASE/(DECREASE) IN CASH HELD	**(55 840 360)**	**2 416 761**	**(58 257 121)**

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 2024

ADJUSTMENTS TO APPROVED BUDGET

	2024 R (Original Budget)	2024 R (Adjustments)	2024 R (Final and Approved Budget)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates	93 146 934	1 557 024	94 703 958
Service charges	272 934 634	12 027 533	284 962 167
Other revenue	22 504 877	4 552 735	27 057 612
Transfers and Subsidies - Operational	18 396 175	958 000	19 354 175
Transfers and Subsidies - Capital	16 622 825	4 041 680	20 664 505
Interest	5 002 310	1 941 820	6 944 130
Payments			
Suppliers and Employees	(412 435 000)	(7 834 267)	(420 269 267)
NET CASH FROM OPERATING ACTIVITIES	**16 172 755**	**17 244 525**	**33 417 280**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	15 000 000	(5 000 000)	10 000 000
Payments			
Capital Assets	(59 932 535)	(207 625)	(60 140 160)
NET CASH USED IN INVESTING ACTIVITIES	**(44 932 535)**	**(5 207 625)**	**(50 140 160)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Borrowing long term/refinancing	19 087 837	-	19 087 837
Increase in Consumer Deposits	-	6 245 324	6 245 324
Payments			
Repayment of borrowing	(6 228 520)	35 000	(6 193 520)
NET CASH FROM FINANCING ACTIVITIES	**12 859 317**	**6 280 324**	**19 139 641**
NET INCREASE/(DECREASE) IN CASH HELD	**(15 900 463)**	**18 317 224**	**2 416 761**
Cash/cash equivalents at the year begin:	144 675 810	(25 100 992)	119 574 818
Cash/cash equivalents at the year end:	128 775 347	(6 783 768)	121 991 579
NET INCREASE/(DECREASE) IN CASH HELD	**(15 900 463)**	**18 317 224**	**2 416 761**

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**	
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.

		2024	2023
		R	R
2	**CASH AND CASH EQUIVALENTS**		
	Primary Bank Account	59 201 117	36 215 427
	Call and Notice Deposits	3 789 000	82 615 050
	Cash Floats	10 850	10 850
	Total	**63 000 967**	**118 841 327**

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 40 million on 5 July 2024).

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

	2024	2023
	R	R
Unspent Conditional Grants	3 386 137	5 731 423
Unspent Annuity Loans	2 540 927	17 139 911
Unspent Housing Allocation (Rent-to-Own)	10 469 873	18 347 480
Capital Replacement Reserve	39 500 000	39 500 000
Committed Investments	3 789 000	3 789 000
Working Capital Requirements	3 315 029	34 333 512
Total	**63 000 967**	**118 841 327**

Primary Bank Account

Bredasdorp ABSA - Account number 40 5883 2586

Bank Statement Balance - Opening Balance	35 814 134	19 663 072
Bank Statement Balance - Closing Balance	58 742 924	35 814 134
Cashbook Balance - Opening Balance	36 215 427	20 770 315
Cashbook Balance - Closing Balance	59 201 117	36 215 427

Guarantees relating to The Post Office amounting to R 50 000 (2023 - 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 2023 and 30 June 2024.

	2024 R	2023 R
2 CASH AND CASH EQUIVALENTS (CONTINUED)		

Call and Notice Deposits

Call and Notice Deposits consist out of the following

	2024 R	2023 R
ABSA - Acc No 2078493223	1 254 000	1 254 000
ABSA - Acc No 2079252816	2 535 000	2 535 000
Nedbank - Acc No 7881714298/181	-	9 200 000
Nedbank - Acc No 7881714298/182	-	15 000 000
Standard Bank - Acc No 478526628 - 025	-	20 000 000
Standard Bank - Acc No 478526628 - 024	-	34 626 050
Total	**3 789 000**	**82 615 050**

Interest of 9.26% (2023 - between 9.00% and 9.71%) 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 31 May 2024 and 14 June 2024 (2022 - 31 May 2023 and 14 June 2023) respectively.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

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	**4 023 713**	**-**	**4 023 713**
Asset Sales	986 763	-	986 763
Pre-paid Electricity	722 199	-	722 199
Accrued Interest	297 619	-	297 619
Sundry Receivables	284 457	-	284 457
Payments in Advance	1 732 674	-	1 732 674
Total	**80 559 111**	**38 348 701**	**42 210 410**

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

30 JUNE 2023

	Gross Balance R	Allowance for impairment R	Net Receivable R
Service Receivables	**53 434 892**	**23 137 417**	**30 297 475**
Electricity	20 465 189	4 045 998	16 419 191
Water	12 543 892	6 158 166	6 385 726
Refuse	8 854 954	5 282 498	3 572 456
Sewerage	6 232 397	3 810 938	2 421 460
Other Services	5 338 460	3 839 818	1 498 642
Other Receivables	**11 887 855**	**-**	**11 887 855**
Asset Sales	6 638 045	-	6 638 045
Pre-paid Electricity	392 343	-	392 343
Accrued Interest	733 493	-	733 493
Sundry Receivables	2 436 110	-	2 436 110
Payments in Advance	1 687 864	-	1 687 864
Total	**65 322 747**	**23 137 417**	**42 185 330**
Balance Previously Reported	**66 067 056**	**23 137 417**	**42 929 638**
Prior Period Adjustment - Refer to note 49.01	(744 309)	-	(744 309)
Restated Balance on 30 June 2023	**65 322 747**	**23 137 417**	**42 185 330**

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:	2024 R	2023 R
Electricity Ageing		
Current (0 - 30 days)	16 568 274	13 503 888
Past Due (31 - 60 Days)	4 699 939	2 556 254
Past Due (61 - 90 Days)	802 778	668 563
Past Due (90 Days +)	5 185 016	3 736 483
Total	**27 256 006**	**20 465 189**
Water Ageing		
Current (0 - 30 days)	5 568 545	4 662 669
Past Due (31 - 60 Days)	2 289 642	1 715 551
Past Due (61 - 90 Days)	1 152 670	509 337
Past Due (90 Days +)	11 856 060	5 656 334
Total	**20 866 917**	**12 543 892**

		2024 R	2023 R
3	**RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)**		
	Refuse Ageing		
	Current (0 - 30 days)	2 177 826	2 287 280
	Past Due (31 - 60 Days)	1 191 629	1 158 580
	Past Due (61 - 90 Days)	534 690	419 027
	Past Due (90 Days +)	8 014 495	4 990 067
	Total	**11 918 640**	**8 854 954**
	Sewerage Ageing		
	Current (0 - 30 days)	1 281 404	1 406 422
	Past Due (31 - 60 Days)	695 525	879 533
	Past Due (61 - 90 Days)	406 545	303 837
	Past Due (90 Days +)	6 068 604	3 642 605
	Total	**8 452 078**	**6 232 397**
	Other Services Ageing		
	Current (0 - 30 days)	695 361	655 594
	Past Due (31 - 60 Days)	570 995	686 210
	Past Due (61 - 90 Days)	405 609	201 465
	Past Due (90 Days +)	6 369 792	3 795 191
	Total	**8 041 757**	**5 338 460**
	Total Service Receivables Ageing		
	Current (0 - 30 days)	26 291 409	22 515 853
	Past Due (31 - 60 Days)	9 447 730	6 996 128
	Past Due (61 - 90 Days)	3 302 292	2 102 230
	Past Due (90 Days +)	37 493 967	21 820 680
	Total	**76 535 398**	**53 434 892**

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**

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Ageing per Customer Classification - 30 June 2023

	Consumers R	Industrial/ Commercial R	National and Provincial Government R
Current (0 - 30 days)	14 493 302	7 583 383	439 168
Past Due (31 - 60 Days)	5 099 313	1 823 429	73 387
Past Due (61 - 90 Days)	1 529 613	522 288	50 329
Past Due (90 Days +)	18 720 022	2 419 402	681 256
Sub-Total	**39 842 250**	**12 348 502**	**1 244 140**
Less Allowance for Impairment	(20 046 745)	(3 090 672)	-
Total	**19 795 505**	**9 257 830**	**1 244 140**

Included in Consumers are indigent balances amounting to R 5 143 102 (2023 - R 4 150 570). These balances were fully impaired.

	2024 R	2023 R
Reconciliation of Allowance for impairment		
Balance at the beginning of the year	23 137 417	16 360 735
Contribution to the provision	18 038 735	15 023 611
Electricity	2 406 479	1 711 727
Water	7 500 270	4 296 971
Refuse	3 322 661	3 583 366
Sewerage	2 593 802	2 707 182
Other Services	2 215 522	2 252 380
Other Arrears	-	471 985
Bad Debts Written off	(2 827 451)	(8 246 929)
Electricity	(229 465)	(501 542)
Water	(1 106 810)	(2 499 053)
Refuse	(608 369)	(1 477 916)
Sewerage	(489 996)	(1 165 107)
Other Services	(392 812)	(2 131 326)
Other Arrears	-	(471 985)
Balance at the end of the year	**38 348 701**	**23 137 417**

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 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**

30 JUNE 2023

	Gross Balance R	Allowance for impairment R	Net Receivable R
Service Receivables	**16 224 753**	**6 483 759**	**9 740 995**
Rates	13 715 244	5 954 646	7 760 598
Availability Charges	2 509 510	529 112	1 980 397
Other Receivables	**3 480 018**	**2 547 970**	**932 048**
Unpaid Fines	3 148 400	2 547 970	600 430
Sundry Deposits	331 618	-	331 618
Total	**19 704 771**	**9 031 729**	**10 673 043**

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:	**2024** R	**2023** R
Rates Ageing		
Current (0 - 30 days)	5 127 100	4 873 826
Past Due (31 - 60 Days)	2 606 034	1 232 871
Past Due (61 - 90 Days)	661 644	441 767
Past Due (90 Days +)	9 710 829	7 166 779
Total	**18 105 608**	**13 715 244**

	2024 R	2023 R
4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)		
Availability Charges		
Current (0 - 30 days)	1 243 112	1 108 155
Past Due (31 - 60 Days)	600 597	316 305
Past Due (61 - 90 Days)	242 304	184 628
Past Due (90 Days +)	1 981 018	900 422
Total	**4 067 031**	**2 509 510**
Total Service Receivables Ageing		
Current (0 - 30 days)	6 370 212	5 981 981
Past Due (31 - 60 Days)	3 206 631	1 549 175
Past Due (61 - 90 Days)	903 948	626 395
Past Due (90 Days +)	11 691 847	8 067 202
Total	**22 172 638**	**16 224 753**

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**

Ageing per Customer Classification - 30 June 2023

	Consumers R	Industrial/ Commercial R	National and Provincial Government R
Current (0 - 30 days)	5 302 195	397 017	282 769
Past Due (31 - 60 Days)	1 368 964	63 623	116 588
Past Due (61 - 90 Days)	490 904	43 614	91 877
Past Due (90 Days +)	5 940 899	682 973	1 443 330
Sub-Total	**13 102 962**	**1 187 227**	**1 934 565**
Less Allowance for Impairment	(5 842 835)	(640 924)	-
Total	**7 260 127**	**546 303**	**1 934 565**

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

Included in Consumers are indigent balances amounting to R 352 895 (2023 - R 394 239). These balances were fully impaired.

	2024 R	2023 R
Reconciliation of Allowance for impairment		
Balance at the beginning of the year	9 031 729	9 051 750
Contribution to the provision	6 213 969	2 954 173
Rates	3 073 508	1 196 651
Availability Charges	981 932	(149 978)
Fines	2 158 529	1 907 501
Bad Debts Written off	(1 745 682)	(2 974 195)
Rates	(168 371)	(755 483)
Availability Charges	(16 611)	(21 312)
Fines	(1 560 700)	(2 197 400)
Balance at the end of the year	**13 500 015**	**9 031 729**

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.

	2024 R	2023 R

5 OPERATING LEASES

5.1 OPERATING LEASE ASSETS

	2024 R	2023 R
Operating Lease Asset	**293 501**	**369 782**

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

Reconciliation of Operating Lease Asset:

	2024 R	2023 R
Balance at the beginning of the year	369 782	323 147
Movement during the year	(76 281)	46 635
Balance at the end of the year	**293 501**	**369 782**

	2024	2023
	R	R

5 OPERATING LEASES (CONTINUED)

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

	2024 R	2023 R
Within 1 Year	1 018 404	1 110 021
Between 1 and 5 Years	2 110 383	2 305 200
After 5 Years	482 585	952 824
Total	**3 611 372**	**4 368 046**

The lease payments are in respect of properties being lease out over a period ranging up to 2031 (2023 - 2031).

5.2 OPERATING LEASE LIABILITIES

	2024 R	2023 R
Operating Lease Liability	**-**	**30 735**

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

Reconciliation of Operating Lease Liability:

	2024 R	2023 R
Balance at the beginning of the year	30 735	52 273
Movement during the year	(30 735)	(21 538)
Balance at the end of the year	**-**	**30 735**

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

	2024 R	2023 R
Within 1 Year	637 440	542 552
Between 1 and 5 Years	159 360	-
Total	**796 800**	**542 552**

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.

		2024	2023
		R	R
6	**LONG-TERM RECEIVABLES**		
	Receivables with Repayment Arrangements	7 555 943	5 592 933
	Individual Housing Loans	134 932	140 460
	Total Gross Balance	**7 690 875**	**5 733 393**
	Less: Allowance for Debt Impairment	(7 555 943)	(5 592 933)
	Total Net Balance	**134 932**	**140 460**
	Less: Current portion of Long-term Receivables	(1 731)	(4 359)
	Individual Housing Loans	(1 731)	(4 359)
	Total	**133 202**	**136 102**

Individual Housing Loans

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

Receivables with repayment arrangements

On 30 June 2024, debtors amounting to R 7 555 943 (2023 - R 5 592 933) have made arrangements to settle their accounts over an re-negotiated period. Total payments to the value of R 4 804 224 (2023 - R 3 190 328) 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 2 751 719 (2023 - R 2 402 605) are due within the next 12 month. As these amount are fully impaired, there are no balance to be transferred to current receivables.

	2024	2023
	R	R
Reconciliation of Allowance for impairment		
Balance at the beginning of the year	5 592 933	6 556 120
Contribution to/(Reversal of) the provision	1 963 010	(963 187)
Balance at the end of the year	**7 555 943**	**5 592 933**

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.

		2024	2023
		R	R
7	**INVENTORY**		
	Consumables	2 278 427	2 106 074
	Water	102 627	93 700
	Total	**2 381 054**	**2 199 774**

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.

	2024	2023
Inventory recognised as an expense during the year.	2 998 926	2 700 145

8 INVESTMENT PROPERTY

	2024	2023
Investment Property - Carrying Value	**39 672 685**	**39 730 001**

The movement in investment properties is reconciled as follows:

	2024	2023
Opening Carrying Value	**39 730 001**	**40 146 531**
Cost	39 909 284	40 317 284
Accumulated Depreciation	(179 284)	(170 754)
Depreciation for the year	(8 530)	(8 530)
Disposals	(48 786)	(408 000)
Cost	(95 000)	(408 000)
Accumulated Depreciation	46 214	-
Closing Carrying Value	**39 672 685**	**39 730 001**
Cost	39 814 284	39 909 284
Accumulated Depreciation	(141 600)	(179 284)

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 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	**94 226 377**	**5 810 666**	**(1 000)**	**100 036 043**	**12 837 419**	**478 096**	**-**	**13 315 515**	**1 060 592**	**-**	**1 060 592**	**85 659 936**
Land	58 973 197	-	(1 000)	58 972 197	-	-	-	-	-	-	-	58 972 197
Buildings	35 253 180	5 810 666	-	41 063 846	12 837 419	478 096	-	13 315 515	1 060 592	-	1 060 592	26 687 739
Capitalised Restoration Cost	**41 939 645**	**1 600**	**(8 836 103)**	**33 105 141**	**27 544 233**	**1 646 371**	**-**	**29 190 604**	**3 593 410**	**-**	**3 593 410**	**321 127**
Infrastructure	**505 817 726**	**33 501 634**	**-**	**539 319 360**	**116 200 415**	**13 453 562**	**-**	**129 653 977**	**-**	**-**	**-**	**409 665 383**
Roads and Storm water	194 470 928	17 714 833	-	212 185 761	39 283 860	5 729 773	-	45 013 633	-	-	-	167 172 128
Electricity Network	105 063 908	2 012 604	-	107 076 513	25 723 488	2 428 308	-	28 151 796	-	-	-	78 924 717
Sewerage Network	120 757 443	921 995	-	121 679 438	22 608 318	3 284 326	-	25 892 644	-	-	-	95 786 794
Water Network	80 271 424	8 612 083	-	88 883 507	26 626 255	1 802 671	-	28 428 927	-	-	-	60 454 581
Refuse Removal	5 254 022	4 240 119	-	9 494 141	1 958 494	208 483	-	2 166 977	-	-	-	7 327 163
Community Assets	**46 930 444**	**1 388 931**	**-**	**48 319 375**	**7 195 578**	**1 224 272**	**-**	**8 419 850**	**-**	**129 002**	**129 002**	**39 770 522**
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	8 430 635	277 261	-	8 707 896	1 299 917	348 577	-	1 648 495	-	46 646	46 646	7 012 755
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	**755 986 482**	**54 120 608**	**(11 128 516)**	**798 978 574**	**193 143 195**	**21 320 158**	**(1 437 667)**	**213 025 686**	**4 654 001**	**129 002**	**4 783 004**	**581 169 884**

9 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

30 JUNE 2023	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	**94 108 072**	**146 305**	**(28 000)**	**94 226 377**	**12 431 362**	**420 331**	**(14 274)**	**12 837 419**	**1 060 592**	**-**	**1 060 592**	**80 328 366**
Land	58 976 197	-	(3 000)	58 973 197	-	-	-	-	-	-	-	58 973 197
Buildings	35 131 875	146 305	(25 000)	35 253 180	12 431 362	420 331	(14 274)	12 837 419	1 060 592	-	1 060 592	21 355 169
Capitalised Restoration Cost	**34 919 530**	**7 035 229**	**(15 115)**	**41 939 645**	**24 497 739**	**3 046 494**	**-**	**27 544 233**	**3 439 887**	**153 523**	**3 593 410**	**10 802 002**
Infrastructure	**459 319 262**	**46 643 487**	**(145 023)**	**505 817 726**	**104 298 916**	**12 008 682**	**(107 183)**	**116 200 415**	**-**	**-**	**-**	**389 617 310**
Roads and Storm water	179 837 488	14 778 464	(145 023)	194 470 928	34 341 304	5 049 738	(107 183)	39 283 860	-	-	-	155 187 068
Electricity Network	94 013 300	11 050 609	-	105 063 908	23 288 696	2 434 792	-	25 723 488	-	-	-	79 340 420
Sewerage Network	109 842 190	10 915 253	-	120 757 443	20 040 049	2 568 268	-	22 608 318	-	-	-	98 149 125
Water Network	72 976 394	7 295 031	-	80 271 424	24 843 838	1 782 417	-	26 626 255	-	-	-	53 645 169
Refuse Removal	2 649 891	2 604 131	-	5 254 022	1 785 028	173 466	-	1 958 494	-	-	-	3 295 528
Community Assets	**44 965 799**	**2 064 009**	**(99 364)**	**46 930 444**	**6 085 416**	**1 134 575**	**(24 413)**	**7 195 578**	**-**	**-**	**-**	**39 734 866**
Cemeteries	320 729	-	-	320 729	20 871	4 164	-	25 035	-	-	-	295 694
Clinics	201 995	-	-	201 995	41 532	1 920	-	43 452	-	-	-	158 542
Community Halls	15 012 273	64 588	-	15 076 860	1 219 138	164 052	-	1 383 190	-	-	-	13 693 671
Libraries	4 878 443	199 010	-	5 077 453	1 870 061	72 923	-	1 942 984	-	-	-	3 134 469
Parks & Gardens	6 801 668	1 702 275	(73 309)	8 430 635	1 044 174	269 307	(13 563)	1 299 917	-	-	-	7 130 718
Recreation Grounds	1 766 423	-	-	1 766 423	415 860	24 678	-	440 538	-	-	-	1 325 885
Sports facilities	11 560 232	-	(26 055)	11 534 178	1 185 311	442 358	(10 850)	1 616 819	-	-	-	9 917 359
Markets	4 424 036	98 136	-	4 522 172	288 469	155 175	-	443 643	-	-	-	4 078 529
Other Assets	**61 506 278**	**8 249 668**	**(2 683 655)**	**67 072 291**	**27 272 455**	**4 209 252**	**(2 116 157)**	**29 365 550**	**-**	**-**	**-**	**37 706 741**
Computer Hardware	10 578 284	1 313 168	(516 084)	11 375 368	5 029 886	1 067 844	(431 097)	5 666 633	-	-	-	5 708 735
Furniture and Office Equipment	9 963 255	644 503	(154 985)	10 452 773	5 126 536	749 304	(119 541)	5 756 299	-	-	-	4 696 475
Vehicles	19 911 248	2 210 732	(1 176 652)	20 945 328	9 418 917	998 584	(890 240)	9 527 261	-	-	-	11 418 067
Special Vehicles	6 825 737	3 763 403	(233 469)	10 355 672	1 718 529	454 260	(154 827)	2 017 961	-	-	-	8 337 710
Tools and Equipment	10 753 027	256 644	(451 288)	10 558 384	4 222 447	792 002	(406 013)	4 608 436	-	-	-	5 949 948
Other	3 474 727	61 218	(151 179)	3 384 766	1 756 140	147 258	(114 438)	1 788 960	-	-	-	1 595 806
Total	**694 818 942**	**64 138 698**	**(2 971 157)**	**755 986 482**	**174 585 887**	**20 819 334**	**(2 262 027)**	**193 143 195**	**4 500 479**	**153 523**	**4 654 001**	**558 189 286**

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 in the 2022/2023 and 2023/2024 financial year. The current year impairment relates to the Soccer Field in Napier.

	2024 R	2023 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	2 259 953	2 112 701
Infrastructure - Electricity Network	18 029 946	24 179 255
Infrastructure - Sewerage Network	3 010 178	2 567 378
Infrastructure - Water Network	13 442 577	7 119 600
Infrastructure - Refuse Removal	5 229 944	989 825
Total Work in Progress (WIP)	**41 972 597**	**36 968 759**

The prior year figure was restated from R 40 218 037 to R 36 968 759. This is due to completed projects that were incorrectly not transferred to completed projects (Sewerage - R 979 746 and Water R 2 269 533). Depreciation were also corrected on these project that were retrospectively transferred out of Work in Progress.

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.

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

		2024	2023
		R	R
10	**INTANGIBLE ASSETS**		
	Intangible Assets - Carrying Value	**2 435 597**	**3 128 503**

The movement in intangible assets is reconciled as follows:

	2024	2023
Opening Carrying Value	**3 128 503**	**3 822 416**
Cost	7 090 437	7 090 437
Accumulated Amortisation	(3 961 934)	(3 268 022)
Disposals	(2 130)	-
Cost	(35 830)	-
Accumulated Amortisation	33 700	-
Amortisation for the year	(690 776)	(693 913)
Closing Carrying Value	**2 435 597**	**3 128 503**
Cost	7 054 607	7 090 437
Accumulated Amortisation	(4 619 011)	(3 961 934)

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

		2024	2023
		R	R
11	**LONG-TERM LIABILITIES**		
	Annuity Loans	57 951 353	69 612 972
	Sub-Total	**57 951 353**	**69 612 972**
	Less: Current portion of Long-term Liabilities	9 172 193	11 661 619
	Annuity Loans	9 172 193	11 661 619
	Total	**48 779 160**	**57 951 353**

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

		2024	2023
		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:

	2024	2023
Opening Balance - Unspent Loans	17 139 911	35 385 502
Assets purchased	(14 598 984)	(18 245 591)
Annuity Loans Raised	-	-
Closing Balance - Unspent Loans	**2 540 927**	**17 139 911**

The unspent loans relates to Annuity Loans raised during June 2022 - First National Bank. The remainder of the unspent funding will be utilised in terms of the medium term capital expenditure framework on capital projects included in the approved budget of the municipality after year-end.

Annuity Loans

	2024	2023
Amalgamated Banks of South Africa (ABSA)	1 328 805	1 745 197

Interest is calculated between 9.84% and 10.60% (2023 - 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 (2023 - 2) loan agreements

	2024	2023
Nedbank	7 800 000	10 900 000

Interest is calculated between 9.92% and 10.35% (2023 - 9.30% and 10.35%) interest rate. Loan period for remaining agreements are 10 years (2023 - 5 to 10 years) and loans will be redeemed between 30 June 2028 and 30 June 2029 (2023 - June 2023 to June 2029) . Annuity loan balance consist out of 2 (2023 - 4) loan agreements.

	2024	2023
Standard Bank	21 559 856	26 031 852

Interest is calculated between 10.69% and 11.07% (2023 - 10.69% to 11.07%) interest rate. Loan period ranges from 5 to 10 years (2023 - 3 to 10 years) and loans will be redeemed between 30 June 2026 and 30 June 2031 (2023 - 30 June 2024 and 30 June 2031) . Annuity loans consist out of 2 (2023 - 3) loan agreements.

		2024 R	2023 R
11	**LONG-TERM LIABILITIES (CONTINUED)**		
	First National Bank	27 262 691	30 935 923
	Interest is calculated between 10.31% and 10.37% (2023 - 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 (2023 - 3) loan agreements.		
		57 951 353	**69 612 972**

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

Annuity loans are payable as follows:

	2024	2023
Payable within one year	15 060 695	18 698 176
Payable within two to five years	46 860 595	53 206 442
Payable after five years	18 441 771	27 156 619
Total amount payable	**80 363 061**	**99 061 237**
Less: Outstanding Future Finance Charges	(22 411 708)	(29 448 265)
Present value of annuity loans	**57 951 353**	**69 612 972**

		2024 R	2023 R
12	**CONSUMER DEPOSITS**		
	Electricity	4 478 958	3 506 408
	Water	2 794 499	2 636 892
	Total	**7 273 457**	**6 143 300**
	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.

		2024	2023
		R	R
13	**PAYABLES FROM EXCHANGE TRANSACTIONS**		
	Trade Payables	33 104 205	40 805 475
	Balance Previously Reported		34 038 000
	Prior Period Adjustment - Refer to note 49.04		6 767 475
	Retentions	4 915 958	4 072 800
	Pre-Paid Electricity	705 478	585 928
	Debtors with credit balances	3 997 779	3 822 208
	Department of Human Settlements (DoHS)	12 953 628	19 544 645
	Balance Previously Reported		19 285 905
	Prior Period Adjustment - Refer to note 49.04		258 740
	Sundry Creditors	405 015	2 257 201
	Sundry Deposits	109 091	161 008
	Total	**56 191 154**	**71 249 266**

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.

Sundry creditors on 30 June 2024 and 30 June 2023 mainly consist out of payroll and Department of Transport creditors settled during July 2023.

The Department of Human Settlements (DoHS) consist out of the following:

	2024	2023
	R	R
Advances received for the construction of housing top structures - note 37	12 959 159	19 371 719
Rent-to-Buy Initiative	10 469 873	18 347 480
Integrated Residential Development Project (IRDP)	2 489 286	1 024 239
Advances received/(Outstanding Funds) in terms of principal-agent arrangments - note 59	(5 531)	172 926
Total	**12 953 628**	**19 544 645**

		2024	2023
		R	R
14	**UNSPENT CONDITIONAL GOVERNMENT GRANTS**		
	National Government	1 664 544	5 731 423
	Provincial Government	1 721 593	-
	Total	**3 386 137**	**5 731 423**

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.

		2024	2023
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.

		2024	2023
16	**TAXES**		
	VAT Output in Suspense	3 983 527	3 904 348
	Balance Previously Reported		4 001 432
	Prior Period Adjustment - Refer to note 49.05		(97 084)
	VAT Input in Suspense	(3 014 989)	(4 000 133)
	VAT Payable to/(Refundable from) SARS	(202 633)	1 461 305
	Balance Previously Reported		1 420 124
	Prior Period Adjustment - Refer to note 49.05		41 181
	Total	**765 905**	**1 365 520**

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).

		2024	2023
		R	R
17	**CURRENT EMPLOYEE BENEFITS**		
	Post Retirement Medical Benefits	2 055 000	1 643 000
	Long Service Awards	1 392 000	1 235 000
	Performance Bonuses	629 422	537 511
	Bonuses	4 787 501	4 576 450
	Staff Leave	9 644 866	9 892 526
	Total	**18 508 789**	**17 884 487**

The movement in current employee benefits are reconciled as follows:

	2024	2023
	R	R
Performance Bonuses		
Opening Balance	537 511	606 341
Contribution/(Reduction) during the year	557 054	404 268
Payments made	(465 143)	(473 098)
Closing Balance	**629 422**	**537 511**

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.

	2024	2023
	R	R
Bonuses		
Opening Balance	4 576 450	4 276 372
Contribution during the year	8 807 582	8 138 830
Payments made	(8 596 531)	(7 838 752)
Closing Balance	**4 787 501**	**4 576 450**

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.

	2024	2023
	R	R
Staff Leave		
Opening Balance	9 892 526	9 470 360
Contribution during the year	1 471 234	1 822 544
Payments made	(1 718 894)	(1 400 379)
Closing Balance	**9 644 866**	**9 892 526**

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.

		2024	2023
		R	R
18	**PROVISIONS**		
	SARS Ruling - Output VAT Payable on Library Funding	5 219 609	4 126 304
	Balance Previously Reported		-
	Prior Period Adjustment - Refer to note 49.06		4 126 304
	Total	**5 219 609**	**4 126 304**

The movement in the provision can be reconciled as follows:

	2024	2023
Opening Balance	4 126 304	3 233 348
Increase based on Output VAT portion of funding received	1 093 304	892 957
Closing Balance	**5 219 609**	**4 126 304**

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

During the 2022/23 statutory audit, the Auditor-General issued a finding that the funds received from the DCAS are for services rendered to the Department, as the library function has not been assigned to municipalities. Accordingly, it was concluded that the standard VAT rate of 15% be applied, resulting in Output VAT being payable to SARS. The funding is also considered to be exchange in nature.

During the current year, the Municipality obtained a legal opinion with a contrasting view to the above mentioned. This opinion supported the fact that no VAT is payable on the funding received.

The Municipality also requested a Section 41B VAT class ruling from the South African Revenue Service (SARS). As at reporting date, no formal ruling has been issued by SARS. Preliminary discussions with SARS indicated that the ruling may not be favourable towards to Municipality. Given this, the Municipality took a conservation approach to recognised a provision in this regard. Output VAT was calculated on funds received for operational purposes for the financial periods from 2018/19 to 2023/24. The comparatives was restated accordingly.

The recognition as a provision is further supported by the uncertainty relating to what stance SARS will take on the matter, specifically how far retrospectively SARS will require municipalities to correct the Output VAT not paid over, if retrospective application is required by SARS at all.

Another uncertainty is whether any penalties or interest will be levied by SARS. As the Municipality disclosed the potential obligation to SARS via the voluntary disclosure programme (VDP), it is estimated that no penalties and interest will be levied by SARS, and accordingly no penalties or interest were included in the provision. A contingent liability is however recognised in this regard.

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

It is estimated that the formal SARS ruling will be issued within the next 12 months. Accordingly, the provision is considered to be a current liability.

The recognition of the funding received as exchange revenue does not alter the legal views relating to VAT obtained by the municipality and is considered to be appropriate for GRAP compliance.

		2024	2023
		R	R
19	**EMPLOYEE BENEFITS**		
	Post Retirement Medical Benefits	43 449 000	39 559 000
	Long Service Awards	9 547 000	9 484 000
	Sub-Total	**52 996 000**	**49 043 000**
	Less: Current portion of Employee Benefits	**3 447 000**	**2 878 000**
	Post Retirement Medical Benefits	2 055 000	1 643 000
	Long Service Awards	1 392 000	1 235 000
	Total	**49 549 000**	**46 165 000**

19.1 Post Retirement Medical Benefits

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

	2024	2023
Opening Balance	**39 559 000**	**39 279 000**
Contribution during the year	6 273 000	6 072 000
Current Service Cost	1 432 000	1 514 000
Interest Expense	4 841 000	4 558 000
Payments made	(1 672 533)	(1 527 478)
Actuarial Gain	(710 467)	(4 264 522)
Change in Financial Assumptions	(876 000)	(4 503 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	165 533	238 478
Total balance at year-end	**43 449 000**	**39 559 000**
Less Current Portion	2 055 000	1 643 000
Total	**41 394 000**	**37 916 000**

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

	2024	2023
In-service members	136	134
In-service non-members	230	242
Continuation members	38	33
Total	**404**	**409**

19 EMPLOYEE BENEFITS (CONTINUED)

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

	2024 R	2023 R
In-service employees	22 984 000	22 217 000
Continuation members	20 465 000	17 342 000
Total Unfunded Liability	**43 449 000**	**39 559 000**

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 6 July 2024. 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 5,541 per principal member per month for the year ending 30 June 2025, and has been assumed to increase annually on 1 July at 75% of salary inflation.
- Upon a member's death-in-service, surviving dependants are entitled to commence receipt of 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.

Significant Actuarial Assumptions

	2024	2023
Interest Rates		
Discount rate	12.19%	12.49%
Medical aid contribution inflation rate	8.22%	8.22%

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 (2023 - 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% (2023 - 75%).

Other Assumptions

Interest Rates

CPI Inflation	6.19%	6.72%
Net Discount Rate (Medical Aid Contributions)	4.18%	3.95%
Maximum subsidy inflation rate	5.39%	5.79%
Net Discount Rate (Maximum Subsidy))	6.45%	6.33%

Replacement Ratio

A Replacement Ratio (expected pension as a percentage of final salary, at retirement) of 65% (2023 - 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:

	2024	2023
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% (2022 - 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% (2022 - 15%). It has been assumed that female spouses will be five years younger than their male counterparts. Furthermore, its assumed that 60% (2023 - 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	22.984	20.465	43.449	
Medical aid contribution inflation rate				
+ 1%	24.308	21.084	45.392	4%
- 1%	21.118	19.675	40.793	-6%
Discount rate				
+ 1%	19.884	18.900	38.784	-11%
- 1%	26.822	22.290	49.112	13%
Post-employment mortality				
+ 1 year	22.532	19.960	42.492	-2%
- 1 year	23.419	20.964	44.383	2%
Average retirement age				
- 1 year	25.198	20.465	45.663	5%
Membership continuation				
- 10%	20.076	20.465	40.541	-7%

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

Expected contributions and maturity analysis

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

The municipality expects to make contributions to the various medical schemes amounting to R 2 055 000 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	39.327	4%
Future year 11 to 20	98.114	10%
Future year 21 to 30	176.214	18%
Future year 31 to 40	236.497	24%
Future year 41 to 50	215.296	22%
Future year 51 to 60	136.653	14%
Future year 61 to 70	54.880	6%
Future year 71 to 80	10.984	1%
Total	**967.965**	**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:

	2024 R	2023 R
Opening Balance	**9 484 000**	**9 148 000**
Contribution during the year	1 701 000	1 655 000
Current Service Cost	681 000	689 000
Interest Expense	1 020 000	966 000
Payments made	(974 702)	(722 737)
Actuarial Gain	(663 298)	(596 263)
Change in Financial Assumptions	(160 000)	(433 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(503 298)	(163 263)
Total balance at year-end	**9 547 000**	**9 484 000**
Less Current Portion	1 392 000	1 235 000
Total	**8 155 000**	**8 249 000**

The following members are eligible for long service bonuses:

	2024	2023
In-service members	366	376

Last Valuation and Actuarial Valuation Method

The last valuation was performed on 6 July 2024. 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.

	2024	**2023**
Key Actuarial Assumptions used are as follows:		
Interest Rates		
Discount rate	11.13%	11.48%
CPI inflation rate	5.28%	5.94%
General earnings inflation rate	6.28%	6.94%
Net Discount Rate	4.57%	4.25%

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 (2023 - 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:

	2024	**2023**
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	9.547	
General earnings inflation rate		
+ 1%	10.097	6%
- 1%	9.048	-5%
Discount rate		
+ 1%	9.035	-5%
- 1%	10.120	6%
Average retirement age		
+ 2 years	11.062	16%
- 2 years	8.266	-13%
Rates of termination of service		
x 200 %	7.937	-17%
x 50 %	10.651	12%

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

Expected contributions and maturity analysis

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

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 1 392 000 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	15.496	31%
Future year 11 to 20	18.771	37%
Future year 21 to 30	13.676	27%
Future year 31 to 40	2.343	5%
Total	**50.286**	**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:

	2024 R	2023 R
Municipal Councillors Pension Fund	94 185	82 351
SAMWU National Provident Fund	1 186 363	1 247 350
Consolidated Retirement Fund	17 574 040	16 126 105
Total	**18 854 588**	**17 455 805**

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.

The municipality previously assessed the Consolidated Retirement Fund to be Multi-Employer Defined-Benefit Plan. This assessment was incorrect as the municipality is only liable for the required contributions to the fund and will not be liable for any shortfall in the fund (if any). This is in contrast to the former fund (Cape Joint Retirement Fund) which was deemed to be a Defined-Benefit Plan. Accordingly, all contributions previously disclosed as Defined-Benefit Plan contributions are now included as part of the Defined Contributions Plan contributions. All disclosures previously made in relation to Defined-Benefit Plans were also removed.

	2023 R
Defined-Benefit Plan contributions previously disclosed	16 126 105
Defined-Benefit Plan contributions reallocated to Defined Contribution Plans contributions	(16 126 105)
Restated disclosure relating to Defined-Benefit Plan contributions	**-**

		2024	2023
		R	R
20	**NON-CURRENT PROVISIONS**		
	Rehabilitation Provision - Landfill Sites	**69 032 216**	**74 395 913**
	The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:		
	Opening Balance	**74 395 913**	**62 772 221**
	Contribution during the year	(5 363 698)	11 623 693
	Increase/(Decrease) in estimate	(12 329 840)	5 967 749
	Interest Cost	6 966 143	5 655 944
	Total balance at year-end	**69 032 216**	**74 395 913**
	Less Current Portion	-	-
	Total	**69 032 216**	**74 395 913**

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

Site	Expected Rehabilitation date	2024	2023
Bredasdorp	Aug-64	5 494 002	4 964 195
Napier	Nov-29	26 864 606	29 218 120
Waenhuiskrans	Nov-29	5 273 179	5 715 593
Struisbaai	Nov-30	25 418 048	28 012 266
L'Agulhas	Nov-2029 (Site Closed)	5 881 003	6 376 977
Sub-Total		**68 930 837**	**74 287 150**
Post Monitoring and Inspection Cost		101 378	108 764
Total		**69 032 216**	**74 395 913**

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

The decrease in provision relating to all sites, except Bredasdorp, can be attributed to the fact that the estimated rehabilitation date was extended by 5 years resulting in a decrease in the net present value of the provision.

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 8.94% and 11.70% (2023 – 8.18% and 11.90%).

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):

	2024	2023
Bredasdorp	82 932	82 932
Napier	40 810	40 810
Waenhuiskrans	5 782	5 782
Struisbaai	42 127	42 127
L'Agulhas	5 603	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):

	2024	2023
Bredasdorp	669	650
Napier	778	749
Waenhuiskrans	1 078	1 034
Struisbaai	747	719
L'Agulhas	1 241	1 191

	2024 R	2023 R
21 RESERVES		
Accumulated Surplus	436 631 302	439 252 587
Capital Replacement Reserve	39 500 000	39 500 000
Total	**476 131 302**	**478 752 587**
22 PROPERTY RATES		
Total Property Rates	97 513 217	87 670 617
Less: Rebates	(3 219 526)	(827 454)
Total	**94 293 690**	**86 843 163**

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 (2023 - R 185 000) 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:

	2024 R	2023 R
Residential	10 387 892 700	7 226 278 200
Business & Commercial	733 562 100	701 761 100
Industrial	206 021 000	13 780 000
Public benefit Organizations	67 025 000	56 865 000
Public Service Infrastructure	7 941 000	4 041 000
State-owned	405 375 800	498 009 000
Agricultural	3 930 059 900	3 187 707 000
Municipal Property	266 184 900	262 865 950
Vacant Land	766 437 300	514 907 000
Other	334 227 500	134 658 100
Multi-Purpose	479 111 000	-
Total Valuation	**17 583 838 200**	**12 600 872 350**

The following rates are applicable to the valuations above:

	2024	2023
Residential Developed	0.006835 c / R	0.009053 c / R
Residential Vacant	0.007346 c / R	0.009182 c / R
Business and Commercial	0.008590 c / R	0.010104 c / R
Industrial	0.009020 c / R	0.010104 c / R
Public Benefit Organisations	0.001709 c / R	0.009053 c / R
State Owned	0.008590 c / R	0.010104 c / R
Agricultural - Bona fide	0.001709 c / R	0.002264 c / R
Public Service Purpose	0.008590 c / R	0.010104 c / R
Public Service Infrastructure	0.000000 c / R	0.002264 c / R
Private Open Space	0.006835 c / R	0.009053 c / R
Private Road	0.006835 c / R	0.009053 c / R
Private Township Area	0.006835 c / R	0.009053 c / R
Protected Area	0.006835 c / R	0.009053 c / R
Multi Purpose - Agricultural	0.001709 c / R	0.002264 c / R
Multi Purpose - Residential	0.006835 c / R	0.009053 c / R
Multi Purpose - Business and Commercial	0.008590 c / R	0.010104 c / R
Multi Purpose - Creche	0.008590 c / R	0.010104 c / R
Illegal Usage	2.938500 c / R	3.655890 c / R

		2024	2023
		R	R
23	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Unconditional Grants - National Government	**40 379 740**	**37 037 000**
	Equitable Share	40 379 740	37 037 000
	Conditional Grants - National Government	**23 784 884**	**26 993 914**
	Financial Management Grant (FMG)	1 550 000	1 550 000
	Municipal Infrastructure Grant (MIG)	16 031 037	7 145 257
	Water Services Infrastructure Grant (WSIG)	3 028 221	12 130 260
	Skills Development Fund and SETA Bursaries	416 745	625 278
	National Electrification Programme (INEP)	577 881	3 770 119
	Expanded Public Works Program (EPWP)	2 181 000	1 773 000
	Conditional Grants - Provincial Government	**255 407**	**4 403 946**
	Library Grant	35 400	548 985
	Proclaimed Road Subsidy	90 000	95 000
	Other Provincial Allocations	130 007	3 759 961
	Total	**64 420 031**	**68 434 860**
	Disclosed as:		
	Government Grants and Subsidies - Capital	16 652 328	21 965 462
	Government Grants and Subsidies - Operating	47 767 703	46 469 398
	Total	**64 420 031**	**68 434 860**
	Grants per Vote (MFMA Sec 123 (c)):		
	Equitable share	40 379 740	37 037 000
	Engineering Services	20 447 139	25 297 636
	Executive and Council	759 645	2 294 239
	Financial Services & ICT	1 791 107	2 027 300
	Management Services	1 042 400	1 778 685
	Total	**64 420 031**	**68 434 860**

The movements per grant can be summarised as follows:

		2024	2023
		R	R
23.01	**Equitable Share**		
	Grants Received	40 379 740	37 037 000
	Transferred to Revenue - Operating	(40 379 740)	(37 037 000)
	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)

	2024 R	2023 R
23.02 Financial Management Grant (FMG)		
Grants Received	1 550 000	1 550 000
Transferred to Revenue - Operating	(1 550 000)	(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.

	2024 R	2023 R
23.03 Municipal Infrastructure Grant (MIG)		
Opening Unspent Balance	4 783 802	193 281
Grants Received	11 440 000	11 929 000
Transferred to Revenue - Capital	(13 406 989)	(5 694 615)
Transferred to Revenue - Operating	(2 624 048)	(1 450 642)
Funds Returned to National Treasury	-	(193 222)
Closing Unspent Balance	**192 765**	**4 783 802**

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

	2024 R	2023 R
23.04 Water Services Infrastructure Grant (WSIG)		
Opening Unspent Balance	369 740	-
Grants Received	4 500 000	12 500 000
Transferred to Revenue - Capital	(2 633 235)	(10 548 053)
Transferred to Revenue - Operating	(394 985)	(1 582 208)
Funds Returned to National Treasury	(369 740)	-
Closing Unspent Balance	**1 471 779**	**369 740**

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.

	2024 R	2023 R
23.05 Skills Development Fund and SETA Bursaries		
Opening Unspent Balance	-	231 117
Grants Received	416 745	394 161
Transferred to Revenue - Operating	(416 745)	(625 278)
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.

	2024	2023
	R	R
23.06 National Electrification Programme (INEP)		
Opening Unspent Balance	577 881	-
Grants Received	-	4 348 000
Transferred to Revenue - Capital	(576 704)	(3 012 856)
Transferred to Revenue - Operating	(1 177)	(757 263)
Closing Unspent Balance	**-**	**577 881**

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.

	2024	2023
	R	R
23.07 Energy Efficiency and Demand-side (EEDM)		
Opening Unspent Balance	-	116 778
Funds Returned to National Treasury	-	(116 778)
Closing Unspent Balance	**-**	**-**

The Energy Efficiency and Demand-side Management funding program is aimed at promoting the implementation of more energy-efficient technologies, processes and behaviours amongst all electricity consumers.

	2024	2023
	R	R
23.08 Expanded Public Works Program (EPWP)		
Grants Received	2 181 000	1 773 000
Transferred to Revenue - Operating	(2 181 000)	(1 773 000)
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.

	2024	2023
	R	R
23.09 Library Grant		
Opening Unspent Balance	-	241 985
Grants Received	1 500 000	307 000
Transferred to Revenue - Capital	(35 400)	(464 005)
Transferred to Revenue - Operating	-	(84 980)
Closing Unspent Balance	**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 towards the repairs and maintenance of the Church Street Bredasdorp Roof.

	2024 R	2023 R
23.10 Proclaimed Road Subsidy		
Grants Received	90 000	95 000
Transferred to Revenue - Operating	(90 000)	(95 000)
Closing Unspent Balance	**-**	**-**

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

	2024 R	2023 R
23.11 Other Provincial Allocations		
Opening Unspent Balance	-	608 961
Grants Received	387 000	3 151 000
Transferred to Revenue - Capital	-	(2 245 934)
Transferred to Revenue - Operating	(130 007)	(1 514 027)
Closing Unspent Balance	**256 993**	**-**

Other Provincial Allocations includes grants such as the Community Development Workers (CDW), Provincial Finance Management Support Grant, Regional Socio-Economic Project Grants, Thusong Centre, LG Public Employment Grant, LG Capacity Grant, Municipal Energy Resilience Fund, DPLG - Smart Meter, Load Shedding (Coghta), Save House Contribution and Restructuring of Organogram and Performance

	2024 R	2023 R
23.12 Total Grants		
Opening Unspent Balance	5 731 423	1 392 123
Grants Received	62 444 485	73 084 161
Transferred to Revenue - Capital	(16 652 328)	(21 965 462)
Transferred to Revenue - Operating	(47 767 703)	(46 469 398)
Funds Returned to National Treasury	(369 740)	(310 000)
Closing Unspent Balance	**3 386 138**	**5 731 423**

		2024 R	2023 R
24	**PUBLIC CONTRIBUTIONS AND DONATIONS**		
	Overberg District Municipality	-	130 000
	Mayoral State of the Municipality Address	40 000	-
	Total	**40 000**	**130 000**
	Disclosed as:		
	Public Contributions and Donations - Operating	40 000	130 000
	Total	**40 000**	**130 000**

The movements per public contribution can be summarised as follows:

24.01	**Overberg District Municipality**		
	Public Contributions during the year	37 000	130 000
	Transferred to Revenue - Operating	-	(130 000)
	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.

		2024 R	2023 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.

		2024 R	2023 R
24.03	**Total**		
	Opening Unspent Balance	-	-
	Public Contributions during the year	77 000	130 000
	Transferred to Revenue - Capital	-	-
	Transferred to Revenue - Operating	(40 000)	(130 000)
	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**	**-**

		2024	2023
		R	R
26	**FINES**		
	Traffic Fines	2 852 303	2 728 861
	Library Fines	9 089	5 324
	Total	**2 861 392**	**2 734 185**

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.

		2024	2023
		R	R
27	**ACTUARIAL GAINS**		
	Post Retirement Medical Benefits	710 467	4 264 522
	Long Service Awards	663 298	596 263
	Total	**1 373 765**	**4 860 785**
28	**AVAILABILITY CHARGES**		
	Electricity Revenue	3 667 986	3 334 849
	Water Revenue	2 551 624	2 396 615
	Refuse Removal Revenue	3 780 256	3 707 256
	Sewerage and Sanitation Revenue	3 549 465	2 843 714
	Total	**13 549 330**	**12 282 434**
29	**SERVICE CHARGES**		
	Electricity Revenue	159 029 066	136 780 403
	Water Revenue	53 173 755	44 151 892
	Refuse Removal Revenue	29 509 890	30 284 252
	Sewerage and Sanitation Revenue	19 133 207	20 157 864
	Total Revenue	**260 845 917**	**231 374 410**
	Less: Rebates	(16 163 304)	(24 779 689)
	Water Revenue	(7 339 551)	(11 663 465)
	Refuse Removal Revenue	(5 437 227)	(7 698 544)
	Sewerage and Sanitation Revenue	(3 386 526)	(5 417 681)
	Total	**244 682 613**	**206 594 720**

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.

		2024	2023
		R	R
30	**RENTAL OF FACILITIES AND EQUIPMENT**		
	Halls and Offices	119 278	106 089
	Properties	1 820 252	2 121 388
	Resorts	6 688 808	7 114 041
	Sports Grounds	8 735	10 687
	Total	**8 637 073**	**9 352 205**
31	**INTEREST EARNED - EXTERNAL INVESTMENTS**		
	Call and Notice Deposits	4 287 437	6 665 157
	Current Accounts	3 572 730	2 551 202
	Total	**7 860 167**	**9 216 359**

Interest earned amounting to R 1 083 627 (2023 - R 258 740) 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.

		2024	2023
		R	R
32	**INTEREST EARNED - OUTSTANDING DEBTORS**		
	Interest Earned - Service Debtors	2 647 862	1 700 076
	Interest Earned - Penalty Interest on Property Rates	1 012 776	601 207
	Total	**3 660 637**	**2 301 282**
33	**LICENCES AND PERMITS**		
	Roadworthy Certificates	87 415	78 641
	Roadworthy Applications	319 124	301 394
	Driver Licences	803 558	747 164
	Business Licences	-	565
	Total	**1 210 097**	**1 127 764**
34	**AGENCY SERVICES**		
	Vehicle Licencing	1 792 618	1 845 502
	Vehicle Registrations	864 138	828 752
	Temporary and Special Licences	32 883	22 814
	Duplicate Vehicle Registrations	75 596	87 682
	Total	**2 765 234**	**2 784 749**

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:

		2024	2023
		R	R
34	**AGENCY SERVICES (CONTINUED)**		
	Balance at the beginning of year	145 690	259 228
	Revenue collected from third parties	16 921 198	17 519 323
	Agency Fee Earned	(2 765 234)	(2 784 749)
	VAT on Agency Fee Earned	(414 785)	(417 636)
	Collections paid over to The Department	(13 753 062)	(14 430 477)
	Collections payable to the Department at end of year	**133 806**	**145 690**

		2024	2023
		R	R
35	**OTHER INCOME**		
	Commission Received	49 303	241 634
	Clearance Certificates	151 304	169 347
	Connections - Electricity	1 634 896	2 552 529
	Connections - Water	962 957	1 803 031
	Connections - Sewer	457 424	852 330
	Town Planning Fees	437 611	554 206
	Building Plan Fees	1 534 106	1 717 211
	Forfeits	146 201	326 483
	Library Services	7 288 696	5 953 043
	Garden Refuse Removal	20 416	13 659
	Reduction in Rehabilitation Provision	3 495 337	1 052 365
	IT Shared Services	837 469	274 539
	Administrative Revenue	-	727 000
	Sundry Income	2 259 752	2 386 827
	Total	**19 275 472**	**18 624 206**
	Disclosed as		
	Revenue From Non-Exchange Transactions	3 641 538	1 378 849
	Revenue From Exchange Transactions	15 633 934	17 245 358
	Total	**19 275 472**	**18 624 206**

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.

		2024	2023
		R	R
36	**GAINS ON DISPOSAL OF PROPERTIES AND MOVABLE ASSETS**		
	Investment Property, Land and Movable Assets	202 792	5 635 134
	Total	**202 792**	**5 635 134**

The gains on the disposal of properties mainly have reference to properties sold in the municipal area at pre-determine market value. These disposals are aligned with the municipality's Long-Term Financial Plan strategy. Assets disposed of at movable auction is also included.

		2024	2023
		R	R
37	**CONSTRUCTION CONTRACTS**		
	Construction of Housing Top Structures	9 714 419	7 572 442
	Total	**9 714 419**	**7 572 442**

The Municipality has assessed that it acts as the Developer for the Department of Human Settlements 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 Human Settlements 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 Human Settlements 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.

	2024	2023
	R	R
Reconciliation for the year		
Opening Balance	19 371 719	9 785 292
Payments / Advances received	2 218 232	16 900 129
Interest Earned	1 083 627	258 740
Expenditure incurred / Revenue Recognised	(9 714 419)	(7 572 442)
Gross amount due to Department of Human Settlements	**12 959 159**	**19 371 719**
Rent-to-Buy Initiative	10 469 873	18 347 480
Integrated Residential Development Project	2 489 286	1 024 239

38	**EMPLOYEE RELATED COSTS**		
	Basic Salaries and Wages	119 830 517	112 039 175
	Pension and UIF Contributions	19 072 112	17 727 644
	Medical Aid Contributions	6 314 750	5 889 048
	Performance Bonus	557 054	404 268
	Overtime	8 752 454	6 408 357
	Motor Vehicle Allowance	8 136 668	7 472 579
	Cellphone Allowance	521 885	502 489
	Housing Allowances	907 890	823 130
	Acting Allowance	1 006 780	1 090 787
	Other benefits and allowances	8 272 229	7 009 722
	Workmens Compensation Contributions	808 435	773 993
	Payments in lieu of leave	1 471 234	1 822 544
	Long service awards	681 000	689 000
	Post Retirement Medical Benefits	1 432 000	1 514 000
	Total	**177 765 008**	**164 166 736**

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 one year after municipal elections)

	2024	2023
	R	R
Basic Salary	1 099 869	934 244
Pension and UIF Contributions	166 416	154 303
Medical Aid Contributions	36 626	48 696
Performance Bonus	145 712	102 735
Rural Allowance	94 857	87 688
Motor Vehicle Allowance	119 168	119 168
Cellphone Allowance	18 000	18 000
Payments in lieu of leave	-	119 193
Other benefits and allowances	40 680	20 340
Total	**1 721 329**	**1 604 368**

38 EMPLOYEE RELATED COSTS (CONTINUED)

Remuneration of the Community Services Manager - H Krohn (01/07/2019 to 31/03/2023)

	2024 R	2023 R
Basic Salary	-	607 715
Pension and UIF Contributions	-	1 594
Performance Bonus	-	42 315
Rural Allowance	-	45 690
Motor Vehicle Allowance	-	45 000
Cellphone Allowance	-	12 150
Other benefits and allowances	-	20 430
Total	**-**	**774 894**

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

	2024 R	2023 R
Basic Salary	516 210	-
Pension and UIF Contributions	84 867	-
Medical Aid Contributions	24 136	-
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	**725 659**	**-**

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

	2024 R	2023 R
Basic Salary	143 524	-
Pension and UIF Contributions	354	-
Rural Allowance	10 613	-
Motor Vehicle Allowance	8 080	-
Cellphone Allowance	1 939	-
Other benefits and allowances	2 916	-
Total	**167 426**	**-**

38 EMPLOYEE RELATED COSTS (CONTINUED)

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

	2024 R	2023 R
Basic Salary	1 091 240	265 394
Pension and UIF Contributions	2 125	531
Performance Bonus	119 637	-
Rural Allowance	78 895	19 628
Motor Vehicle Allowance	60 000	15 000
Cellphone Allowance	16 200	4 050
Other benefits and allowances	40 680	-
Total	**1 408 778**	**304 603**

Remuneration of the Civil Engineering Services Manager - AA Jacobs (20/06/2018 to 30/09/2022)

	2024 R	2023 R
Basic Salary	-	236 774
Pension and UIF Contributions	-	708
Performance Bonus	-	133 127
Rural Allowance	-	17 639
Cellphone Allowance	-	4 050
Other benefits and allowances	-	20 340
Payments in lieu of leave	-	195 108
Total	**-**	**607 746**

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

	2024 R	2023 R
Basic Salary	975 884	1 266 244
Pension and UIF Contributions	1 594	2 125
Medical Aid Contributions	42 835	54 288
Performance Bonus	199 794	194 921
Motor Vehicle Allowance	90 000	120 000
Cellphone Allowance	10 800	14 400
Payments in lieu of leave	140 990	275 103
Acting Allowance	6 771	-
Other benefits and allowances	31 197	40 670
Total	**1 499 865**	**1 967 751**

38 EMPLOYEE RELATED COSTS (CONTINUED)

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

	2024 R	2023 R
Basic Salary	57 371	-
Pension and UIF Contributions	9 966	-
Medical Aid Contributions	2 123	-
Rural Allowance	6 554	-
Motor Vehicle Allowance	6 000	-
Cellphone Allowance	1 200	-
Other benefits and allowances	20 037	-
Total	**103 251**	**-**

39 REMUNERATION OF COUNCILLORS

	2024	2023
Councillor Allowance	3 792 714	3 352 540
Cellphone Allowance	497 946	438 274
Motor Vehicle Allowance	1 304 341	1 257 022
Pension Contributions	593 754	529 206
Medical Aid Contributions	28 228	-
Total	**6 216 983**	**5 577 042**

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.

		2024 R	2023 R
Remuneration per Councillor			
Executive Mayor (Resigned on 14 June 2024)	P J Swart	949 571	927 485
Executive Mayor (Executive Deputy Mayor up to 24 June 2024)	R Ross	828 731	750 149
Executive Deputy Mayor (from 25 June 2024, former Mayoral Committee Member)	K E Donald	743 186	705 815
Speaker	G D Burger	816 468	750 149
Councillor - Mayoral Committee	G Olwage	12 823	266 645
Councillor - Mayoral Committee	A Eksteen	713 563	248 382
Councillor - Part time	J G A Niewoudt	358 299	321 403
Councillor - Part time	D Jantjies	358 299	321 403
Councillor - Part time	R Louw	358 299	321 403
Councillor - Part time	J Marthinus	359 248	321 403
Councillor - Part time	M Matthysen	359 248	321 403
Councillor - Part time	R Mokotwana	359 248	321 403
Total		**6 216 983**	**5 577 042**

39 REMUNERATION OF COUNCILLORS (CONTINUED)

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.

	2024 R	2023 R
40 DEBT IMPAIRMENT		
Receivables from exchange transactions	18 038 735	15 023 611
Receivables from non-exchange transactions	6 213 969	2 954 173
Long Term Receivables	1 963 010	(963 187)
Total Debt Impairment	**26 215 714**	**17 014 598**
Movement in VAT included in debt impairment	(2 079 288)	(743 557)
Total	**24 136 426**	**16 271 040**
41 DEPRECIATION AND AMORTISATION		
Investment Property	8 530	8 530
Property, Plant and Equipment	21 320 158	20 819 334
Intangible Assets	690 776	693 913
Total	**22 019 464**	**21 521 777**
42 IMPAIRMENTS		
Property, Plant and Equipment	129 002	153 523
Total	**129 002**	**153 523**

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:

	2024 R	2023 R
Employee Related Costs	57 150 683	51 994 571
Contracted Services	15 890 699	11 079 039
Other Expenditure	9 224 675	10 439 839
	82 266 058	**73 513 448**

43 REPAIRS AND MAINTENANCE (CONTINUED)

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

	2024 R	2023 R
Furniture, Office Equipment and Tools	904 909	650 645
Buildings and Commonage	18 121 403	16 027 095
Computer Software	2 224 615	1 985 222
Vehicles	5 020 228	4 063 680
Infrastructure: Roads and Stormwater	13 207 689	12 400 322
Infrastructure: Electricity	11 041 305	11 010 700
Infrastructure: Sewerage	10 880 295	8 296 613
Infrastructure: Water	17 267 765	15 935 165
Infrastructure: Refuse	3 597 850	3 144 006
Total	**82 266 058**	**73 513 448**

44 FINANCE CHARGES

Finance Charges - Cash	**7 240 172**	**7 298 254**
Annuity Loans	7 036 736	7 298 254
Overdue Accounts	203 437	-
Finance Charges - Non-Cash	**12 827 143**	**11 179 944**
Rehabilitation Provision - Landfill Sites	6 966 143	5 655 944
Post Retirement Medical Benefits	4 841 000	4 558 000
Long Service Awards	1 020 000	966 000
Total	**20 067 315**	**18 478 198**

45 BULK PURCHASES

Electricity	133 052 011	110 484 185
Water	265 848	301 704
Total	**133 317 859**	**110 785 889**

46 CONTRACTED SERVICES

Audit Committee	109 016	108 244
Construction of Housing Top Structures	9 714 419	7 572 442
Debt Collection Services	1 569 538	1 346 800
Employee Wellness	-	611
Fire Services	1 480 523	1 428 795
Information Technology Support	7 997 087	6 502 381
Legal fees	773 222	1 021 029
Maintenance Contractors	13 150 098	8 438 655
Professional Services	4 096 255	4 575 214
Property Valuation	375 743	1 271 180

		2024	2023
		R	R
46	**CONTRACTED SERVICES (CONTINUED)**		
	Refuse Removal	3 439 518	2 225 974
	Security Services	2 157 246	1 776 056
	Traffic Fine Management	-	41 160
	Total	**44 862 666**	**36 308 540**
47	**TRANSFERS AND GRANTS**		
	Contribution - Elim Community	631 015	687 595
	Contribution - Shipwreck Museum	63 304	63 304
	Contribution - Overberg Radio	150 000	124 800
	Contribution - Ons Huis	45 217	45 217
	Contribution - Save House	65 043	119 718
	Social Support	127 237	59 936
	Subsidy - Low Cost Housing	2 669	3 558
	Total	**1 084 486**	**1 104 128**
48	**OTHER EXPENDITURE**		
	Advertising	342 274	438 144
	Audit fees	3 845 411	5 501 087
	Bank Charges	1 812 013	1 719 248
	Bursaries	349 926	341 226
	Chemicals	6 325 529	4 780 927
	Cleaning material	403 490	380 376
	Cleaning services & washing	96 449	88 558
	Commission Paid	1 157 868	1 066 343
	Conferences & Seminars	20 277	14 178
	Donations	5 300	129 850
	Entertainment costs	36 691	39 012
	Equipment Hire	678 497	848 880
	Free Basic Electricity	652 419	593 582
	Fuel Cost	8 127 891	10 535 460
	Insurance	2 279 346	1 733 318
	License fees	86 813	4 378
	License fees - Vehicles	296 120	329 836
	Life Guards (Beaches)	467 904	350 929
	Maintenance Materials and Small Tools	6 211 534	6 774 500
	Marketing	780 822	691 954
	Oil & Lubricants	83 932	123 281
	Postage	104 121	396 797
	Printing & Stationery	811 321	662 835
	Protective Clothing	917 168	833 706

		2024	2023
		R	R
48	**OTHER EXPENDITURE (CONTINUED)**		
	Public Communication	165 630	93 617
	Refreshments	144 902	121 118
	Refuse Bags	540 546	361 113
	Rental Paid	2 553 416	6 106 067
	Service Charges	1 383 247	1 293 166
	Service connections - new	273 336	309 697
	Socio-Economic Development	298 380	272 946
	Subscriptions - Organisations	1 732 826	1 630 725
	Subsistence & Travel Allowances	1 041 100	874 978
	Telephone costs	3 253 947	3 297 773
	Training & Development - Staff	991 792	528 085
	Training Levy	1 442 426	1 327 367
	Union Representative	33 951	37 074
	Ward Committees	509 844	492 725
	Other	1 617 694	2 142 915
	Total	**51 876 153**	**57 267 770**

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

49.01 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Balance previously reported	**42 929 638**
Rentals incorrectly duplicated (Department of Home Affairs) and corrected (Change Agri)	(1 253 769)
Effect on Statement of Financial Performance - Refer to note 49.08	(107 179)
Effect on Accumulated Surplus - Refer to note 49.07	(983 055)
Effect on Taxes - Refer to note 49.05	(163 535)
Recognise sale of erf 6966 during 2016/17	1 540 000
Effect on Accumulated Surplus - Refer to note 49.07	1 339 130
Effect on Taxes - Refer to note 49.05	200 870
Reverse property disposals relating to cancelled sale agreements incorrectly recognised as receivable	(963 589)
Effect on Statement of Financial Performance - Refer to note 49.08	(837 904)
Effect on Taxes - Refer to note 49.05	(125 686)
Receipts relating to asset sales incorrectly not allocated to receivable	(66 950)
Effect on Statement of Financial Performance - Refer to note 49.08	(10 000)
Effect on Accumulated Surplus - Refer to note 49.07	(48 217)
Effect on Taxes - Refer to note 49.05	(8 733)
Restated Balance on 30 June 2023	**42 185 330**

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

49.02 INVESTMENT PROPERTY

	2023 R
Balance previously reported	**39 598 001**
Properties incorrectly disposed in prior years	132 000
Effect on Statement of Financial Performance - Refer to note 49.08	112 000
Effect on Accumulated Surplus - Refer to note 49.07	20 000
Restated Balance on 30 June 2023	**39 730 001**

49.03 PROPERTY PLANT AND EQUIPMENT

	2023 R
Balance previously reported	**558 296 576**
Land disposal incorrectly not recognised in years up to 30 June 2022 - Refer to note 49.07	(1 000)
Recognise donated assets (TMT Traffic Services) previously not recognised during 2020/21 - Refer to note 49.07	130 760
Furniture and Office Equipment (Cost)	20 000
Vehicles (Cost)	116 800
Furniture and Office Equipment (Accumulated Depreciation)	(2 000)
Vehicles (Accumulated Depreciation)	(4 040)
Recognise accumulated depreciation on Work in Progress incorrectly not transferred to completed projects in prior years as well as allocation between Water and Electricity Infrastructure - Refer to note 49.07	(69 050)
Electricity Network (Cost)	65 338
Water Network (Cost)	(65 338)
Electricity Network (Accumulated Depreciation)	(68)
Water Network (Accumulated Depreciation)	(68 983)
Recognise depreciation during 2022/23 resulting from donated assets recognised as well as corrections made to Work in Progress during prior years - Refer to note 49.08	(168 000)
Furniture and Office Equipment (Depreciation)	(2 000)
Vehicles (Depreciation)	(3 453)
Electricity Network (Depreciation)	(1 452)
Sewerage Network (Depreciation)	(16 113)
Water Network (Depreciation)	(144 981)
Correction of immaterial allocation errors within other assets (Carrying Value)	-
Computer Hardware	(24 355)
Furniture and Office Equipment	24 374
Tools and Equipment	(19)
Restated Balance on 30 June 2023	**558 189 286**

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

	2023 R
49.04 PAYABLES FROM EXCHANGE TRANSACTIONS	
Balance previously reported	**64 223 051**
Interest earned on Rent-To-Own funds incorrectly not allocated to the Department of Housing payable account - Refer to note 49.08	258 740
Account for Eskom Bulk Purchases accrued in June 2023, only invoiced in July 2023	6 767 475
Effect on Statement of Financial Performance - Refer to note 49.08	691 986
Effect on Accumulated Surplus - Refer to note 49.07	6 075 489
Restated Balance on 30 June 2023	**71 249 266**
49.05 TAXES	
Balance previously reported	**1 421 423**
Output VAT incorrectly not accounted for on shared IT Services - Refer to note 49.08	41 181
Rentals incorrectly duplicated (Department of Home Affairs) and corrected (Change Agri) - Refer to note 49.01	(163 535)
Recognise sale of erf 6966 during 2016/17 - Refer to note 49.01	200 870
Reverse property disposals relating to cancelled sale agreements incorrectly recognised as receivable - Refer to note 49.02	(125 686)
Receipts relating to asset sales incorrectly not allocated to receivable - Refer to note 49.01	(8 733)
Restated Balance on 30 June 2023	**1 365 520**
49.06 PROVISIONS	
Balance previously reported	**-**
Account for VAT on library allocation for the period from 2018/19 to 2021/22 - Refer to note 49.07	3 233 348
Account for VAT on library allocation during 2022/23 - Refer to note 49.08	892 957
Restated Balance on 30 June 2023	**4 126 304**
49.07 ACCUMULATED SURPLUS	
Balance previously reported	**451 068 802**
Corrections relating to 2022/2023 - Refer to note 49.08	(2 895 946)
Corrections up to 30 June 2022	
Rentals incorrectly duplicated (Department of Home Affairs) and corrected (Change Agri) - Refer to note 49.01	(983 055)
Account for Eskom Bulk Purchases accrued in June 2022, only invoiced in July 2022 - Refer to note 49.04	(6 075 489)
Investment Properties incorrectly disposed in prior years - Refer to note 49.02	20 000

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

	2023 R
Land disposal incorrectly not recognised in years up to 30 June 2022 - Refer to note 49.03	(1 000)
Recognise sale of erf 6966 during 2016/17 - Refer to note 49.01	1 339 130
Receipts relating to asset sales incorrectly not allocated to receivable - Refer to note 49.01	(48 217)
Recognise donated assets (TMT Traffic Services) previously not recognised during 2020/21 - Refer to note 49.03	130 760
Recognise accumulated depreciation on Work in Progress incorrectly not transferred to completed projects in prior years - Refer to note 49.03	(69 050)
Account for VAT on library allocation for the period from 2018/19 to 2021/22 - Refer to note 49.06	(3 233 348)
Restated Balance on 30 June 2023	**439 252 587**

49.08 STATEMENT OF FINANCIAL PERFORMANCE

Surplus previously reported	**9 895 398**
Government Grants and Subsidies - Operating	**(6 846 000)**
Account for VAT on library allocation during 2022/23 - Refer to note 49.06	(892 957)
Library services incorrectly disclosed as a grant rather than a service charge	(5 953 043)
Rental of Facilities and Equipment	**(117 179)**
Rentals incorrectly duplicated (Department of Home Affairs) and corrected (Change Agri) - Refer to note 49.01	(107 179)
Receipts relating to asset sales incorrectly not allocated to receivable - Refer to note 49.01	(10 000)
Interest Earned - External Investments	**(258 740)**
Interest earned on Rent-To-Own funds incorrectly not allocated to the Department of Housing payable account - Refer to note 49.04	(258 740)
Other Income (Exchange)	**5 911 863**
Output VAT incorrectly not accounted for on shared IT Services - Refer to note 49.05	(41 181)
Library services incorrectly disclosed as a grant rather than a service charge	5 953 043
Gains on Disposal of Properties and Movable Assets	**(725 904)**
Investment Properties incorrectly disposed (cancelled agreements) in prior years - Refer to note 49.02	112 000
Reverse property disposals relating to cancelled sale agreements incorrectly recognised as receivable - Refer to note 49.01	(837 904)

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

	2023 R
Construction Contracts	**7 572 442**
Correction of treatment of housing arrangements in line with the guidelines provided by the ASB	7 572 442
Employee Related Costs	**110 468**
Materials incorrectly allocated to employee related cost	110 468
Depreciation and Amortisation	**(168 000)**
Recognise depreciation during 2022/23 resulting from donated assets recognised as well as corrections made to Work in Progress during prior years - Refer to note 49.03	(168 000)
Bulk Purchases	**(691 986)**
Account for Eskom Bulk Purchases accrued in June 2023, only invoiced in July 2023 - Refer to note 49.04	(691 986)
Contracted Services	**(8 196 568)**
Tyre Expenses incorrectly allocated to Other Expenditure rather than Contracted Services. Service providers provide material and labour as part of service.	(624 127)
Correction of treatment of housing arrangements in line with the guidelines provided by the ASB	(7 572 442)
Other Expenditure	**513 659**
Tyre Expenses incorrectly allocated to Other Expenditure rather than Contracted Services. Service providers provide material and labour as part of service.	624 127
Materials incorrectly allocated to employee related cost	(110 468)
Restated Surplus on 30 June 2023	**6 999 452**

49.09 DISCLOSURE ITEMS

An amount of R 258 740 was previously disclosed as ring-fenced in Accumulated Surplus for a Housing Asset Finance Reserve Fund. This represented the interest earned on the Rent-To-Buy allocation received from the Department of Housing in the prior year. This disclosure was removed, as the interest earned should have been allocated to the Department of Housing payable account as stipulated in the agreement with the department.

The disclosure was removed in both notes 2 and 21.

Gains on disposal of Properties were incorrectly ommitted from the segment report in the prior year. Refer to note 68 for the inclusion in the prior year.

Refer to note 9 for detail relating to the restatement of Work in Progress. This also impacted on prior year depreciation recognised.

		2024	2023
50	**NET CASH FROM OPERATING ACTIVITIES**	R	R
	Net Surplus/(Deficit) for the year - Before adjustments below:	(2 621 285)	6 999 452
	Non-Cash Revenue	(9 783 661)	(11 548 284)
	Actuarial Gains	(1 373 765)	(4 860 785)
	Reduction in Landfill Site Provision	(3 495 337)	(1 052 365)
	Gains on Disposal of Properties	(202 792)	(5 635 134)
	Contributed Assets	(4 711 766)	-
	Non-Cash Expenditure	61 690 937	49 907 681
	Debt Impairment	26 215 714	17 014 598
	Depreciation and Amortisation	22 019 464	21 521 777
	Impairments	129 002	153 523
	Finance Charges	12 827 143	11 179 944
	Loss on disposal of PPE	499 614	37 840
	Contributions - Provisions and Employee Benefits	12 948 870	12 568 643
	Post Retirement Medical Benefits	1 432 000	1 514 000
	Long Service Awards	681 000	689 000
	Performance Bonuses	557 054	404 268
	Bonuses	8 807 582	8 138 830
	Staff Leave	1 471 234	1 822 544
	Expenditure - Provisions and Employee Benefits	(13 427 803)	(11 962 444)
	Post Retirement Medical Benefits	(1 672 533)	(1 527 478)
	Long Service Awards	(974 702)	(722 737)
	Performance Bonuses	(465 143)	(473 098)
	Bonuses	(8 596 531)	(7 838 752)
	Staff Leave	(1 718 894)	(1 400 379)
	Other adjustments	(17 817 314)	(9 814 295)
	Bad Debts Written Off	(4 573 133)	(11 221 124)
	Grants Returned to National Treasury	-	(310 000)
	Interest on Department of Human Settlements Funds	1 083 627	258 740
	Movement in Construction Contract Payable	(7 496 187)	9 327 687
	Movement on Operating Lease Asset	76 281	(46 635)
	Movement on Operating Lease Liability	(30 735)	(21 538)
	Movement in Arrangements	(1 963 010)	963 187
	Movement in Asset Sales Debtor	(4 914 158)	(8 764 613)
	Operating Surplus before changes in working capital	30 989 745	36 150 752
	Movement in working capital	(22 240 195)	14 891 148
	Receivables (Exchange and Non-Exchange)	(21 778 499)	3 681 464
	Inventory	(181 280)	(397 714)
	Payables from exchange transactions	404 024	4 906 351
	Unspent Conditional Government Grants	(2 345 286)	4 649 301
	Unspent Public Contributions	37 000	-
	Consumer Deposits	1 130 157	320 360
	Provisions	1 093 304	892 957
	Taxes	(599 615)	838 430
	Cash Flow from Operating Activities	**8 749 550**	**51 041 901**

	2024 R	2023 R
51 CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents comprise out of the following:		
Primary Bank Account	59 201 117	36 215 427
Call and Notice Deposits	3 789 000	82 615 050
Cash Floats	10 850	10 850
Total	**63 000 967**	**118 841 327**

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 is consolidated in the statement of financial position and disclosed as either receivable or payable depending on the closing balance. For budget purpuses, the Input VAT in Suspense is disclosed as part of VAT (current assets), while Output VAT in Suspense is disclosed as part of VAT (current liabilities). VAT payable/receivable is disclosed as part of VAT current assets of VAT (current liabilities) depending on the closing balance of the Taxes/VAT segment

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 dislcosed 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	94 293 690	-	94 293 690
Government Grants and Subsidies - Operating / (Transfer and subsidies - Operational)	47 767 703	18 455 040	66 222 743
Public Contributions and Donations - Operating	40 000	(40 000)	-
Fines / (Fines, penalties and forfeits)	2 861 392	573 506	3 434 898
Interest	-	1 012 776	1 012 776
Actuarial Gains / (Other Gains)	1 373 765	-	1 373 765
Third Party - Insurance Receipts	95 213	(95 213)	-
Availability Charges / (Operational Revenue)	13 549 330	-	13 549 330
Other Income	3 641 538	(3 641 538)	-
Gains on disposal of Assets	-	202 792	202 792
Revenue from Exchange Transactions			
Service Charges	244 682 613	15 321 143	260 003 756
Service charges - Electricity	159 029 066	9 871 858	168 900 925
Service charges - Water	45 834 204	1 520 024	47 354 227
Service charges - Waste Water Management	15 746 681	350 921	16 097 602
Service charges - Waste Management	24 072 662	3 578 341	27 651 003
Sale of Goods and Rendering of Services	-	9 176 429	9 176 429
Rental of Facilities and Equipment / (Rental from Fixed Assets)	8 637 073	(6 688 808)	1 948 265

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)	7 860 167	-	7 860 167
Interest Earned - Outstanding Debtors / (Interest earned from Receivables)	3 660 637	(1 012 776)	2 647 862
Licences and Permits	1 210 097	(1 210 097)	-
Agency Services	2 765 234	1 254 922	4 020 156
Other Income	15 633 934	(15 633 934)	-
Operational Revenue	-	2 256 948	2 256 948
Gains on Disposal of Properties and Movable Assets	202 792	(202 792)	-
Construction Contracts	9 714 419	(9 714 419)	-
Capital Revenue			
Government Grants and Subsidies - Capital / (Transfers and subsidies - Capital)	16 652 328	-	16 652 328
Contributed Assets / (Transfers and subsidies - Capital (In Kind))	4 711 766	-	4 711 766
Total Revenue	**479 353 691**	**10 013 981**	**489 367 672**

Significant reclassifications relating to revenue are as follows:

Transfer and subsidies - Operational also includes Public Contributions and Donations - Operating and IT Shared Services disclosed in the financial statements as Other Income (Exchange). The municipality is also 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 9 439 524 for budget comparison purposes. Refuse revenue also includes the Reduction in Rehabilitation Provision amounting to R 3 495 337 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.

Expenditure

Employee Related Costs	177 765 008	4 500 468	182 265 476
Remuneration of Councillors	6 216 983	-	6 216 983
Debt Impairment	24 136 426	(4 573 133)	19 563 293
Irrecoverable debts written off	-	4 573 133	4 573 133
Depreciation and Amortisation	22 019 464	129 002	22 148 467
Impairments	129 002	(129 002)	-
Finance Charges / (Interest)	20 067 315	(11 807 143)	8 260 172
Bulk Purchases / (Bulk purchases - electricity)	133 317 859	(265 848)	133 052 011
Inventory Consumed	-	34 386 133	34 386 133
Contracted Services	44 862 666	(12 234 969)	32 627 697
Transfers and Grants / (Transfers and Subsidies)	1 084 486	847 155	1 931 641
Other Expenditure / (Operational Costs)	51 876 153	(5 411 816)	46 464 338
Loss on Disposal of Property, Plant and Equipment/ (Loss on Disposal of Assets)	499 614	-	499 614
Total Expenditure	**481 974 976**	**10 013 981**	**491 988 957**

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 seperated 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.

Inventory Consumed is mainly accounted for as part of Other Expenditure in the financial statememts. 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.

52 BUDGET COMPARISONS (CONTINUED)

Operational Costs also affected by internal service charges amounting to R 9 439 524 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 Human Settlements (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.

Receipts from Operating Activities	**Cash Flow Statement R**	**Reclassification due to mSCOA/NT versus GRAP classification R**	**Per Budget Comparison R**
Other Revenue	33 140 363	(10 637 084)	22 503 279
Transfers and Subsidies - Operational	47 653 779	9 902 928	57 556 707
Total affected by reclassifications	**80 794 142**	**(734 157)**	**80 059 986**
Payments from Operating Activities			
Suppliers and Employees	(411 752 615)	(396 000)	(412 148 615)
Total affected by reclassifications	**(411 752 615)**	**(396 000)**	**(412 148 615)**
Receipts from Financing Activities			
Increase in Consumer Deposits	-	1 130 157	1 130 157
Total affected by reclassifications	**-**	**1 130 157**	**1 130 157**

52.2 MATERIAL VARIANCES

Statement of financial position - Budget Adjustments

Cash and cash equivalents	Decrease in to align to prior year audit results taking into account cash flow projections.
Trade and other receivables from exchange transactions	Align to prior year audited results taking into account projected billing and recovery rate of debtors
Property, plant and equipment	Align to prior year audited results taking into account the capital program for the current year.
Trade and other payables from exchange transactions	Decrease in to align to prior year audit results.
Trade and other payables from non-exchange transactions	Align to prior year audited results.

52 BUDGET COMPARISONS (CONTINUED)

Borrowing	Increase in line with expected borrowings to be raised in the 2023/24 financial year
Provisions (Non-Current)	Adjustment to align provision to expected result on 30 June 2024
Accumulated Surplus/(Deficit)	Decrease to align to prior year-audited results
Funds and Reserves	Increase in budget to account for Rent-to- Own Reserve.

Statement of financial position - Budget versus Actual

Cash and cash equivalents	Cash flow projections in budget too optimistic, also taking into account that borrowing was not raised in the current year.
Trade and other receivables from exchange transactions	Insufficient budget allocation towards debt impairment and recovery rates of receivables lower than anticipated in budget projections.
Property, plant and equipment	Insufficient budget allocation towards depreciation and capital budget not fully spent.
Trade and other payables from exchange transactions	Retrospective adjustment made in the current year relating to Eskom consumption in June 2024 only billed in July 2024 contributing to variance.
Trade and other payables from non-exchange transactions	Budget not accurately aligned to prior year closing balances.
Provisions (Current)	The budget did not account for the provision relating to the VAT on library service allocations.
Borrowing (Non-Current)	Management did not raise loans as expected during the budget process.
Provisions (Non-Current)	Actuarial gains materialised in the current year combined with the budget figures not accurately aligned to prior year audited results.
Accumulated Surplus	The difference between the projected operating results and the actual results the main contributor to this variance identified.
Funds and Reserves	The municipality incorrectly assessed the Rent-to-Own Housing initiative resulting in an overstatement of the budgeted reserves that will not be created. The municipality remains the agency in the arrangement.

Statement of financial performance - Budget Adjustments

Operational Revenue (Non-Exchange)	The municipality corrected the budget for availability fees which is included in this line item.
Gains on disposal of Assets	Reduced gain based on projected asset sales that is expected to materialise in the current year.
Bulk purchases - electricity	Align budget in line with electricity sales projections, taking into account Eskom bulk tariff increases.
Inventory consumed	Decrease mainly linked to fuel costs, including the reduced need to use generators.
Operational costs	Increase to account for internal service consumption. This treatment differs from the prior year.

52 BUDGET COMPARISONS (CONTINUED)

Statement of financial performance - Budget versus Actual

Service charges - Water	Insufficient allocation toward internal consumption and rebates lower than expected.
Gains on disposal of Assets	Only 1 property sold in the current year which was not in line with budget expectation.
Employee related costs	Insufficient budget allocation towards non-cash contributions such as leave, post retirement medical and long service awards.
Debt impairment	Insufficient budget allocation towards this line item. Budget is not aligned to prior year audited results.
Depreciation and amortisation	Insufficient budget allocation towards this line item. Budget is not aligned to prior year audited results.
Operational costs	Positive result from cost containment measures being implemented.
Transfers and subsidies - Capital (In Kind)	Variance mainly due to Anene Booysen Centre contributed in the current year not budgeted for.

Cash Flow Statement - Budget Adjustments

Service Charges	Expected cash flow based on expected revenue to be billed combined with expected recovery rates.
Suppliers and Employees	Expected cash outflow based on operating requirements included in the budget, taking into account the outstanding payables on reporting period.
Proceeds on Disposal of PPE	Reduced proceeds based on projected asset sales that is expected to materialise in the current year.
Increase in Consumer Deposits	The original budget did not account for this budget line.
Cash Opening and Closing Balance	Align cash to prior year audited results, combined with cash flow projections for the 2023/24 financial year.

Cash Flow Statement - Budget versus Actual

Property Rates	Budget projections not aligned to new valuation roll implemented in the current year.
Service charges	Recovery rates utilised in budget significantly higher than actual results.
Transfers and Subsidies - Operational	Budget did not fully account for all allocations received in the current year.
Transfers and Subsidies - Capital	Budget did not accurately account for the VAT portion of allocation which is recognised as an operating revenue.
Interest	Recovery rates utilised in budget significantly higher than actual results.
Suppliers and Employees	Budget incorrectly included Finance charges and Transfers and grants in this line item.
Finance Charges	Budget included as part of Suppliers and Employees
Borrowing long term/refinancing	Management did not raise loans as expected during the budget process.
Increase in Consumer Deposits	Budget not aligned to historical trends.
Repayment of borrowing	Budget not aligned to current loans outstanding.
Cash/cash equivalents at the year end:	Refer to reasons provided above.

53 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

53.1 UNAUTHORISED EXPENDITURE

Unauthorised expenditure consist out of the following:

	2024 R	2023 R
Opening balance	11 219 006	2 664 707
Unauthorised expenditure current year - operating	27 287 629	8 554 299
Unauthorised expenditure current year - capital	3 288 086	-
Approved by Council	-	-
Unauthorised expenditure awaiting approval	**41 794 721**	**11 219 006**

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. Both the 2021/22 and the 2022/23 financial year's unauthorised expenditure was submitted to council for consideration on 31 August 2023, but no approval was granted on 30 June 2024 yet.

	2024 (Actual) R	2024 (Final Budget) R	2024 (Unauthorised) R
Unauthorised expenditure - Operating			
Engineering Services	279 990 001	263 288 535	16 701 466
Executive and Council	53 772 730	58 149 430	-
Financial Services & ICT	82 184 013	72 268 755	9 915 258
Management Services	75 467 756	74 796 850	670 906
Total	**491 414 500**	**468 503 570**	**27 287 629**
Unauthorised expenditure - Capital			
Engineering Services	41 898 946	49 339 140	-
Executive and Council	3 850 198	562 112	3 288 086
Financial Services & ICT	2 683 758	2 718 750	-
Management Services	5 687 706	7 520 158	-
Total	**54 120 608**	**60 140 160**	**3 288 086**

The unauthorised operating expenditure have reference to non-cash items such as employee related cost - leave provision, debt impairment, depreciation and loss on the disposal of PPE.

The unauthorised on capital is the result of a non-cash contributed asset (Anene Booysen Centre) which was not included in the capital budget.

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

53.2 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure consist out of the following:

	2024 R	2023 R
Opening balance	463 263	25 000
Fruitless and wasteful expenditure incurred	203 437	438 263
Approved by Council	-	-
Fruitless and wasteful expenditure awaiting approval	**666 700**	**463 263**

Details of Fruitless expenditure incurred:

No mandate and / or approved policy directive to justify the expenditure incurred with reference to the Animal Control operations - procurement of medicine, private consultancy & medicine, vaccination & rabies, sterilisations and other sundry expenditure.	-	426 605
No mandate and / or approved policy directive to provide for free accommodation at the resort to an employee of the SA Post Office.	-	10 168
Accommodation arranged and paid - Blue Bay Lodge, Saldanha with reference to the Municipal Manager's forum meeting (22-23 June 2023) which had to be cancelled without any refund but reserved valid until December 2023.	-	1 490
Interest paid on Eskom overdue accounts	203 437	-
Total	**203 437**	**438 263**

The criminal proceedings instituted by the new council (MPAC) in a attempt to recover the fruitless and wasteful expenditure previously incurred (R25 000) is still ongoing and under police investigation. (2023)

The fruitless and wasteful expenditure incurred during the 2022/23 financial year was submitted to council for consideration on 31 August 2023. No approval received on 30 June 2024 yet.

53.3 IRREGULAR EXPENDITURE

Irregular expenditure consist out of the following:

	2024 R	2023 R
Opening balance	103 674 871	93 831 123
Irregular expenditure incurred	12 986 627	10 398 147
Approved by Council	-	(554 399)
Irregular expenditure awaiting approval	**116 661 498**	**103 674 871**

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

	2024 R	2023 R
Details of Irregular expenditure incurred :		
Non-compliance because legislated and prescribed SCM processes were not followed in the procurement process	-	526 323
Non-compliance with PPPFA and the regulations of PPR 2022	1 770 460	2 419 383
Non-compliance with Regulation 17(1)(a) and (c) of the Municipal Supply Chain Management Regulations (Fuel)	1 473 736	-
Non-compliance with Regulation 19(a) of the Municipal Supply Chain Management Regulations	9 742 431	7 452 442
Total	**12 986 627**	**10 398 147**

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 prior year figures were restated to include irregular expenditure amounting to R 93 276 724 up to 30 June 2022 with the comparative year being updated to include R 7 452 442.

The irregular expenditure has been referred to internal audit and 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.

The irregular expenditure incurred during the 2022/23 financial was submitted to council for consideration on 31 August 2023. No approval received on 30 June 2024 yet.

53.4 MATERIAL LOSSES

	2024	2023
Electricity distribution losses		
- Units purchased (Kwh)	65 232 345	62 770 111
- Units lost during distribution (Kwh)	4 534 957	4 152 849
- Percentage lost during distribution	6.95%	6.62%
- Rand Value of Loss	6 212 891	4 858 834

	2024	2023
Water distribution losses		
- Kilo litres purified	2 576 353	2 459 800
- Kilo litres lost during distribution	504 969	484 188
- Percentage lost during distribution	19.60%	19.68%
- Rand Value of Loss	2 509 696	2 149 794

54 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

	2024 R	2023 R
54.01 Salga Contributions [MFMA 125 (1)(b)]		
Opening balance	(1 687 864)	(1 595 960)
Expenditure incurred	1 687 864	1 595 960
Payments	(1 732 674)	(1 687 864)
Payments in advance	**(1 732 674)**	**(1 687 864)**
54.02 Audit Fees [MFMA 125 (1)(c)]		
Opening balance	-	-
Expenditure incurred	3 845 411	5 501 087
External Audit - Auditor-General	3 845 411	5 501 087
Payments	(3 845 411)	(5 501 087)
Outstanding Balance	**-**	-
54.03 VAT [MFMA 125 (1)(c)]		
Opening balance	(1 461 305)	789 252
Amounts received during the year	(4 061 992)	(2 959 538)
Amounts paid during the year	7 160 891	2 026 750
Output VAT Payable	(39 086 017)	(36 537 787)
Input VAT Claimable	37 651 057	35 220 018
Outstanding Balance	**202 633**	**(1 461 305)**
Vat in suspense due to cash basis of accounting	**(968 538)**	**95 785**

Other than correction of errors referred to in note 16, the comparative amount for Output VAT payable was also restated by R 34 957 to include a transaction incorrectly ommited.

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

	2024 R	2023 R
54.04 PAYE, SDL and UIF [MFMA 125 (1)(c)]		
Opening Balance	2 014 977	-
Payments due to SARS	29 101 394	25 927 831
Payments	(31 116 371)	(23 912 854)
Outstanding Balance (Paid on 5 July 2023)	**-**	**2 014 977**
54.05 PENSION AND MEDICAL AID CONTRIBUTIONS [MFMA 125 (1)(c)]		
Payments due to pension fund and medical aid	42 568 371	39 076 949
Payments	(42 568 371)	(39 076 949)
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:

		2024 R	2023 R
Councillor K Donald	May - Jul 2022	-	1 884
Councillor K Donald	Jul - Sept 2022	-	2 072
Councillor A Eksteen	Mar - May 2023	-	378

54.07 QUOTATIONS AWARDED - DEVIATIONS FROM SCM

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

	2024 R	2023 R
Emergency (SCM 36 (1) (a) (i)):		
Less than R 30 000	58 391	-
Between R 30 000 and R 200 000	162 803	63 327
Above R200 000	-	5 485 791
Total	**221 194**	**5 549 118**
Sole Provider (SCM 36 (1) (a) (ii)):		
Less than R 30 000	163 600	60 120
Between R 30 000 and R 200 000	309 674	110 400
Total	**473 274**	**170 520**
Impractical or Impossible (SCM 36 (1) (a) (v)):		
Less than R 30 000	238 935	216 753
Between R 30 000 and R 200 000	1 214 724	296 365
Above R200 000	1 162 049	208 876
Total	**2 615 709**	**721 994**
Total Deviations		
Less than R 30 000	460 927	276 873
Between R 30 000 and R 200 000	1 687 201	470 092
Above R200 000	1 162 049	5 694 666
Total	**3 310 177**	**6 441 632**

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	2024 R	2023 R
TL Du Toit (Department of Health)	Cape Agulhas Civils	10 716 100	3 601 829
N Eksteen (Shareholder in Premium Computers & Stationers and in service of Denel)	Canfred Computers T/A Premium Computers & Stationers	-	246
V Zeeman (Spouse of owner is employed by Overberg District Municipality)	DC Zeeman t/a Aluminium Design	41 500	39 769
Yazeed Daniels - Spouse of Director Finance & Records Officer at the WCED	Alveo Water (Pty) Ltd	2 600 182	5 235 016
Ms Litzie Saaiman the spouse of Manager Bart Saaiman is in service of the WCED.	Mubesko Africa (Pty) Ltd	213 655	281 733
Nadira Andhee wife of Ujush Andhee (Director) is employed as an Educator in KZN.	Piston Power Chemicals CC	108 346	90 970
Eugene Hlongwane spouse is a Manager at the City of Cape Town	TSCH International Holdings (PTY) LTD	94 486	21 114
AN Sesele (Spouse) employed at the Department of Education in the Free Sate.	Lucem Group (Pty) Ltd	104 257	2 288 739
J.N. Du Toit (Spouse) is an Inspector for drivers licences at the City of Cape Town, Traffic Services	Kemanzi (PTY) LTD	615 000	498 800
Philda Schoeman - Spouse employed at Department of Social Development	Gamma's Transport	8 800	8 825
Deon Samuels - Spouse employed by SAPS.	Ian Dickie & Company (Pty) Ltd	18 353	-
Total		**14 520 679**	**12 067 040**

55 CAPITAL COMMITMENTS

	2024 R	2023 R
Commitments in respect of Capital Expenditure:	**7 426 437**	**4 518 476**
Approved and contracted for:		
Infrastructure	7 426 437	4 518 476
Total	**7 426 437**	**4 518 476**
This expenditure will be financed from:		
Government Grants	2 621 795	4 518 476
Internally Generated Funds	4 804 642	-
Total	**7 426 437**	**4 518 476**

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.

	2024 R	2023 R
The following financial assets are exposed to credit risk:		
Cash and Cash Equivalents	62 990 117	118 830 477
Receivables from exchange transactions	40 477 735	40 497 466
Receivables from non-exchange transactions	2 904 215	2 312 015
Current Portion of Long-term Receivables	1 731	4 359
Long-Term Receivables	133 202	136 102
Total	**106 507 000**	**161 780 418**

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.

56 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 (2023 - 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.

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:

	2024 R	2023 R
Electricity	5 509 194	3 431 232
Water	3 425 026	2 215 050
Refuse	1 961 484	1 590 197
Sewerage	1 393 200	1 241 770
Other Services	1 787 550	1 425 476
Availability Charges	1 424 150	920 638
Total	**15 500 602**	**10 824 364**

56 FINANCIAL RISK MANAGEMENT (CONTINUED)

	2024 R	2023 R
These receivables can be aged as follows:		
1 Month Past due	8 994 317	6 615 643
2 Months Past due	2 917 670	1 868 091
3 Months Past due	2 344 617	1 385 455
> 3 Months Past due	1 243 999	955 174
Total	**15 500 602**	**10 824 364**

Long Term Receivables (including current portion)

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.

56.3 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:

	2024 R	2023 R
Cash and Cash Equivalents (Excluding Cash on Hand)	62 990 117	118 830 477
Long-term Liabilities (Including Current Portion)	(57 951 353)	(69 612 972)
Net balance exposed	**5 038 764**	**49 217 505**

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

	2024 R	2023 R
0.5% (2023 - 0.5%) increase in interest rates	25 194	246 088
0.5% (2023 - 0.5%) decrease in interest rates	(25 194)	(246 088)

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

56 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 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	51 487 897	-	-
Total	**66 548 593**	**46 860 595**	**18 441 771**

30 JUNE 2023		**PAYABLE**	
	Within 1 Year	**Two to five years**	**After five years**
Annuity Loans	18 698 176	53 206 442	27 156 619
Payables from exchange transactions	66 841 130	-	-
Total	**85 539 306**	**53 206 442**	**27 156 619**

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

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.)

Financial Assets	**2024** **R**	**2023** **R**
Cash and Cash Equivalents	63 000 967	118 841 327
Receivables from exchange transactions	40 477 735	40 497 466
Receivables from non-exchange transactions	2 904 215	2 312 015
Current Portion of Long-term Receivables	1 731	4 359
Long-Term Receivables	133 202	136 102
Total	**106 517 850**	**161 791 268**

57 FINANCIAL INSTRUMENTS (CONTINUED)

	2024 R	2023 R
Financial Liabilities		
Current Portion of Long-term Liabilities	9 172 193	11 661 619
Payables from exchange transactions	51 487 897	66 841 130
Long-term Liabilities	48 779 160	57 951 353
Total	**109 439 250**	**136 454 102**

58 STATUTORY RECEIVABLES

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

	2024 R	2023 R
Receivables from Non-Exchange Transactions		
Rates	9 245 824	7 760 598
Fines	596 851	600 430
Total	**9 842 675**	**8 361 028**
Taxes		
VAT Receivable from SARS (VAT Control)	202 633	-
Total	**202 633**	**-**

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.

	2024 R	2023 R
Rates Receivable past due and impaired	**8 424 393**	**5 571 093**
Rates Receivable past due not impaired	**4 554 114**	**3 270 324**

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 Human Settlements (DoHS)

The Municipality acts as an agent for the Department of Human Settlements 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 following transactions were undertaken as part of principal-agent arrangements:

	2024 **R**	**2023** **R**
Balance at beginning of year	172 926	495 837
Payments received from the Department	396 000	-
Expenditure incurred on behalf of the Department	(574 457)	(322 911)
Balance at end of year	**(5 531)**	**172 926**

60 EVENTS AFTER REPORTING DATE

The Minister for local government In terms of section 7 of the Remuneration of Public Office Bearers Act, 1998 is responsible to determine the upper limits of salaries of different members of Municipal Councils by notice in the gazette after consultation with the Member of Executive Councils (MECs) responsible for local government in each province and after, inter alia, taking into consideration the recommendations of the Commission.

The determination of the upper limits of salaries, allowances and benefits of the different members of municipal councils has been gazetted after the financial year (2023/24) reporting date per Government Notice No. 5435 in Government Gazette No. 51407, dated 17 October 2024. It was submitted to Council on 21 October 2024 where it was resolved that the new upper limits as gazetted be approved and implemented with effect 1 July 2023, subjected to the concurrence of the MEC responsible for Local Government in the Province. The impact is calculated at R 241 506 if the upper limits is approved by the MEC.

61 IN-KIND DONATIONS AND ASSISTANCE

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

62 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

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

63 CONTINGENT LIABILITIES

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

63.1 Guarantees in favour of the following third parties - Post Office - R 50 000 (2023 - R 50 000)

63.2 The SARS ruling whether the Library Services grant should be subject to VAT for goods and services rendered on behalf of the Department of Arts, Culture, Sport and Recreation is still awaiting. Other than the provision raised relating to the potential VAT to be paid over to SARS in this regard, there are further uncertainties regarding the potential penalties and interest that could potentially be levied by SARS, if any.

Refer to note 18 for more detail relating to this matter.

64 CONTINGENT ASSETS

The municipality recorded the following contingent assets at year end:

64.1 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 5 cases with a total estimated potential inflow of resources amounting to R 150 000 (legal cost to be recovered).

65 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.

66 RELATED PARTIES

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 Cape Agulhas Municipality was a holding entity and had a 100% shareholding in the Southernmost Development Agency (SOC) LTD. As the parent entity of the Agency, the municipality resolved during the 2012/13 financial year to de-register the company. Due to the ongoing de-registration process since 2012/13 no consolidated financial statements are prepared for the financial year under review. The de-registration process was finalised during 2022/23.

66 RELATED PARTIES (CONTINUED)

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

Entity	Employee	2024 R	2023 R
Adonai Funeral Home (Brother of D Fredericks)	D Fredericks	-	60 000
C M Hopley (DJ AT Cape Agulhas Community Market Day - LED Office Aug 2022)	Urlene Jantjies & Nathan Arends	-	8 150
Shoprite Checkers - Bredasdorp (Refreshments)	E Zieff	95 535	95 947
Enid Benetha Marie Atkins (Catering)	T Atkins	22 427	17 337
Franklin Alexander (Transport)	F Alexander	-	3 600
Johanna Emma Phillips T/A Embroidery-N-More	E Behr	16 190	-
JP van Zyl - Bulk Water Purchases - Sandrifdam	W van Zyl	95 260	87 920
MAT Overberg Retailers	L Teixeira & J Teixeira	5 800	-
E Daniels - Various tiling work performed	Priscilla Jakobs	-	79 170
Kemp and Associates (Legal Panel)	Donald Richard October	4 613	-
Total		**239 825**	**352 124**

67 NON-LIVING RESOURCES

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

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

68 SEGMENT REPORTING

68.1 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

68.2 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.

68.3 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.

68.4 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:

68 SEGMENT REPORTING (CONTINUED)

30 JUNE 2024	Governance and administration	Community Services	Tourism, Parks and Resorts	Public and Environmental Safety	Town Planning and Building Control	Streets and Stormwater	Electricity Services	Water Services	Sewerage Services	Refuse Removal Services	Total
	R	R	R	R	R	R	R	R	R	R	R
REVENUE											
External Revenue from Non-Exchange Transactions	**159 367 877**	**441 489**	**1 464 287**	**3 062 303**	**-**	**-**	**4 245 867**	**5 579 845**	**3 549 465**	**7 275 593**	**184 986 725**
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	146 201	-	-	-	-	-	-	-	-	3 495 337	3 641 538
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	**175 461 010**	**17 694 679**	**8 178 737**	**7 104 251**	**1 995 998**	**-**	**165 053 687**	**52 382 744**	**20 113 914**	**31 368 671**	**479 353 691**
EXPENDITURE	**133 254 782**	**24 346 224**	**23 189 535**	**21 453 436**	**6 899 999**	**21 995 573**	**157 839 675**	**37 108 433**	**19 429 832**	**36 457 488**	**481 974 976**
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	6 919 531	-	-	-	-	5 729 773	2 428 308	1 802 671	3 284 326	1 854 854	22 019 464
Impairments	-	-	129 002	-	-	-	-	-	-	-	129 002
Finance Charges	9 426 870	58 650	183 620	-	-	554 120	1 638 074	797 838	227 560	7 180 583	20 067 315
Bulk Purchases	-	-	-	-	-	-	133 052 011	265 848	-	-	133 317 859
Contracted Services	15 735 128	10 073 598	2 121 330	2 123 838	348 649	811 979	848 271	2 425 391	1 638 588	8 735 893	44 862 666
Transfers and Grants	1 081 818	2 669	-	-	-	-	-	-	-	-	1 084 486
Other Expenditure	21 864 307	1 245 381	3 038 935	1 697 902	274 998	2 843 252	6 650 845	8 994 036	2 708 034	2 558 462	51 876 153
Loss on Disposal of Property, Plant and Equipment	499 614	-	-	-	-	-	-	-	-	-	499 614
TOTAL EXPENDITURE	**133 254 782**	**24 346 224**	**23 189 535**	**21 453 436**	**6 899 999**	**21 995 573**	**157 839 675**	**37 108 433**	**19 429 832**	**36 457 488**	**481 974 976**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**42 206 227**	**(6 651 545)**	**(15 010 798)**	**(14 349 185)**	**(4 904 000)**	**(21 995 573)**	**7 214 012**	**15 274 311**	**684 082**	**(5 088 817)**	**(2 621 285)**
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	**25 151 760**	**(6 686 945)**	**(16 075 085)**	**(14 349 185)**	**(4 904 000)**	**(21 995 573)**	**6 637 308**	**12 641 075**	**684 082**	**(5 088 817)**	**(23 985 380)**
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 SEGMENT REPORTING (CONTINUED)

30 JUNE 2023	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	**141 348 874**	**1 174 209**	**400 000**	**3 008 661**	**-**	**-**	**8 079 967**	**15 226 875**	**2 843 714**	**4 759 622**	**176 841 922**
Property Rates	86 843 163	-	-	-	-	-	-	-	-	-	86 843 163
Government Grants and Subsidies - Capital	6 744 244	610 310	-	-	-	-	3 362 856	11 248 053	-	-	21 965 462
Government Grants and Subsidies - Operating	42 336 552	558 575	400 000	209 800	-	-	1 382 263	1 582 208	-	-	46 469 398
Public Contributions and Donations - Operating	60 000	-	-	70 000	-	-	-	-	-	-	130 000
Fines	-	5 324	-	2 728 861	-	-	-	-	-	-	2 734 185
Actuarial Gains	4 860 785	-	-	-	-	-	-	-	-	-	4 860 785
Third Party - Insurance Receipts	177 647	-	-	-	-	-	-	-	-	-	177 647
Availability Charges	-	-	-	-	-	-	3 334 849	2 396 615	2 843 714	3 707 256	12 282 434
Other Income	326 483	-	-	-	-	-	-	-	-	1 052 365	1 378 849
External Revenue from Exchange Transactions	**21 897 972**	**6 886 560**	**7 165 926**	**3 920 025**	**2 290 980**	**-**	**139 494 329**	**34 297 947**	**15 704 466**	**22 599 367**	**254 257 572**
Service Charges	-	-	-	-	-	-	136 780 403	32 488 427	14 740 183	22 585 708	206 594 720
Rental of Facilities and Equipment	2 176 913	50 564	7 124 728	-	-	-	-	-	-	-	9 352 205
Interest Earned - External Investments	9 216 359	-	-	-	-	-	-	-	-	-	9 216 359
Interest Earned - Outstanding Debtors	2 301 282	-	-	-	-	-	-	-	-	-	2 301 282
Licences and Permits	-	-	-	1 127 199	565	-	-	-	-	-	1 127 764
Agency Services	-	-	-	2 784 749	-	-	-	-	-	-	2 784 749
Other Income	2 568 284	6 835 996	41 198	8 077	2 290 415	-	2 713 926	1 809 520	964 283	13 659	17 245 358
Gains on Disposal of Properties and Movable Assets	5 635 134	-	-	-	-	-	-	-	-	-	5 635 134
Construction Contracts	-	**7 572 442**	-	-	-	-	-	-	-	-	**7 572 442**
TOTAL REVENUE	**163 246 846**	**15 633 211**	**7 565 926**	**6 928 685**	**2 290 980**	**-**	**147 574 296**	**49 524 822**	**18 548 180**	**27 358 989**	**438 671 936**
EXPENDITURE	**130 692 841**	**22 413 276**	**19 261 050**	**17 993 154**	**7 137 236**	**20 503 870**	**137 616 037**	**29 848 764**	**15 492 390**	**30 713 865**	**431 672 484**
Employee Related Costs	61 560 786	13 232 730	15 605 154	12 877 235	5 999 817	11 438 303	10 409 602	14 355 216	7 425 594	11 262 300	164 166 736
Remuneration of Councillors	5 577 042	-	-	-	-	-	-	-	-	-	5 577 042
Debt Impairment	3 061 423	-	-	1 907 501	-	-	1 495 569	4 019 730	2 527 593	3 259 224	16 271 040
Depreciation and Amortisation	6 466 601	-	-	-	-	5 049 738	2 434 792	1 782 417	2 568 268	3 219 960	21 521 777
Impairments	-	-	-	-	-	-	-	-	-	153 523	153 523
Finance Charges	9 403 298	26 879	273 072	43 890	-	1 359 946	882 885	384 772	262 592	5 840 864	18 478 198
Bulk Purchases	-	-	-	-	-	-	110 484 185	301 704	-	-	110 785 889
Contracted Services	15 349 236	7 973 858	1 116 374	1 509 336	824 886	178 040	981 731	1 880 788	658 890	5 835 400	36 308 540
Transfers and Grants	1 058 939	45 189	-	-	-	-	-	-	-	-	1 104 128
Other Expenditure	28 215 516	1 134 620	2 266 450	1 655 191	312 533	2 440 003	10 927 273	7 124 137	2 049 452	1 142 594	57 267 770
Loss on Disposal of Property, Plant and Equipment	-	-	-	-	-	37 840	-	-	-	-	37 840
TOTAL EXPENDITURE	**130 692 841**	**22 413 276**	**19 261 050**	**17 993 154**	**7 137 236**	**20 503 870**	**137 616 037**	**29 848 764**	**15 492 390**	**30 713 865**	**431 672 484**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**32 554 005**	**(6 780 065)**	**(11 695 124)**	**(11 064 469)**	**(4 846 256)**	**(20 503 870)**	**9 958 259**	**19 676 059**	**3 055 790**	**(3 354 876)**	**6 999 452**
Less: Government Grants and Subsidies - Capital	(6 744 244)	(610 310)	-	-	-	-	(3 362 856)	(11 248 053)	-	-	**(21 965 462)**
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	**25 809 761**	**(7 390 375)**	**(11 695 124)**	**(11 064 469)**	**(4 846 256)**	**(20 503 870)**	**6 595 403**	**8 428 006**	**3 055 790**	**(3 354 876)**	**(14 966 010)**
CAPITAL EXPENDITURE FOR THE YEAR	2 988 947	624 065	1 922 652	431 405	10 306	14 778 464	12 140 063	7 507 726	12 447 974	11 287 097	**64 138 698**

Gains on Disposal of Properties and Movable Assets amounting to R 6 361 038 (before restatements) was incorrectly ommitted from the segment report in the prior year

69 NATIONAL TREASURY APPROPRIATION STATEMENT

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
Financial Performance						
Property rates	93 064 830	1 738 800	94 803 630	94 293 690	(509 940)	86 843 163
Service charges	252 625 476	534 056	253 159 532	260 003 756	6 844 224	220 988 756
Investment revenue	6 194 130	750 000	6 944 130	7 860 167	916 037	9 216 359
Transfers Recognised - Operational	58 906 175	958 000	59 864 175	66 222 743	6 358 568	60 722 333
Other own revenue	44 885 897	11 251 830	56 137 727	39 623 221	(16 514 506)	47 350 539
Total Operating Revenue	**455 676 508**	**15 232 686**	**470 909 194**	**468 003 577**	**(2 905 617)**	**425 121 150**
Employee costs	178 576 023	(1 004 421)	177 571 602	182 265 476	4 693 874	168 301 673
Remuneration of councillors	5 753 300	581 500	6 334 800	6 216 983	(117 817)	5 577 042
Depreciation and amortisation	11 310 530	7 366 811	18 677 341	41 711 760	23 034 419	26 725 216
Finance charges	7 034 570	(35 000)	6 999 570	8 260 172	1 260 602	8 264 254
Inventory consumed and bulk purchases	165 714 080	2 791 060	168 505 140	167 438 143	(1 066 997)	144 138 663
Transfers and subsidies	2 291 600	(151 600)	2 140 000	1 931 641	(208 359)	1 999 171
Other expenditure	83 187 215	5 087 902	88 275 117	84 164 781	(4 110 336)	85 081 142
Total Expenditure	**453 867 318**	**14 636 252**	**468 503 570**	**491 988 957**	**23 485 387**	**440 087 161**
Surplus/(Deficit)	**1 809 190**	**596 434**	**2 405 624**	**(23 985 380)**	**(26 391 004)**	**(14 966 011)**
Transfers recognised - capital	16 622 825	4 041 680	20 664 505	16 652 328	(4 012 177)	21 965 462
Transfers and subsidies - capital (in-kind)	-	-	-	4 711 766	4 711 766	-
Surplus/(Deficit) for the year	**18 432 015**	**4 638 114**	**23 070 129**	**(2 621 285)**	**(25 691 414)**	**6 999 451**

69 NATIONAL TREASURY APPROPRIATION STATEMENT (CONTINUED)

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
Capital expenditure & funds sources						
Capital expenditure	**59 932 535**	**207 625**	**60 140 160**	**54 120 608**	**(6 019 552)**	**64 138 698**
Transfers recognised - capital	16 622 825	4 051 680	20 674 505	16 652 328	(4 022 177)	21 965 462
Borrowing	22 634 280	(3 689 585)	18 944 695	14 598 984	(4 345 711)	18 245 591
Internally generated funds	20 675 430	(154 470)	20 520 960	22 869 296	2 348 336	23 927 645
Total sources of capital funds	**59 932 535**	**207 625**	**60 140 160**	**54 120 608**	**(6 019 552)**	**64 138 698**
Cash flows						
Net cash from (used) operating	16 173 087	17 244 193	33 417 280	7 619 393	(25 797 887)	50 721 541
Net cash from (used) investing	(44 932 535)	(5 207 625)	(50 140 160)	(52 928 291)	(2 788 131)	(43 620 365)
Net cash from (used) financing	12 859 317	6 280 324	19 139 641	(10 531 463)	(29 671 103)	(11 655 563)
Net Cash Movement for the year	**(15 900 131)**	**18 316 892**	**2 416 761**	**(55 840 360)**	**(58 257 121)**	**(4 554 388)**
Cash/cash equivalents at beginning of year	144 675 810	(25 100 992)	119 574 818	118 841 327	(733 491)	123 395 715
Cash/cash equivalents at the year end	**128 775 679**	**(6 784 100)**	**121 991 579**	**63 000 967**	**(58 990 613)**	**118 841 328**

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 2024

INSTITUTION	LOAN NUMBER	RATE	REDEMPTION DATE	OPENING BALANCE 1 JULY 2023 R	RECEIVED DURING YEAR R	REDEEMED DURING YEAR R	CLOSING BALANCE 30 JUNE 2024 R
ANNUITY LOANS							
ABSA	3044713107	10.60%	2026/06/30	501 668	-	(149 835)	351 833
ABSA	3046537820	9.84%	2027/06/30	1 243 529	-	(266 557)	976 973
NEDBANK	INFRA 2	10.35%	2028/06/30	3 500 000	-	(700 000)	2 800 000
NEDBANK	INFRA 3	9.92%	2029/06/30	6 000 000	-	(1 000 000)	5 000 000
NEDBANK	INFRA 4	9.30%	2024/06/30	824 000	-	(824 000)	-
NEDBANK	Asset Finance	9.30%	2024/06/30	576 000	-	(576 000)	-
STANDARD BANK	Long (655414)	10.69%	2031/06/30	22 857 172	-	(2 311 604)	20 545 568
STANDARD BANK	Medium (655404)	10.89%	2024/06/30	1 698 195	-	(1 698 195)	-
STANDARD BANK	Asset (655433)	11.07%	2026/06/30	1 476 485	-	(462 197)	1 014 288
FIRST NATIONAL BANK	4-000-520-347-806	10.35%	2032/06/30	20 454 270	-	(1 446 015)	19 008 255
FIRST NATIONAL BANK	4-000-520-347-105	10.31%	2027/06/30	7 086 630	-	(1 506 297)	5 580 333
FIRST NATIONAL BANK	4-000-520-348-543	10.37%	2027/06/30	3 395 024	-	(720 920)	2 674 104
Total Annuity Loans				**69 612 972**	**-**	**(11 661 619)**	**57 951 353**
Total Long-Term Liabilities				**69 612 972**	**-**	**(11 661 619)**	**57 951 353**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX B (UNAUDITED)

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE (MUNICIPAL VOTES) FOR THE YEAR ENDING 30 JUNE 2024

	30 JUNE 2024			30 JUNE 2023		
VOTE	REVENUE R	EXPENDITURE R	SURPLUS/ (DEFICIT) R	REVENUE R	EXPENDITURE R	SURPLUS/ (DEFICIT) R
Engineering Services	287 330 388	(270 649 062)	16 681 326	252 492 113	(248 487 587)	4 004 525
Executive and Council	47 008 781	(53 772 730)	(6 763 949)	41 933 134	(39 600 980)	2 332 154
Financial Services & ICT	111 817 869	(82 184 013)	29 633 856	114 618 213	(77 659 552)	36 958 661
Management Services	33 196 653	(75 369 171)	(42 172 518)	29 628 476	(65 924 364)	(36 295 888)
Total	**479 353 691**	**(481 974 976)**	**(2 621 285)**	**438 671 936**	**(431 672 484)**	**6 999 452**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX C (UNAUDITED)

ACTUAL VERSUS BUDGET- CAPITAL AND OPERATING EXPENDITURE (VOTES) FOR THE YEAR ENDING 30 JUNE 2024

OPERATING EXPENDITURE	ACTUAL R	BUDGET R	VARIANCE R	EXPLANATION FOR MATERIAL VARIANCES
Engineering Services	270 649 062	263 288 535	7 360 527	Variance mainly due to debt impairment not fully budgeted for. Also difference in treatment of internal charges between budget and actuals
Executive and Council	53 772 730	58 149 430	(4 376 700)	Immaterial Variance
Financial Services & ICT	82 184 013	72 268 755	9 915 258	Variance mainly due to debt impairment not fully budgeted for.
Management Services	75 369 171	74 796 850	572 321	Immaterial Variance
Total	**481 974 976**	**468 503 570**	**13 471 406**	
CAPITAL EXPENDITURE				
Engineering Services	41 898 946	49 339 140	(7 440 194)	Capital budget not fully spent
Executive and Council	3 850 198	562 112	3 288 086	Immaterial Variance
Financial Services & ICT	2 683 758	2 718 750	(34 992)	Immaterial Variance
Management Services	5 687 706	7 520 158	(1 832 452)	Immaterial Variance
Total	**54 120 608**	**60 140 160**	**(6 019 552)**	

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX D (UNAUDITED)

DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2024

	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	-	40 379 740	(40 379 740)	-	-	-
Water Services Infrastructure Grant (WSIG)	369 740	4 500 000	(394 985)	(2 633 235)	(369 740)	1 471 779
Financial Management Grant (FMG)	-	1 550 000	(1 550 000)	-	-	-
Municipal Infrastructure Grant (MIG)	4 783 802	11 440 000	(2 624 048)	(13 406 989)	-	192 765
Skills Development Fund and SETA Bursaries	-	416 745	(416 745)	-	-	-
National Electrification Programme (INEP)	577 881	-	(1 177)	(576 704)	-	-
Expanded Public Works Program (EPWP)	-	2 181 000	(2 181 000)	-	-	-
Total	**5 731 423**	**60 467 485**	**(47 547 696)**	**(16 616 928)**	**(369 740)**	**1 664 545**
PROVINCIAL GOVERNMENT						
Library Grant - Church Street Bredasdorp Roof	-	1 500 000	-	(35 400)	-	1 464 600
Proclaimed Road Subsidy	-	90 000	(90 000)	-	-	-
Capacity Building Grant (FMSG)	-	200 000	(73 007)	-	-	126 993
Community Development Workers (CDW)	-	57 000	(57 000)	-	-	-
Regional Socio-Economic Projects	-	130 000	-	-	-	130 000
Total	**-**	**1 977 000**	**(220 007)**	**(35 400)**	**-**	**1 721 593**
ALL SPHERES GOVERNMENT	**5 731 423**	**62 444 485**	**(47 767 703)**	**(16 652 328)**	**(369 740)**	**3 386 138**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (1) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
REVENUE						
Governance and administration	**175 820 990**	**1 652 600**	**177 473 590**	**175 461 010**	**(2 012 580)**	**162 814 884**
Executive and council	40 380 000	-	40 380 000	40 419 740	39 740	37 037 000
Finance and administration	135 440 990	1 652 600	137 093 590	135 041 270	(2 052 320)	125 777 884
Community and public safety	**24 731 170**	**563 010**	**25 294 180**	**25 405 378**	**111 198**	**22 795 048**
Community and social services	10 478 750	(82 000)	10 396 750	7 862 052	(2 534 698)	7 195 869
Sport and recreation	10 027 420	10	10 027 430	7 114 450	(2 912 980)	7 565 926
Public safety	-	-	-	-	-	-
Housing	4 225 000	645 000	4 870 000	10 428 876	5 558 876	8 033 253
Economic and environmental services	**12 562 610**	**-**	**12 562 610**	**10 142 745**	**(2 419 865)**	**10 378 627**
Planning and development	3 044 260	-	3 044 260	3 060 286	16 026	3 449 942
Road transport	4 287 290	-	4 287 290	4 020 156	(267 134)	3 916 829
Environmental protection	5 231 060	-	5 231 060	3 062 303	(2 168 757)	3 011 856
Trading services	**259 184 563**	**17 058 756**	**276 243 319**	**278 358 539**	**2 115 220**	**251 098 053**
Energy Sources	165 992 533	8 727 880	174 720 413	173 382 745	(1 337 668)	154 238 400
Water Management	47 139 590	2 939 300	50 078 890	53 194 156	3 115 266	50 687 960
Waste water management	20 018 600	212 000	20 230 600	20 302 865	72 265	18 715 056
Waste management	26 033 840	5 179 576	31 213 416	31 478 774	265 358	27 456 637
Total Revenue - Standard	**472 299 333**	**19 274 366**	**491 573 699**	**489 367 672**	**(2 206 027)**	**447 086 612**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (1) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)

EXPENDITURE	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
Governance and administration	**134 580 925**	**(7 988 140)**	**126 592 785**	**135 944 695**	**9 351 910**	**131 281 177**
Executive and council	38 255 700	(7 304 500)	30 951 200	28 435 881	(2 515 319)	15 068 770
Finance and administration	94 437 325	(458 640)	93 978 685	105 768 201	11 789 516	114 605 472
Internal audit	1 887 900	(225 000)	1 662 900	1 740 612	77 712	1 606 935
Community and public safety	**43 749 770**	**(223 990)**	**43 525 780**	**46 884 639**	**3 358 859**	**43 315 648**
Community and social services	14 124 360	(1 094 000)	13 030 360	12 516 032	(514 328)	13 454 719
Sport and recreation	16 450 610	734 710	17 185 320	16 409 941	(775 379)	15 447 946
Public safety	5 536 900	(665 700)	4 871 200	4 240 323	(630 877)	3 403 044
Housing	7 637 900	801 000	8 438 900	13 718 343	5 279 443	11 009 939
Economic and environmental services	**53 258 840**	**(1 610 200)**	**51 648 640**	**52 520 204**	**871 564**	**46 304 259**
Planning and development	16 928 210	(972 600)	15 955 610	15 097 408	(858 202)	12 811 387
Road transport	24 052 140	(1 114 800)	22 937 340	26 287 118	3 349 778	24 573 286
Environmental protection	12 278 490	477 200	12 755 690	11 135 678	(1 620 012)	8 919 586
Trading services	**222 616 633**	**24 119 732**	**246 736 365**	**256 639 419**	**9 903 054**	**219 186 077**
Energy Sources	148 893 590	16 689 350	165 582 940	165 557 012	(25 928)	138 833 429
Water Management	29 101 613	1 832 229	30 933 842	36 978 825	6 044 983	32 504 219
Waste water management	14 400 960	1 697 100	16 098 060	18 861 260	2 763 200	17 134 563
Waste management	30 220 470	3 901 053	34 121 523	35 242 322	1 120 799	30 713 865
Other	-	-	-	-	-	-
Total Expenditure - Standard	**454 206 168**	**14 297 402**	**468 503 570**	**491 988 957**	**23 485 387**	**440 087 161**
Surplus/(Deficit) for the year	**18 093 165**	**4 976 964**	**23 070 129**	**(2 621 285)**	**(25 691 414)**	**6 999 451**

The comparative figures were reclassified in line with the current year disclosure

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (2) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
REVENUE						
Executive and Council	43 732 080	-	43 732 080	47 008 781	3 276 701	41 933 134
Financial Services & ICT	119 381 820	(2 311 200)	117 070 620	111 817 869	(5 252 751)	114 618 213
Management Services	34 592 140	563 010	35 155 150	33 771 111	(1 384 039)	29 951 387
Engineering Services	274 593 293	21 022 556	295 615 849	296 769 912	1 154 063	260 583 878
Total Revenue by Vote	**472 299 333**	**19 274 366**	**491 573 699**	**489 367 672**	**(2 206 027)**	**447 086 612**
EXPENDITURE						
Executive and Council	65 203 410	(7 053 980)	58 149 430	53 772 730	(4 376 700)	39 600 980
Financial Services & ICT	73 183 315	(914 560)	72 268 755	82 184 013	9 915 258	77 659 552
Management Services	75 153 640	(356 790)	74 796 850	76 042 213	1 245 363	68 579 061
Engineering Services	240 665 803	22 622 732	263 288 535	279 990 001	16 701 466	254 247 568
Total Expenditure by Vote	**454 206 168**	**14 297 402**	**468 503 570**	**491 988 957**	**23 485 387**	**440 087 161**
Surplus/(Deficit) for the year	**18 093 165**	**4 976 964**	**23 070 129**	**(2 621 285)**	**(25 691 414)**	**6 999 451**

The comparative figures were reclassified in line with the current year disclosure

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (3) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

REVENUE AND EXPENDITURE

REVENUE BY SOURCE	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
Exchange Revenue						
Service charges - Electricity	165 479 456	4 485 500	169 964 956	168 900 925	(1 064 031)	145 997 036
Service charges - Water	41 641 970	(284 240)	41 357 730	47 354 227	5 996 497	35 456 824
Service charges - Waste Water Management	19 780 470	(4 646 950)	15 133 520	16 097 602	964 082	15 785 516
Service charges - Waste Management	25 723 580	979 746	26 703 326	27 651 003	947 677	23 749 380
Sale of Goods and Rendering of Services	12 900 850	10	12 900 860	9 176 429	(3 724 431)	9 803 827
Agency services	4 287 290	-	4 287 290	4 020 156	(267 134)	3 916 829
Interest earned from Receivables	1 385 020	-	1 385 020	2 647 862	1 262 842	1 700 076
Interest earned from Current and Non Current Assets	6 194 130	750 000	6 944 130	7 860 167	916 037	9 216 359
Rental from Fixed Assets	2 787 580	(200 000)	2 587 580	1 948 265	(639 315)	2 238 164
Licence and permits	44 170	-	44 170	-	(44 170)	3 761
Operational Revenue	1 616 527	820 000	2 436 527	2 256 948	(179 579)	3 125 975
Non-Exchange Revenue						
Property rates	93 064 830	1 738 800	94 803 630	94 293 690	(509 940)	86 843 163
Fines, penalties and forfeits	6 014 460	5 000	6 019 460	3 434 898	(2 584 562)	3 182 349
Transfer and subsidies - Operational	58 906 175	958 000	59 864 175	66 222 743	6 358 568	60 722 333
Interest	850 000	-	850 000	1 012 776	162 776	601 207
Operational Revenue	-	15 626 820	15 626 820	13 549 330	(2 077 490)	12 282 434
Gains on disposal of Assets	15 000 000	(5 000 000)	10 000 000	202 792	(9 797 208)	5 635 134
Other Gains	-	-	-	1 373 765	1 373 765	4 860 785
Total Revenue (excluding capital transfers and contributions)	**455 676 508**	**15 232 686**	**470 909 194**	**468 003 577**	**(2 905 617)**	**425 121 150**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (3) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

REVENUE AND EXPENDITURE

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
EXPENDITURE BY TYPE						
Employee related costs	178 576 023	(1 004 421)	177 571 602	182 265 476	4 693 874	168 301 673
Remuneration of councillors	5 753 300	581 500	6 334 800	6 216 983	(117 817)	5 577 042
Bulk purchases - electricity	125 893 600	7 930 000	133 823 600	133 052 011	(771 589)	110 484 185
Inventory consumed	39 820 480	(5 138 940)	34 681 540	34 386 133	(295 407)	33 654 478
Debt impairment	6 085 440	(365 000)	5 720 440	19 563 293	13 842 853	5 049 916
Depreciation and amortisation	11 310 530	1 646 371	12 956 901	22 148 467	9 191 566	21 675 300
Interest	7 034 570	(35 000)	6 999 570	8 260 172	1 260 602	8 264 254
Contracted services	33 427 330	(1 418 460)	32 008 870	32 627 697	618 827	26 508 710
Transfers and subsidies	2 291 600	(151 600)	2 140 000	1 931 641	(208 359)	1 999 171
Irrecoverable debts written off	3 750 000	365 000	4 115 000	4 573 133	458 133	11 221 124
Operational costs	39 915 955	11 887 952	51 803 907	46 464 338	(5 339 569)	47 313 467
Losses on disposal of Assets	-	-	-	499 614	499 614	37 840
Other Losses	8 490	338 850	347 340	-	(347 340)	-
Total Expenditure	**453 867 318**	**14 636 252**	**468 503 570**	**491 988 957**	**23 485 387**	**440 087 161**
Surplus/(Deficit)	**1 809 190**	**596 434**	**2 405 624**	**(23 985 380)**	**(26 391 004)**	**(14 966 011)**
Transfers and subsidies - Capital	16 622 825	4 041 680	20 664 505	16 652 328	(4 012 177)	21 965 462
Transfers and subsidies - Capital (In Kind)	-	-	-	4 711 766	4 711 766	-
Surplus/(Deficit) for the year	**18 432 015**	**4 638 114**	**23 070 129**	**(2 621 285)**	**(25 691 414)**	**6 999 451**

The comparative figures were reclassified in line with the current year disclosure

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (4) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

CAPITAL EXPENDITURE

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
CAPITAL EXPENDITURE (VOTE)						
Multi-year expenditure						
Executive and Council	57 600	504 512	562 112	202 719	(359 393)	1 299 946
Financial Services & ICT	3 066 400	(347 650)	2 718 750	2 683 758	(34 992)	1 568 152
Management Services	4 544 000	2 976 158	7 520 158	5 687 706	(1 832 452)	3 102 621
Engineering Services	43 654 535	5 684 605	49 339 140	41 898 946	(7 440 194)	58 167 978
Total Multi-year expenditure	**51 322 535**	**8 817 625**	**60 140 160**	**50 473 129**	**(9 667 031)**	**64 138 698**
Single-year expenditure						
Executive and Council	-	-	-	-	-	-
Financial Services & ICT	-	-	-	-	-	-
Management Services	1 810 000	(1 810 000)	-	-	-	-
Engineering Services	6 800 000	(6 800 000)	-	-	-	-
Total Single-year expenditure	**8 610 000**	**(8 610 000)**	**-**	**-**	**-**	**-**
Total Capital Expenditure by Vote	**59 932 535**	**207 625**	**60 140 160**	**50 473 129**	**(9 667 031)**	**64 138 698**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (4) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

CAPITAL EXPENDITURE

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)						
Governance and administration	**3 760 500**	**(324 650)**	**3 435 850**	**7 042 808**	**3 606 958**	**1 700 802**
Executive and council	-	196 000	196 000	194 537	(1 463)	-
Finance and administration	3 760 500	(520 650)	3 239 850	6 848 272	3 608 422	1 700 802
Community and public safety	**5 257 500**	**(69 100)**	**5 188 400**	**3 383 280**	**(1 805 120)**	**2 450 729**
Community and social services	2 523 500	(27 100)	2 496 400	1 028 901	(1 467 499)	624 065
Sport and recreation	2 324 000	(48 000)	2 276 000	1 949 373	(326 627)	1 805 687
Public safety	410 000	6 000	416 000	405 006	(10 994)	20 977
Economic and environmental services	**20 246 870**	**970 570**	**21 217 440**	**20 766 045**	**(451 395)**	**16 604 308**
Planning and development	-	1 422 800	1 422 800	1 067 877	(354 923)	1 417 151
Road transport	19 841 870	(676 230)	19 165 640	19 092 412	(73 228)	14 797 282
Environmental protection	405 000	224 000	629 000	605 755	(23 245)	389 875
Trading services	**30 667 665**	**(369 195)**	**30 298 470**	**22 928 475**	**(7 369 995)**	**43 382 859**
Energy sources	7 835 610	(3 690 900)	4 144 710	3 155 786	(988 924)	12 140 063
Water management	12 486 100	(846 340)	11 639 760	8 685 556	(2 954 204)	7 507 726
Waste water management	1 610 000	1 452 000	3 062 000	2 872 836	(189 164)	12 447 974
Waste management	8 735 955	2 716 045	11 452 000	8 214 298	(3 237 702)	11 287 097
Other	-	-	-	-	-	-
Total Capital Expenditure - Standard	**59 932 535**	**207 625**	**60 140 160**	**54 120 608**	**(6 019 552)**	**64 138 698**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (4) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

CAPITAL EXPENDITURE

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
CAPITAL EXPENDITURE (FUNDING SOURCES)						
National Government	15 122 825	4 041 680	19 164 505	16 616 928	(2 547 577)	19 255 523
Provincial Government	1 500 000	10 000	1 510 000	35 400	(1 474 600)	2 709 939
Transfers recognised - capital	**16 622 825**	**4 051 680**	**20 674 505**	**16 652 328**	**(4 022 177)**	**21 965 462**
Borrowing	22 634 280	(3 689 585)	18 944 695	14 598 984	(4 345 711)	18 245 591
Internally generated funds	20 675 430	(154 470)	20 520 960	22 869 296	2 348 336	23 927 645
Total Capital Funding	**59 932 535**	**207 625**	**60 140 160**	**54 120 608**	**(6 019 552)**	**64 138 698**

The prior year also included an error on the total for capital expenditure by vote amounting to R 1 299 946 which was corrected.

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 2024

CASH FLOWS

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	93 146 934	1 557 024	94 703 958	89 734 956	(4 969 002)	86 010 383
Service charges	272 934 634	12 027 533	284 962 167	230 836 454	(54 125 713)	208 703 313
Other revenue	22 504 877	4 552 735	27 057 612	22 503 279	(4 554 333)	24 216 771
Transfers and Subsidies - Operational	18 396 175	958 000	19 354 175	57 556 707	38 202 532	69 421 953
Transfers and Subsidies - Capital	16 622 825	4 041 680	20 664 505	14 420 966	(6 243 539)	26 205 380
Interest	5 002 310	1 941 820	6 944 130	13 040 305	6 096 175	11 103 859
Payments						
Suppliers and employees	(412 434 668)	(7 834 599)	(420 269 267)	(412 148 615)	8 120 652	(366 537 736)
Finance charges	-	-	-	(7 240 172)	(7 240 172)	(7 298 254)
Transfers and Grants	-	-	-	(1 084 486)	(1 084 486)	(1 104 128)
NET CASH FROM OPERATING ACTIVITIES	**16 173 087**	**17 244 193**	**33 417 280**	**7 619 393**	**(25 797 887)**	**50 721 541**
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	15 000 000	(5 000 000)	10 000 000	5 522 998	(4 477 002)	15 463 922
Decrease other non-current receivables	-	-	-	5 528	5 528	8 431
Payments						
Capital assets	(59 932 535)	(207 625)	(60 140 160)	(58 456 817)	1 683 343	(59 092 718)
NET CASH USED IN INVESTING ACTIVITIES	**(44 932 535)**	**(5 207 625)**	**(50 140 160)**	**(52 928 291)**	**(2 788 131)**	**(43 620 365)**

CAPE AGULHAS LOCAL MUNICIPALITY

APPENDIX E (5) (UNAUDITED)

NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

CASH FLOWS

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing	19 087 837	-	19 087 837	-	(19 087 837)	-
Increase (decrease) in consumer deposits	-	6 245 324	6 245 324	1 130 157	(5 115 167)	320 360
Payments						
Repayment of borrowing	(6 228 520)	35 000	(6 193 520)	(11 661 619)	(5 468 099)	(11 975 923)
NET CASH FROM FINANCING ACTIVITIES	**12 859 317**	**6 280 324**	**19 139 641**	**(10 531 463)**	**(29 671 103)**	**(11 655 563)**
NET INCREASE/ (DECREASE) IN CASH HELD	**(15 900 131)**	**18 316 892**	**2 416 761**	**(55 840 361)**	**(58 257 121)**	**(4 554 388)**
Cash/cash equivalents at the year begin:	144 675 810	(25 100 992)	119 574 818	118 841 327	(733 491)	123 395 715
Cash/cash equivalents at the year end:	128 775 679	(6 784 100)	121 991 579	63 000 967	(58 990 612)	118 841 327
NET INCREASE/ (DECREASE) IN CASH HELD	**(15 900 131)**	**18 316 892**	**2 416 761**	**(55 840 361)**	**(58 257 121)**	**(4 554 388)**