

LAINGSBURG

MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS
30 JUNE 2025

LAINGSBURG MUNICIPALITY

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LAINGSBURG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

NATURE OF BUSINESS

Laingsburg Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 108 of 1998)

GRADING OF MUNICIPALITY

Grade 1

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Laingsburg Municipality includes the following areas:

Laingsburg
Matjiesfontein
Vleiland
Scattered Farming community

EXECUTIVE MAYOR

AT Kleinbooi

DEPUTY EXECUTIVE MAYOR

S Laban

SPEAKER

M Gouws

MEMBERS OF THE EXECUTIVE COMMITTEE

Executive Mayor
Deputy Executive Mayor
Speaker
Executive Councillor

AT Kleinbooi
S Laban
M Gouws
J Botha
A Theron
L Potgieter
J Pieterse

MUNICIPAL MANAGER

Mr J Booysen

CHIEF FINANCIAL OFFICER

Vacant

REGISTERED OFFICE

Private Bag X4
Laingsburg
6900

AUDITORS

Office of the Auditor-General (Western Cape)

PRINCIPLE BANKERS

ABSA Bank

ATTORNEYS

Wilna Roux Prokureurs
Abraham Kiewiets Inc

LAINGSBURG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

RELEVANT LEGISLATION

Constitution (Act no.108 of 1998)
Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and regulations issued in terms of the Act)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE LAINGSBURG MUNICIPALITY

WARD

1
2
3
4
Proportional
Proportional
Proportional

COUNCILLOR

J Pieterse
A Theron
L Potgieter
M Gouws
J Botha
S Laban
AT Kleinbooi

ABBREVIATIONS

DBSA Development Bank of South Africa
COID Compensation for Occupational Injuries and Diseases
HDF Housing Development Act
GRAP Generally Recognised Accounting Practice
LGSETA Local Government Services Sector Education & Training Authority
MFMA Municipal Finance Management Act
mSCOA Municipal Standard Chart of Accounts
MSIG Municipal System Improvement grant
NDPG Neighbourhood Development and Partnership Grant
SALGA South African Local Government Association

LAINGSBURG MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2025, which are set out on pages 1 to 123 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 Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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 am satisfied that the Municipality can continue in operational existence for the foreseeable future.

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

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

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Mr J Booyen
Municipal Manager

Date

LAINGSBURG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

	Notes	2025 R	2024 R
ASSETS			
Non-Current Assets		330 296 975	334 163 177
Property, Plant and Equipment	2	310 481 625	311 337 406
Investment Property	3	19 345 216	22 139 686
Intangible Assets	4	60 889	155 515
Heritage Assets	5	43 354	43 354
Non-Current Receivables from Exchange Transactions	6	364 534	483 248
Non-Current Receivables from Non-Exchange Transactions	7	1 357	3 968
Current Assets		46 420 024	24 661 482
Operating Lease Asset	8	65 440	70 529
Inventory	9	135 208	103 435
Receivables from Exchange Transactions	10	6 478 503	5 591 680
Receivables from Non-exchange Transactions	11	6 112 015	2 999 863
Cash and Cash Equivalents	12	24 741 111	6 713 375
VAT receivable	20	8 887 747	9 182 600
Total Assets		376 716 999	358 824 659
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		35 413 998	39 579 021
Long-term Borrowings	13	230 101	-
Non-current Provisions	14	27 665 897	33 775 021
Non-current Employee Benefits	15	7 518 000	5 804 000
Current Liabilities		43 358 939	27 186 355
Consumer Deposits	16	1 121 057	1 045 670
Current Employee Benefits	17	3 010 724	3 259 784
Trade and Other Payables from Exchange Transactions	18	34 085 724	20 885 761
Unspent Transfers and Subsidies	19	4 922 484	1 995 140
Current Portion of Long-term Borrowings	13	218 950	-
Total Liabilities		78 772 938	66 765 376
Net Assets		297 944 061	292 059 283
Accumulated Surplus/(Deficit)		297 944 061	292 059 283
Total Net Assets and Liabilities		376 716 999	358 824 659

LAINGSBURG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 R
REVENUE			
Revenue from Non-exchange Transactions		89 909 273	111 751 665
Taxation Revenue		5 657 213	5 320 209
Property Rates	21	5 657 213	5 024 646
Surcharges and Taxes		-	295 563
Transfer Revenue		83 467 494	105 720 624
Government Grants and Subsidies	22	54 607 211	66 997 475
Contributed Property, Plant and Equipment	23	-	1 210 000
Fines, Penalties and Forfeits		28 860 283	33 765 412
Service-in-kind		-	3 747 737
Other Revenue		784 567	710 832
Availability Charges	24	318 218	287 668
Fines, Penalties and Forfeits		-	-
Interest Earned - Non-exchange Transactions	32	466 349	423 163
Revenue from Exchange Transactions		40 328 944	33 588 405
Licences and Permits	25	226 882	256 397
Service Charges	26	33 537 232	27 390 132
Sales of Goods and Rendering of Services	27	341 288	294 883
Rent on Land	28	26 650	102 655
Rental from Fixed Assets	29	1 639 656	1 643 719
Interest Earned - External Investments	30	1 617 323	1 264 711
Interest Earned - Exchange Transactions	31	1 188 705	777 982
Operational Revenue	32	1 536 424	1 661 285
Agency Services	55	214 784	196 641
Total Revenue		130 238 217	145 340 070
EXPENDITURE			
Employee related costs	34	35 455 753	33 350 274
Remuneration of Councillors	35	3 676 673	3 606 532
Bad Debts Written Off		1 115 945	-
Contracted Services	36	10 020 964	5 205 268
Depreciation and Amortisation	37	12 678 621	14 114 000
Finance Costs	38	4 530 439	2 649 005
Bulk Purchases	39	14 818 560	11 873 369
Inventory Consumed	9	775 203	2 240 071
Operating Leases		463 355	744 852
Transfers and Subsidies	40	97 621	-
Operational Costs	41	18 754 727	15 009 018
Total Expenditure		102 387 861	88 792 389
Operating Surplus/(Deficit) for the Year		27 850 357	56 547 681
Reversal of Impairment Loss/(Impairment Loss) on Receivables	42	(21 326 220)	(33 069 872)
Gains/(Loss) on Sale of Fixed Assets	43	(422 363)	(248 845)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	2	-	10 934
Actuarial gain/(loss)	15	(216 995)	862 129
NET SURPLUS/(DEFICIT) FOR THE YEAR		5 884 778	24 102 027

LAINGSBURG MUNICIPALITY

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

	Accumulated Surplus/ (Deficit)	Total
	R	R
Balance at 1 July 2023	257 956 097	257 956 097
Correction of Error - note 45.10	10 001 159	10 001 159
Restated balance	267 957 256	267 957 256
Net Surplus/(Deficit) for the year	24 102 027	24 102 027
Net Surplus/(Deficit) previously reported	25 523 478	25 523 478
Effects of Correction of Errors - note 45.10	(1 421 452)	(1 421 452)
Restated balance	292 059 283	292 059 283
Net Surplus/(Deficit) for the year	5 884 778	5 884 778
Balance at 30 June 2025	297 944 061	297 944 061

LAINGSBURG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 R	2024 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		5 286 445	5 857 062
Service Charges		109 785 972	26 655 869
Other Revenue		(67 419 397)	7 332 435
Government - Operating and Capital		57 534 555	68 033 905
Interest		1 617 323	1 264 711
Cash payments			
Suppliers of goods and services		(32 877 497)	(32 637 111)
Employee related cost		(37 656 539)	(35 718 422)
Finance Charges		(32 076)	-
Transfers and Grants		(97 621)	-
Net Cash from Operating Activities	47	36 141 166	40 788 449
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(20 206 414)	(37 222 382)
Proceeds on Disposal of Fixed Assets		2 180 000	630 000
Purchase of Investment Properties		-	-
Net Cash from Investing Activities		(18 026 414)	(36 592 382)
CASH FLOW FROM FINANCING ACTIVITIES			
Short term Loans			-
Borrowing - Long term/Refinancing		-	-
Repayment of Borrowing		(208 340)	-
Repayment of Finance leases		-	-
Decrease / (Increase) in Long-term Receivables		121 325	38 222
Net Cash from Financing Activities		(87 015)	38 222
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		18 027 736	4 234 289
Cash and Cash Equivalents at the beginning of the year		6 713 375	2 479 086
Cash and Cash Equivalents at the end of the year	47	24 741 111	6 713 375
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		18 027 736	4 234 289

LAINGSBURG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Approved Budget	Adjustments	Budget	Final Budget	Actual Outcome 2025	Difference	Reasons for Material variances	
				Adjustments (i.e. s29 and s31 of the MFMA)			between Final Budget and Actual Outcome		
		R	R	R	R	R	R		
ASSETS									
Current Assets									
Cash and cash equivalents	Cash and cash equivalents	8 977 629	7 569 763	(4 082 137)	3 487 626	24 741 111	21 253 485	609.4%	The municipality disposed assets (R2.2 million) had unspent grants of (R4.9 million) at year-end, trade payables increased with R7 million. There was a R7 million error on the Budget pertaining to Cash and Cash Equivalents. It was a set-up issue with the automated process of balance sheet budgeting. Cash Flow statement increased by R1.8 million but cash and cash equivalents decreased by R4.1 million caused by a system set-up problem. Balance Sheet budgeting is an automated process that is still problematic.
Trade and other receivables from exchange transactions	Receivables from Exchange Transactions	2 779 488	5 459 297	(79 850)	5 379 447	6 478 503	1 099 056	20.4%	The bad debt write-off exceeded the budgeted amount, with deposits and advances included under this item (see Note 10) at R2.8 million. Movement between current and non-current relating to payment arrangements were not budgeted for as such. The accounting for unbilled units (kWh/kL) at year-end, which were processed as accruals were not accounted for, caused by the automated budget process.
Receivables from non-exchange transactions	Receivables from Non-exchange Transactions	4 544 813	1 823 279	(5 000)	1 818 279	6 112 015	4 293 736	236.1%	
Other current assets		2 332 735	2 559 096	-	2 559 096	65 440	(2 493 656)	-97.4%	R 2.7 million relates to deposits paid to ESKOM and is budgeted for. This included in the AFS under Receivables from Exchange Transactions. As a balance sheet account the budget only recognise the balance carried forward on this item due to the automated budgeting system.
	Operating Lease Asset					65 440			
VAT	VAT receivable	5 784 364	3 513 399	(29 805)	3 483 594	8 887 747	5 404 153	155.1%	The actuals for this item are only disclosed as at 30 June and will either be a receivable or a payable, whereas the budget reflects the annual VAT in its totality under both current assets and current liabilities. Not really comparable
Inventory	Inventory	270 700	143 432	-	143 432	135 208	(8 224)	-5.7%	
Total Current Assets		24 689 729	21 068 266	(4 196 792)	16 871 474	46 420 024	29 548 550		
Non-Current Assets									
Investment property	Investment Property	22 152 686	21 142 061	-	21 142 061	19 345 216	(1 796 845)	-8.5%	
Property, plant and equipment	Property, Plant and Equipment	282 276 363	318 969 478	(1 199 041)	317 770 437	310 481 625	(7 288 812)	-2.3%	
Heritage assets	Heritage Assets	43 354	43 354	-	43 354	43 354	-	0.0%	
Intangible assets	Intangible Assets	524 393	47 415	-	47 415	60 889	13 474	28.4%	The difference is amortisation see note 4.1
Trade and other receivables from exchange transactions	Non-Current Receivables from Exchange Transactions	525 438	510 515	-	510 515	364 534	(145 981)	-28.6%	It should be noted that the operational budget automatically mimic within the balance sheet accounts and is an automatic process that makes it difficult to explain why there might be budget deviations as parameter set-up and the linking of votes can cause significant issues that can go undetected at times and only become exposed when actuals entries are entered
Non-current receivables from non-exchange transactions	Non-Current Receivables from Non-Exchange Transactions	-	3 968	-	3 968	1 357	(2 611)	-65.8%	It should be noted that the operational budget automatically mimic within the balance sheet accounts and is an automatic process that makes it difficult to explain why there might be budget deviations as parameter set-up and the linking of votes can cause significant issues that can go undetected at times and only become exposed when actuals entries are entered
Total Non-Current Assets		305 522 234	340 716 791	(1 199 041)	339 517 750	330 296 975	(9 220 775)		
TOTAL ASSETS		330 211 963	361 785 057	(5 395 833)	356 389 224	376 716 999	20 327 775		
LIABILITIES									
Current Liabilities									
Bank Overdraft	Cash and Cash Equivalents (Current Liability)	-	-	-	-	-	-		
Financial liabilities		-	-	-	-	218 950	218 950	100%	Finance leases that did not mimic in the automated system as this would've been included under creditors in the ledger as the incomes statement budgeted amount was covered under operational costs.
	Current Portion of Long-term Borrowings					218 950	218 950		
Consumer Deposits	Consumer Deposits	929 608	1 045 671	-	1 045 671	1 121 057	75 386	7.2%	
Trade and other payables from exchange transactions	Trade and Other Payables from Exchange Transactions	20 497 348	20 095 539	-	20 095 539	34 085 724	13 990 185	69.6%	See Note 18 - The budget accounted that everything would be paid in the financial year. The difference is the movement of trade payables (unpaid creditors as at year-end / sundries) and the movement in retentions, mainly driving the difference.
Trade and other payables from non-exchange transactions		1 148 155	1 995 140	-	1 995 140	4 922 484	2 927 344	146.7%	A municipality do not budget for not spending their grants and this is unspent grants. The amount that was budgeted for R1.9 million was the incorrect allocation of prior year opening balance on unspent grants.
	Unspent Transfers and Subsidies					4 922 484	4 922 484		
Provisions		278 000	3 088 785	-	3 088 785	3 010 724	(78 061)	-2.5%	
	Provisions					0			
	Current Employee Benefits					3 010 724			
VAT	VAT payable	2 186 675	(5 443 484)	(520 521)	(5 964 005)	-	5 964 005	-100.0%	The actuals for this item are only disclosed as at 30 June and will either be a receivable or a payable, whereas the budget reflects the annual VAT in its totality under both current assets and current liabilities. Not comparable
Other current liabilities		129 000	171 000	-	171 000	-	(171 000)	-100.0%	Opening balance of Medical benefits - Employee benefits and should be read with the entry under provisions.
Total Current Liabilities		25 168 786	20 952 651	(520 521)	20 432 130	43 358 939	22 926 809		
Non-Current Liabilities									
Borrowing	Long-term Borrowings	-	-	-	-	230 101	230 101		
Provisions		21 669 553	35 137 042	-	35 137 042	35 183 897	46 855	0.1%	Finance leases that did not mimic in the automated system as this would've been included under creditors in the ledger as the incomes statement budgeted amount was covered under operational costs.
	Non-current Provisions					27 665 897			
	Non-current Employee Benefits					7 518 000			
Other non-current liabilities	Operating Lease Liability	4 427 000	4 390 000	-	4 390 000	-	(4 390 000)	-100.0%	This represents the opening balance of the medical benefit obligations for pensioners and, in terms of the budget, should be read together with the provisions stated above.
Total Non-Current Liabilities		26 096 553	35 137 042	-	39 527 042	35 413 998	(4 113 044)		
TOTAL LIABILITIES		51 265 339	(520 521)	59 959 172	78 772 938	18 813 766			
NET ASSETS									
	Accumulated Surplus/(Deficit)	278 946 624	301 305 364	(4 875 312)	296 430 052	297 944 061	1 514 009		
TOTAL NET ASSETS		278 946 624	301 305 364	(4 875 312)	296 430 052	297 944 061	1 514 009		

LAINGSBURG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Approved Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final Budget	Actual Outcome 2025	Difference between Final Budget and Actual Outcome	Reasons for Material variances
		R	R	R	R	R	
REVENUE BY SOURCE							
Exchange Revenue							
Service Charges	Service Charges	30 965 307	3 990 703	34 956 010	33 537 232	(1 418 778)	-4.1%
Service Charges - Electricity		19 977 109	2 965 601	22 942 710	21 757 564	(1 185 146)	-5.2%
Service Charges - Water		5 566 368	(1 032 268)	4 534 100	4 407 259	(126 841)	-2.8%
Service Charges - Waste water management		2 431 732	1 210 168	3 641 900	3 592 978	(48 922)	-1.3%
Service Charges - Waste management		2 990 098	847 202	3 837 300	3 779 431	(57 869)	-1.5%
Sales of Goods and Rendering of Services		365 021	3 426	368 447	341 288	(27 159)	-7.4%
Agency Services	Agency Services	234 449	(34 449)	200 000	214 784	14 784	7.4%
Interest earned from receivables	Interest Earned - Exchange Transactions	620 568	279 582	900 150	1 188 705	288 555	32.1%
Interest Earned from current and non-current assets	Interest Earned - External Investments	937 740	452 260	1 390 000	1 617 323	227 323	16.4%
Rent on land	Rent on Land	89 092	(62 892)	26 200	26 650	450	1.7%
Rental from Fixed Assets	Rental from Fixed Assets	1 709 864	204 317	1 914 181	1 639 656	(274 525)	-14.3%
Licences and Permits	Licences and Permits	301 440	(69 590)	231 850	226 882	(4 968)	-2.1%
Operational revenue		44 023	33 847	77 870	1 536 424	1 458 554	1873.1%
Non-Exchange Revenue							
Property Rates	Property Rates	5 946 888	(299 278)	5 647 610	5 657 213	9 603	0.2%
Surcharges and Taxes	Surcharges and Taxes	3 500 724	(3 500 724)	-	-	-	-
Fines, penalties and forfeits	Fines, Penalties and Forfeits	31 318 236	1 103 764	32 422 000	28 860 283	(3 561 717)	-11.0%
Transfers and subsidies - operational	Government Grants and Subsidies (Operational only)	29 737 416	719 534	30 456 950	30 420 718	(36 232)	-0.1%
Interest	Interest Earned - Non-exchange Transactions	294 792	195 208	490 000	466 349	(23 651)	-4.8%
Operational revenue		326 160	(6 160)	320 000	318 218	(1 782)	-0.6%
	Availability charges				318 218		
Gains on disposal of assets	Gains on Sale of Fixed Assets	255 996	1 734 004	1 990 000	(422 363)	(2 412 363)	-121.2%
Other gains		-	-	-	(216 995)	(216 995)	
	Actuarial Gains				(216 995)		
Total Revenue (excluding capital transfers and contributions)		106 647 716	4 743 552	111 391 268	105 412 366	(5 978 902)	
EXPENDITURE							
Employee Related Costs		35 893 860	237 270	36 131 130	35 455 753	(675 377)	-1.9%
Remuneration of Councillors		3 605 064	411 270	4 016 334	3 676 673	(339 661)	-8.5%
Bulk purchases - electricity	Reversal of Impairment Loss/(Impairment Loss) on Receivables	14 328 021	571 979	14 900 000	14 818 560	(81 440)	-0.5%
Inventory consumed	Inventory Consumed	830 526	766 198	1 596 724	775 203	(821 521)	-51.5%
Debt impairment	Reversal of Impairment Loss/(Impairment Loss) on Receivables	25 513 199	2 852 974	28 366 173	21 326 220	(7 039 953)	-24.8%
Depreciation and amortisation	Finance Costs	5 993 544	7 478 992	13 472 536	12 678 621	(793 915)	-5.9%
Interest	Bulk Purchases (Electricity only)	1 003 824	1 713 476	2 717 300	4 530 439	1 813 139	66.7%
Contracted Services		6 649 477	3 260 973	9 910 450	10 020 964	110 514	1.1%
Transfers and Subsidies		1 092	(1 092)	-	97 621	97 621	
Irrecoverable debts written off		3 631 911	(2 728 150)	903 761	1 115 945	212 184	23.5%
Operational costs		12 296 759	2 548 672	14 845 431	19 218 082	4 372 651	29.5%
	Operational Costs				18 754 727		
	Operating leases				463 355		
Total Expenditure		109 747 277	17 112 562	126 859 839	123 714 080	(3 145 759)	
Surplus/(Deficit)		(3 099 561)	(12 369 010)	(15 468 571)	(18 301 714)	(2 833 143)	
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)	23 670 048	4 749 002	28 419 050	24 186 493	(4 232 557)	-14.9%
Surplus/(Deficit) after Capital Transfers & Contributions		20 570 487	(7 620 008)	12 950 479	5 884 778	(7 065 701)	
Surplus/(Deficit) for the year		20 570 487	(7 620 008)	12 950 479	5 884 778	(7 065 701)	

LAINGSBURG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Approved budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome 2025	Difference between Final Budget and Actual Outcome	Reasons for Material variances
		R	R	R	R	R	
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	Taxation	5 306 148	(690 958)	4 615 190	5 286 445	671 255	15% The system treatment of the collection rate overstated impairment. This is an automated calculation.
Service Charges		37 868 610	(938 928)	36 929 682	109 785 972	72 856 290	197% The system's treatment of revenue forgone, funded by the equitable share, reduced the equitable share allocation rather than the revenue from service charges.
Other Revenue		21 937 883	(2 273 741)	19 664 142	(67 419 397)	(87 083 539)	-443% The difference is caused by VAT from grant spending being recognised under this line entry in the budget and in terms of the mSCOA set-up.
Transfers and Subsidies - Operational	Government - Operating	30 451 598	835 049	31 286 647	33 348 062	2 061 415	7% The system's treatment of revenue forgone, funded by the equitable share, reduced the equitable share allocation rather than the revenue from service charges.
Transfers and Subsidies - Capital	Government - Capital	28 189 050	230 000	28 419 050	24 186 493	(4 232 557)	-15% The budget did not account for all grants not to be spent. The difference is the unspent portion of capital grants.
Interest		1 390 000	-	1 390 000	1 617 323	227 323	16% The interest budget was conservative in its prediction of changes in the prime rate and did not anticipate that grants would be spent more slowly and not fully utilised as ultimately occurred.
Dividends		-	-	-	-	-	
Payments							
Suppliers and Employees		(77 467 059)	(9 787 377)	(87 254 436)	(70 534 036)	16 720 400	-19% The system's treatment of VAT in the budget caused significant differences (R9 million), with an under-expenditure on goods and services. This was due to savings measures and a conservative approach adopted to maintain liquidity, given the numerous commitments against the available cash balance.
Suppliers of goods and services					(32 877 497)		
Employee related cost					(37 656 539)		
Finance charges		(2 700 000)	(17 300)	(2 717 300)	(32 076)	2 685 224	-98.8% R1.5 million was included in the budget for interest that would relate to provisions, Landfill site etc.
Transfers and Subsidies	Transfers and Grants	-	-	-	(97 621)	(97 621)	100% Expenditure incurred to fix water and sanitation problems in poor households.
Net Cash from/(used) Operating Activities		44 976 230	(12 643 255)	32 332 975	36 141 166		
CASH FLOW FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE		270 000	1 720 000	1 990 000	2 180 000	190 000	9.5%
Decrease (increase) in Non-Current Receivables		-	-	-	-	-	
Decrease/(increase) in Non-Current Investments		-	-	-	-	-	
Payments							
Capital Assets		(29 356 920)	(3 140 488)	(32 497 408)	(20 206 414)	12 290 994	-37.8% The difference was caused by under expenditure on grants and with the budgeted amount including VAT and with not everything paid as at year-end.
Purchase of Property, Plant and Equipment							
Purchase of Investment Properties							
Purchase of Intangible Assets							
Purchase of Heritage Assets							
Purchase of Agricultural Assets							
Net Cash from/(used) Investing Activities		(29 086 920)	(1 420 488)	(30 507 408)	(18 026 414)		
CASH FLOW FROM FINANCING ACTIVITIES							
Receipts							
Short Term Loans		-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	
Decrease / (Increase) in Long-term Receivables		-	-	-	121 325	121 325	100.0% Items that did not mimic (automated system entries) correctly and were included under operating activities - "Suppliers & Employees"
Payments							
Repayment of Borrowing		-	-	-	(208 340)	(208 340)	100.0% Items that did not mimic (automated system entries) correctly and were included under operating activities - "Suppliers & Employees"
Repayment of Borrowing							
Repayment of Finance leases							
Net Cash from/(used) Financing Activities		-	-	-	(87 015)		
NET INCREASE/(DECREASE) IN CASH HELD							
Cash and Cash Equivalents at the year begin:		15 889 310	(14 063 743)	1 825 567	18 027 736	16 202 169	887.5%
Cash and Cash Equivalents at the year end:		6 710 474	-	6 710 474	6 713 375	2 901	0.0%
Cash and Cash Equivalents at the year end:		22 599 784	(14 063 743)	8 536 041	24 741 111	16 205 070	

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Municipal Manager	10101 - Mayoral Council - Council General Experiences	Aggregated	Executive and Council	Supporting service departments
	10102 - Mayoral Council - Subsidies	Aggregated	Executive and Council	Supporting service departments
	11111 - Municipal Manager - Municipal Manager	Aggregated	Executive and Council	Supporting service departments
Vote 2 - Corporate Services	12121 - Corporate Services - Administration	Aggregated	Corporate Services	Supporting service departments
	12122 - Corporate Services - Fixed Property	Aggregated	Corporate Services	Supporting service departments
	12123 - Corporate Services - Matjiesfontein	Aggregated	Corporate Services	Supporting service departments
	13133 - Budget Treasury - Tourism	Aggregated	Corporate Services	Supporting service departments
	14141 - Planning and Development - Integrated Development (GOP)	Aggregated	Corporate Services	Supporting service departments
	17171 - Housing - Housing - Rental Schemes	Aggregated	Corporate Services	Supporting service departments
Vote 3 - Financial Services	13131 - Budget Treasury - Financial Services	Aggregated	Financial Services	Supporting service departments
	13132 - Budget Treasury - Property Rates	Aggregated	Financial Services	Supporting service departments
Vote 4 - Community Services	15151 - Community and Social Services - Health Services	Aggregated	Community and Public Safety	Community services, including cemetery, library, parks and community facilities
	15152 - Community and Social Services - Cemetery	Aggregated	Community and Public Safety	
	15153 - Community and Social Services - Library	Aggregated	Community and Public Safety	
	16161 - Sports and Recreation - Airfield	Aggregated	Community and Public Safety	
	16162 - Sports and Recreation - Parks Recreation	Aggregated	Community and Public Safety	
	16163 - Sports and Recreation - Sport Facilities - Vleiland	Aggregated	Community and Public Safety	
	18181 - Public Safety - Fire Brigade	Aggregated	Community and Public Safety	Disaster management
Vote 5 - Infrastructure Services	18182 - Public Safety - Traffic Services	Aggregated	Community and Public Safety	Traffic control and policing
	19191 - Road Transport - Public Works - Administration	Aggregated	Technical Services	Management of roads and storm water
	19192 - Road Transport - Streets Stormwater	Aggregated	Technical Services	
	19193 - Road Transport - Main Roads	Aggregated	Technical Services	
	20201 - Waste Management - Cleaning Services - Refuse Removal	Aggregated	Technical Services	Water management, Electricity services, waste water management and waste management
	21211 - Waste Water Management - Sewerage Services	Aggregated	Technical Services	
	21221 - Waste Water Management - Water Supply	Aggregated	Technical Services	
	22221 - Water - Water Supply	Aggregated	Technical Services	
	23231 - Electricity - Electricity Supply	Aggregated	Technical Services	

SECONDARY SEGMENTS

<u>Mscoca Functional Segments identified</u>	Function	Aggregation	Reportable Segment	Types of Goods/Services delivered
Governance and Administration	Executive and council	Aggregated	Governance and Administration	Supporting service departments
	Finance and administration	Aggregated	Governance and Administration	Supporting service departments
Community and public safety	Community and social services	Aggregated	Community and public safety	Library services, Community halls rentals and recreation centers
	Sport and recreation	Aggregated	Community and public safety	
	Public safety	Aggregated	Governance and Administration	Disaster management and traffic control
	Health services	Aggregated	Governance and Administration	Community services
	Housing services	Aggregated	Governance and Administration	Housing
Economic and environmental services	Planning and development	Aggregated	Economic and environmental services	Integrated Development Planning (IDP)
	Road transport	Aggregated	Economic and environmental services	Management of roads and storm water
Trading services	Energy sources	Individually Reported	Energy sources	Electricity services
	Water management	Individually Reported	Water management	Water management
	Waste water management	Individually Reported	Waste water management	Waste water management
	Waste management service	Individually Reported	Waste management service	Waste management service
Other	Air Transport	Aggregated	Other	Airfield management
	Tourism	Aggregated	Other	Tourism

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive.

LAINGSBURG MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	-	4 736 066	301 992	1 715 768	33 575 118	40 328 944
Service Charges - Electricity	-	-	-	-	21 757 564	21 757 564
Service Charges - Water	-	-	-	-	4 407 259	4 407 259
Service Charges - Waste water management	-	29 771	-	-	3 563 207	3 592 978
Service Charges - Waste management	-	-	-	-	3 779 431	3 779 431
Sales of Goods and Rendering of Services	-	186 506	65 598	21 527	67 657	341 288
Agency Services	-	-	214 784	-	-	214 784
Interest	-	292 514	-	-	-	292 514
Interest Earned - Receivables - Exchange Transactions	-	896 191	-	-	-	896 191
Interest Earned - External Investments	-	1 617 323	-	-	-	1 617 323
Rent on land	-	26 650	-	-	-	26 650
Rental of Facilities and Equipment	-	1 639 253	-	403	-	1 639 656
Licences and Permits	-	-	-	226 882	-	226 882
Operational Revenue	-	47 857	21 610	1 466 957	-	1 536 424
External revenue from non-exchange transactions	-	(182 469)	30 579 523	28 767 983	1 975 092	61 140 129
Property rates	-	-	5 657 213	-	-	5 657 213
Fines, Penalties and Forfeits	-	-	-	28 767 983	92 300	28 860 283
Transfers Recognised - Operational	-	122 174	24 672 957	-	1 564 574	26 359 705
Interest Earned - Non-exchange Transactions	-	-	466 349	-	-	466 349
Operational Revenue	-	-	-	-	318 218	318 218
Gains on disposal of Assets	-	(304 643)	-	-	-	(304 643)
Other Gains	-	-	(216 995)	-	-	(216 995)
Total Segment Revenue (excluding capital transfers and contributions)	-	4 553 597	30 881 515	30 483 751	35 550 210	101 469 073
SEGMENT EXPENDITURE						
Employee Related Costs	4 917 734	3 758 077	6 886 457	4 908 499	14 984 987	35 455 753
Remuneration of Councillors	3 676 673	-	-	-	-	3 676 673
Bulk Purchases - Electricity	-	-	-	-	14 818 560	14 818 560
Inventory consumed	6 125	54 310	189 822	45 265	479 681	775 203
Debt Impairment	-	(79 330)	779 096	18 701 320	1 925 134	21 326 220
Depreciation and Amortisation	425 688	919 528	94 625	958 294	10 280 486	12 678 621
Interest	-	-	1 539 807	-	2 990 632	4 530 439
Contracted Services	31 155	4 332 453	3 962 468	374 917	1 319 971	10 020 964
Transfer and subsidies	97 621	-	-	-	-	97 621
Irrecoverable debt written off	-	-	-	238	1 115 707	1 115 945
Operational cost	662 224	2 821 588	12 149 644	541 909	3 042 718	19 218 082
Losses on disposal of Assets	-	-	117 720	-	-	117 720
Total Segment Expenditure	9 817 219	11 806 626	25 719 638	25 530 442	50 957 875	123 831 800
Surplus/(Deficit)	(9 817 219)	(7 253 029)	5 161 877	4 953 309	(15 407 665)	(22 362 727)
Transfers and subsidies - capital (monetary allocations)	-	4 061 013	22 838 981	-	1 347 512	28 247 505
Surplus/(Deficit) after Capital Transfers & Contributions	(9 817 219)	(3 192 016)	28 000 857	4 953 309	(14 060 153)	5 884 778
Surplus/(Deficit) for the year	(9 817 219)	(3 192 016)	28 000 857	4 953 309	(14 060 153)	5 884 778

LAINGSBURG MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2025

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading services				Other	Total
				Energy Sources	Water Management	Waste water management	Waste management services		
SEGMENT REVENUE	R	R	R	R	R	R	R	R	
External revenue from exchange transactions	5 027 295	1 726 531	55 249	21 757 564	4 407 259	3 563 207	3 791 839	-	40 328 944
Service Charges - Electricity	-	-	-	21 757 564	-	-	-	-	21 757 564
Service Charges - Water	-	-	-	-	4 407 259	-	-	-	4 407 259
Service Charges - Waste water management	29 771	-	-	-	-	3 563 207	-	-	3 592 978
Service Charges - Waste management	-	-	-	-	-	-	3 779 431	-	3 779 431
Sales of Goods and Rendering of Services	252 104	21 527	55 249	-	-	-	12 408	-	341 288
Agency Services	214 784	-	-	-	-	-	-	-	214 784
Interest	292 514	-	-	-	-	-	-	-	292 514
Interest Earned - Receivables - Exchange Transactions	896 191	-	-	-	-	-	-	-	896 191
Interest Earned - External Investments	1 617 323	-	-	-	-	-	-	-	1 617 323
Rent on land	26 650	-	-	-	-	-	-	-	26 650
Rental of Facilities and Equipment	1 628 490	11 166	-	-	-	-	-	-	1 639 656
Licences and Permits	-	226 882	-	-	-	-	-	-	226 882
Operational Revenue	69 467	1 466 957	-	-	-	-	-	-	1 536 424
External revenue from non-exchange transactions	30 397 054	28 767 983	1 498 883	226 059	95 688	140 508	13 955	-	61 140 129
Property rates	5 657 213	-	-	-	-	-	-	-	5 657 213
Fines, Penalties and Forfeits	-	28 767 983	92 300	-	-	-	-	-	28 860 283
Transfers Recognised - Operational	24 795 131	-	1 406 583	110 283	19 435	14 319	13 955	-	26 359 705
Interest Earned - Non-exchange Transactions	466 349	-	-	-	-	-	-	-	466 349
Operational Revenue	-	-	-	115 776	76 253	126 188	-	-	318 218
Gains on disposal of Assets	(304 643)	-	-	-	-	-	-	-	(304 643)
Other Gains	(216 995)	-	-	-	-	-	-	-	(216 995)
Total Segment Revenue (excluding capital transfers and contributions)	35 424 349	30 494 514	1 554 132	21 983 622	4 502 947	3 703 715	3 805 794	-	101 469 073
SEGMENT EXPENDITURE									
Employee Related Costs	14 425 059	4 908 499	11 118 701	465 824	1 937 952	1 281 272	938 207	380 237	35 455 753
Remuneration of Councillors	3 676 673	-	-	-	-	-	-	-	3 676 673
Bulk Purchases - Electricity	-	-	-	14 818 560	-	-	-	-	14 818 560
Inventory consumed	234 025	45 265	197 496	27 011	89 750	12 312	153 799	15 545	775 203
Debt Impairment	699 765	18 701 320	-	134 690	680 667	571 390	538 386	-	21 326 220
Depreciation and Amortisation	1 418 707	958 294	3 854 723	669 793	2 559 759	2 416 531	779 680	21 134	12 678 621
Interest	1 539 807	-	-	-	-	-	2 990 632	-	4 530 439
Contracted Services	8 201 081	374 917	471 615	233 825	200 796	263 695	273 455	1 581	10 020 964
Transfer and subsidies	97 621	-	-	-	-	-	-	-	97 621
Irrecoverable debt written off	-	238	-	170 422	382 090	282 558	280 637	-	1 115 945
Operational cost	15 601 046	541 909	1 047 558	315 488	1 253 814	226 278	221 964	10 025	19 218 082
Losses on disposal of Assets	117 720	-	-	-	-	-	-	-	117 720
Total Segment Expenditure	46 011 505	25 530 442	16 690 093	16 835 612	7 104 828	5 054 037	6 176 761	428 522	123 831 800
Surplus/(Deficit)	(10 587 156)	4 964 072	(15 135 961)	5 148 010	(2 601 881)	(1 350 322)	(2 370 967)	(428 522)	(22 362 727)
Transfers and subsidies - capital (monetary allocations)	26 899 993	-	-	-	1 347 512	-	-	-	28 247 505
Surplus/(Deficit) for the year	16 312 837	4 964 072	(15 135 961)	5 148 010	(1 254 369)	(1 350 322)	(2 370 967)	(428 522)	5 884 778

LAINGSBURG MUNICIPALITY

PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

SEGMENT REVENUE	Executive and Council	Corporate Services	Financial Services	Community Services and Public Safety	Technical Services	Total
	R	R	R	R	R	R
External revenue from exchange transactions	-	4 028 190	286 782	1 898 014	27 375 419	33 588 405
Service Charges - Electricity	-	-	-	-	18 028 447	18 028 447
Service Charges - Water	-	-	-	-	3 867 405	3 867 405
Service Charges - Waste water management	-	62 628	-	-	2 664 580	2 727 208
Service Charges - Waste management	-	-	-	-	2 767 072	2 767 072
Sales of Goods and Rendering of Services	-	158 350	70 170	18 882	47 481	294 883
Agency Services	-	-	196 641	-	-	196 641
Interest	-	184 298	-	-	-	184 298
Interest Earned - Receivables - Exchange Transactions	-	593 685	-	-	-	593 685
Interest Earned - External Investments	-	1 264 711	-	-	-	1 264 711
Rent on land	-	102 655	-	-	-	102 655
Rental of Facilities and Equipment	-	1 639 681	-	3 604	435	1 643 719
Licences and Permits	-	-	-	256 397	-	256 397
Operational Revenue	-	22 183	19 972	1 619 130	-	1 661 285
External revenue from non-exchange transactions	-	22 489	29 739 905	33 757 112	7 335 819	70 855 324
Property rates	-	-	5 024 646	-	-	5 024 646
Surcharges and taxes	-	-	295 563	-	-	295 563
Fines, Penalties and Forfeits	-	8 300	-	33 757 112	-	33 765 412
Transfers Recognised - Operational	-	263 033	23 134 404	-	7 048 150	30 445 587
Interest Earned - Non-exchange Transactions	-	-	423 163	-	-	423 163
Operational Revenue	-	-	-	-	287 668	287 668
Gains on disposal of Assets	-	(248 845)	-	-	-	(248 845)
Other Gains	-	-	862 129	-	-	862 129
Total Segment Revenue (excluding capital transfers and contributions)	-	4 050 679	30 026 687	35 655 126	34 711 238	104 443 729
SEGMENT EXPENDITURE						
Employee Related Costs	4 317 613	3 293 314	7 293 593	5 015 333	13 430 421	33 350 274
Remuneration of Councillors	3 606 532	-	-	-	-	3 606 532
Bulk Purchases - Electricity	-	-	-	-	11 873 369	11 873 369
Inventory consumed	17 498	66 224	1 495	220 895	1 933 959	2 240 071
Debt Impairment	(10 934)	447 674	(23 206)	31 540 959	1 104 445	33 058 938
Depreciation and Amortisation	435 535	613 758	108 123	1 036 775	11 919 809	14 114 000
Interest	-	-	1 099 793	-	1 549 212	2 649 005
Contracted Services	40 361	848 668	2 812 874	357 349	1 146 017	5 205 268
Operational cost	600 557	3 096 884	9 797 059	594 098	1 665 272	15 753 870
Total Segment Expenditure	9 007 163	8 366 522	21 089 730	38 765 409	44 622 503	121 851 327
Surplus/(Deficit)	(9 007 163)	(4 315 844)	8 936 957	(3 110 283)	(9 911 265)	(17 407 598)
Transfers Recognised - Capital	-	-	41 509 624	-	-	41 509 624
Surplus/(Deficit) for the year	(9 007 163)	(4 315 844)	50 446 582	(3 110 283)	(9 911 265)	24 102 027

LAINGSBURG MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2024

	Governance and Administration	Community and Public Safety	Economic and Environmental Services	Trading services				Other	Total
				Energy Sources	Water Management	Waste water management	Waste management services		
	R	R	R	R	R	R	R	R	
SEGMENT REVENUE									
External revenue from exchange transactions	4 304 147	1 908 839	37 296	18 131 066	3 936 094	2 780 940	2 777 692	-	33 876 073
Service Charges - Electricity	-	-	-	18 131 066	-	-	-	-	18 131 066
Service Charges - Water	-	-	-	-	3 936 094	-	-	-	3 936 094
Service Charges - Waste water management	62 628	-	-	-	-	2 780 940	-	-	2 843 569
Service Charges - Waste management	-	-	-	-	-	-	2 767 072	-	2 767 072
Sales of Goods and Rendering of Services	228 520	18 882	36 861	-	-	-	10 620	-	294 883
Agency Services	196 641	-	-	-	-	-	-	-	196 641
Interest	184 298	-	-	-	-	-	-	-	184 298
Interest Earned - Receivables - Exchange Transactions	593 685	-	-	-	-	-	-	-	593 685
Interest Earned - External Investments	1 264 711	-	-	-	-	-	-	-	1 264 711
Rent on land	102 655	-	-	-	-	-	-	-	102 655
Rental of Facilities and Equipment	1 628 855	14 429	435	-	-	-	-	-	1 643 719
Licences and Permits	-	256 397	-	-	-	-	-	-	256 397
Operational Revenue	42 155	1 619 130	-	-	-	-	-	-	1 661 285
External revenue from non-exchange transactions	29 762 394	33 757 112	1 223 000	2 062 120	1 457 555	1 218 687	1 086 788	-	70 567 656
Property rates	5 024 646	-	-	-	-	-	-	-	5 024 646
Surcharges and taxes	295 563	-	-	-	-	-	-	-	295 563
Fines, Penalties and Forfeits	8 300	33 757 112	-	-	-	-	-	-	33 765 412
Transfers Recognised - Operational	23 397 437	-	1 223 000	2 062 120	1 457 555	1 218 687	1 086 788	-	30 445 587
Interest Earned - Non-exchange Transactions	423 163	-	-	-	-	-	-	-	423 163
Gains on disposal of Assets	(248 845)	-	-	-	-	-	-	-	(248 845)
Other Gains	862 129	-	-	-	-	-	-	-	862 129
Total Segment Revenue (excluding capital transfers and contributions)	34 066 540	35 665 951	1 260 296	20 193 187	5 393 648	3 999 627	3 864 480	-	104 443 729
SEGMENT EXPENDITURE									
Employee Related Costs	13 830 113	5 015 333	10 043 124	404 742	1 609 526	1 164 366	929 328	353 742	33 350 274
Remuneration of Councillors	3 606 532	-	-	-	-	-	-	-	3 606 532
Bulk Purchases - Electricity	-	-	-	11 873 369	-	-	-	-	11 873 369
Inventory consumed	62 884	220 895	850 460	45 624	559 347	152 594	326 286	21 982	2 240 071
Debt Impairment	413 535	31 540 959	-	23 070	436 217	254 298	390 860	-	33 058 938
Depreciation and Amortisation	1 140 011	1 036 775	3 890 946	669 495	2 402 038	2 131 985	2 825 345	17 404	14 114 000
Interest	1 099 793	-	-	-	-	-	1 549 212	-	2 649 005
Contracted Services	3 581 618	357 349	341 253	365 816	241 198	212 397	103 533	2 105	5 205 268
Operational cost	13 460 215	585 527	460 300	176 968	855 152	105 991	87 693	22 023	15 753 870
Total Segment Expenditure	37 194 701	38 756 838	15 586 084	13 559 083	6 103 477	4 021 631	6 212 258	417 256	121 851 327
Surplus/(Deficit)	(3 128 160)	(3 090 887)	(14 325 788)	6 634 104	(709 829)	(22 004)	(2 347 778)	(417 256)	(17 407 598)
Transfers Recognised - Capital	41 509 624	-	-	-	-	-	-	-	41 509 624
Surplus/(Deficit) after Capital Transfers & Contributions	38 381 464	(3 090 887)	(14 325 788)	6 634 104	(709 829)	(22 004)	(2 347 778)	(417 256)	24 102 027
Surplus/(Deficit) for the year	38 381 464	(3 090 887)	(14 325 788)	6 634 104	(709 829)	(22 004)	(2 347 778)	(417 256)	24 102 027

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Annual Financial Statements have been prepared in accordance with the historical cost convention, except where indicated otherwise.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality's operations. The Cash Flow Statement has been prepared using the Direct Method.

The accounting policies applied are consistent with those used to present the previous year's financial statements except where an exemption or transitional provision has been granted. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.2 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.2.1 Revenue Recognition

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

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Revenue for Traffic Fines:

There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue. Where a reliable estimate cannot be made of revenue from summonses, the revenue is recognised when the public prosecutor pays the cash collected over to the municipality.

1.2.2 Water Inventory

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

1.2.3 Impairment of Financial Assets

Accounting Policy 4.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- Impairment of Trade Receivables:

The calculation in respect of the impairment of Debtors 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 is performed per service-identifiable categories across all classes of debtors.

1.2.4 Impairment of Statutory Receivables

Accounting Policy 5.3 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Statutory Receivables recorded during the year is appropriate.

- Impairment of Rates and other receivables

The calculation in respect of the impairment of Debtors 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 is performed per service-identifiable categories across all classes of debtors.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

- Impairment of Traffic Fines

Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

1.2.5 Capitalisation of Capital Assets

Judgement by management is required to distinguish between expenses incurred to maintain and repair capital assets and expenses incurred that will increase the remaining useful life of capital assets and needs to be capitalised to capital assets.

1.2.6 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 6.3, 7.2 and 8.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

The useful lives of assets are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical, useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings, 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.

Management referred to the following when making assumptions regarding useful lives and residual values of assets:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides were used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method, which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

selling trends and the remaining duration of the assets.

1.2.7 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories

Accounting Policy 10 on Impairment of Assets describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

1.2.8 Defined Benefit Plan Liabilities

As described in Accounting Policy 15.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.2.9 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.2.10 Principals and Agent Arrangements

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

The municipality is assessed to be the principal and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP. In order to assess that the municipality is the principal, the following factors were considered in applying its judgement:

- The municipality acts as a principal for the service provider, Syntell, who acts as an agent for the municipality with the sale of prepaid electricity and water.
- The municipality acts as a principal for the service provider, the Provincial Department of Transport, who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Laingsburg Municipal Area.
- The municipality acts as a principal for the service provider, Central Karoo Traffic Systems (Pty) Ltd, who acts as an agent for the municipality with regards to the issuing and recovery of camera fines issued within the Laingsburg Municipal Area.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.2.11 Provision for Landfill Sites

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 best estimate or net present value of the expected future cash flows to rehabilitate the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates linked to government bond rate was used to calculate the effect of the time value of money.

1.2.12 Pre-paid electricity estimation

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year-end, which is still unused. The average pre-paid electricity sold per day during the year under review is used, and the estimate is calculated using between 5 and 10 days' worth of unused electricity.

1.2.13 Housing Arrangements

The municipality is not accredited to deliver housing under the national housing programme. However, it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Human Settlements.

Management has assessed all arrangements in place and concluded that there are no housing arrangements to which it was a project manager or developer during this accounting period.

1.2.14 Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition, and recalculated to cost at the acquisition date if known or to the date of initially adopting the Standards of GRAP.

1.2.15 Performance Bonus

The provision for performance bonuses represents the best estimate of the obligation at year end and is based on historical patterns of payment of performance bonuses. Performance bonuses are subject to an evaluation by the Council

1.2.16 Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at the reporting date. This provision will be realised as employees take leave or when employment is terminated.

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1.3 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

1.4 Standards, Amendments to Standards and Interpretations published but not yet Effective

The following GRAP Standards and Interpretations have been published but are not yet effective and have not been early adopted by the municipality. Additionally, these standards and interpretations are not always relevant to the municipality's operations and are indicated as such below:

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 103	<p><u>Heritage assets</u></p> <p>There are proposed amendments to the classification of mixed-use assets, cultural significance and the fair value accounting.</p> <p>The amendments to the Standard are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
GRAP 104	<p><u>Financial Instruments</u></p> <p>The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments. The Municipality might need to revise the categories of financial instruments and the impairment model.</p> <p>The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.</p>	1 April 2025
GRAP Going concern 1:	<p><u>Presentation of Financial statements: Going concern</u></p> <p>The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. Adjustments for going concern proposed to provide guidance on the preparation of AFS as going concern and the related disclosure.</p> <p>The transitional provisions are specified in the revised Standard. The amendments may not be applied. A by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown

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REFERENCE	TOPIC	EFFECTIVE DATE
<p>Improvement to GRAP standards (2023)</p>	<p><u>Improvement to GRAP standards (2023)</u> The Improvements are approved by the Board. The effective date is yet to be determined by the Minister of Finance. The Improvements may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the Improvements once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	<p>Unknown</p>
<p>GRAP 105, GRAP 106 and GRAP 107 (amendments)</p>	<p><u>Transfer of Functions and Mergers</u> The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.</p> <p>No significant impact is expected as Standards is not relevant to the operations of the Municipality.</p>	<p>Unknown</p>
<p>Guideline</p>	<p><u>Application of Materiality of Financial Statements</u> The guideline is not authoritative but only encourage.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	<p>No effective date as only encouraged</p>
<p>iGRAP 22</p>	<p><u>Foreign Currency Transactions and Advanced Consideration</u> The interpretation is to provide guidance on determining the transaction date 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.</p> <p>Early adoption of the Interpretation is encouraged.</p> <p>No significant impact is expected as the foreign currency transactions and advance consideration is not relevant to the operations of the Municipality.</p>	<p>1 April 2025</p>

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements.

These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 1 July 2024 to 30 June 2025. The approved budget is made publicly available.

Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. Deviations between budget and actual amount are regarded as material differences when 10% deviations exists.

Explanations is provided in the budget comparison regarding classification differences between the approved budget and the actual figures.

The approved budget is the expenditure authority derived from laws, appropriation bills, regulations and other decisions related to the anticipated revenue or receipts for the budgetary period. Thus, this is the budget as approved by Council.

The final budget is the approved budget adjusted for transfers, allocations, supplemental appropriations, and other changes applicable to the budget period. Therefore, the final budget includes all changes subsequently made to Council approval (e.g. virements).

3. INVENTORIES

3.1 Recognition and Initial Measurement

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. (can also include proportion of overhead costs).

Inventories are recognised as an asset if, and only 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.

Water inventory is being measured by multiplying the cost per kiloliter of purified water by the amount of water in storage.

Where Inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

3.2 Subsequent Measurement

3.2.1 Consumable and Material and Supplies

Subsequently, Consumables sold are valued at the lower of cost and net realisable value. Material and Supplies are held for own use and measured at the lower of cost and current replacement cost.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The cost is determined using the Weighted Average Method.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost.

3.2.2 Water Inventory

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water inventory is measured by telemetry readings and the calculated volume in the distribution network.

3.2.3 Other Arrangements

Redundant and slow-moving Inventories identified are written down from cost to current replacement cost, if applicable.

Differences arising on the measurement of such Inventory at the lower of cost and current replacement cost or net realisable value, are recognised in Surplus or Deficit in the year in which they arise. The amount of any reversal of any write-down of Inventories arising from an increase in current replacement cost or net realisable value is recognised as a reduction in the amount of Inventories recognised as an expense in the period in which the reversal occurs. The carrying amount of Inventories is recognised as an expense in the period that the Inventory was sold, distributed, written off or consumed.

4. FINANCIAL INSTRUMENTS

Initial Recognition

Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Non-current receivables	Financial Assets at Amortised Cost
Receivables from Exchange transactions	Financial Assets at Amortised Cost

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Receivables from Non-Exchange transactions	Financial Assets at Amortised Cost
Cash and cash equivalents (Investments & Bank)	Financial Assets at Amortised Cost
Cash and Cash Equivalents (Cash on hand)	Financial Asset at Fair value

Financial Assets exclude Value Added Taxation, Prepayments and Operating Lease Receivables as it does not fall in the scope of GRAP 104.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks.

4.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Trade and other Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Consumer Deposits	Financial Liabilities at Amortised Cost

4.3 Initial and Subsequent Measurement

4.3.1 Financial Assets:

Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

4.3.2 Financial Liabilities:

Financial Liabilities held at Amortised Cost

Financial Liabilities are classified are initially measured at fair value, net of transaction costs. Financial Liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

4.4 Impairment of Financial Assets

Financial Assets at amortised cost are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated, and an impairment loss is recognised through the use of an allowance account.

4.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts 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. The provision is made whereby the recoverability of accounts receivable is assessed individually and then

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collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

When a Consumer Debtor is considered uncollectible, it is written off and recognised in the Surplus or Deficit. Subsequent recoveries of amounts previously written off are credited against revenue.

4.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except 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.

On the derecognition of financial asset, the difference between carrying amount and sum of consideration received, is recognised in surplus or deficit.

4.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled, they expired or waived.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

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 Surplus or Deficit.

5. STATUTORY RECEIVABLES

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

The municipality has the following Statutory Receivables:

- Property Rates

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- Fines
- VAT receivable
- Availability charges

5.1 Recognition and Initial Measurement

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount.

The transaction amounts of the Statutory Receivables of the municipality are determined as follows:

- Property Rates are levied in terms of the stipulations contained in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) at rates determined each year by Council.
- Fines are serviced in terms of the stipulations contained in the Criminal Procedures Act, 1977 (Act No. 51 of 1977) at rates published in the Government Gazette from time to time.
- VAT receivables are recognised in accordance with Value added Tax act no 89 of 1991.
- Availability fees

5.2 Subsequent Measurement

Statutory Receivables are measured after initial recognition using the cost method.

Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable, where applicable;
- Impairment losses; and
- Amounts derecognised.

5.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period or when there is any indication of impairment, such as the probability of insolvency or significant financial difficulties of the debtor. The assessment for impairment can be done for individually significant receivables; and/or groups of similar, individually insignificant, receivables are impaired.

The municipality groups together and assesses collectively for impairment those receivables that exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the municipality. The municipality uses the following groupings:

- Assessment Rates
- Fines

For further detail on the assessment refer to policy 1.2.4 Impairment of Statutory Receivables.

No impairment assessment is done on VAT, as per statutory obligation, it is expected to be fully recoverable. If there is such evidence the carrying amount is reduced to the estimated future cash flows, an impairment loss is recognised, directly or indirectly, through the use of an allowance account, with the amount of the impairment loss being recognised in Surplus or Deficit.

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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. Any previously recognised impairment loss is adjusted directly or indirectly against the allowance account. The reversal of impairment loss is recognised in the Surplus or Deficit.

5.4 Derecognition

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of and statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

6. PROPERTY, PLANT AND EQUIPMENT

6.1 Initial Recognition and Measurement

Property, Plant and Equipment are initially recognised at cost. (including transaction costs).

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

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. (including transaction costs)

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit.

The following items will be regarded as Property, plant and equipment rather than investment property:

- Owner-occupied property (including held for future use);
- Owner-occupied property held for development;
- Property occupied by employees for housing;
- Owner-occupied property held for disposal;
- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation and;
- Property held by the municipality for strategic purpose

6.2 Subsequent Measurement

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Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

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 associated with the asset.

6.3 Depreciation and Impairment

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost amounts to their residual values over the estimated useful lives of the assets. 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 management. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Asset Class	Years	Asset Class	Years
Buildings		Community	
Improvements	10 - 100	Community Facilities	15 - 100
		Recreational Facilities	20 - 100
Infrastructure		Other	
Electricity	15 - 60	Computer Equipment	5 - 30
Roads and Paving	10 - 60	Furniture and Office Equipment	6 - 50
Sanitation / Sewerage	10 - 60	Machinery and Equipment	5 - 40
Solid Waste	15 - 60	Transport Assets	10 - 45
Water	5 - 80		

Changes to the useful life of assets and residual value are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in the accounting estimate.

For impairment considerations refer to policy 10: Impairment of Assets.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

6.4 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

6.5 Incomplete Construction Work

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Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use. The municipality assesses at each reporting date if there is an indication of impairment.

6.6 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy. If cost can however not be established, then infrastructure assets will be initially measured and recognised at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market.

6.7 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.

6.8 Landfill site

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, shall be accounted for as follows:

The related asset (under cost model) is measured as follows:

- Changes in the liability, shall be added or deducted from the asset cost;
- The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the municipality shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with its impairment policy. Refer to policy 10: Impairment of assets,

7. INTANGIBLE ASSETS

7.1 Initial Recognition and Measurement

Identifiable non-monetary assets without physical substance are classified and recognized as Intangible Assets.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e., is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

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The Municipality recognizes an intangible assets in its Statement of Financial Position 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.(including transaction cost)

Where an Intangible Asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction),the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost.

7.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists.

Amortisation of an asset begins when it is available for use, i.e., when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately.

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

Asset Class	Years
Computer Software Purchased	5 -10

Changes to the useful life residual values and depreciation method of assets are reviewed annually, if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in accounting estimate.

For impairment considerations refer to policy 10: Impairment of Assets.

7.3 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

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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.

8. INVESTMENT PROPERTY

8.1 Initial Recognition and Measurement

The Municipality recognizes Investment Property in its Statement of Financial Position 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.

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, or the sale of an asset in the ordinary course of operations.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or held for sale, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases;
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property.

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost.

8.2 Subsequent Measurement

Investment Property is measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on cost, using the Straight-line Method over the useful life of the property, which is estimated at 20 - 100 years. 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 management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

Land is not depreciated as it is deemed to have an indefinite useful life.

Changes to the useful life of assets, residual value and depreciation method are reviewed annually, if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous

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estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in estimate.

For impairment considerations refer to policy 10: Impairment of Assets.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

8.3 Derecognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

8.4 Transfers

Transfers are made to or from investment property only when there is a change in use.

For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

For a transfer from investment property to inventory (view sale), the deemed cost for subsequent accounting is the fair value as at date of change.

For a transfer from owner occupied property becomes an investment property measured at fair value, the difference between the carrying value and fair value at the reporting date, shall be recognised in surplus and deficit.

For a transfer from inventory to investment property (operating lease), the difference between the carrying value and the fair value at the reporting date, shall be recognised in surplus and deficit.

9. HERITAGE ASSETS

9.1 Initial Recognition and Measurement

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

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

9.2 Subsequent Measurement

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses. Heritage assets are not depreciated.

For impairment considerations refer to policy 10: Impairment of Assets.

9.3 Derecognition

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

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

10. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets. All other assets are classified as Non-cash Generating Assets.

10.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

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.

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 and recognised in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

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 is recognised immediately in Surplus or Deficit.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

- (a) External sources of information
 - During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
 - Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
 - Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- (b) Internal sources of information

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- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

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.

10.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

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

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss and recognised in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

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 service 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

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in prior periods.

A reversal of an impairment loss is recognised immediately in Surplus or Deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset shall be 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

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

11. CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

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.

12. PROVISIONS

Provisions are recognised when the Municipality has a present 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 the reporting date and adjusted to reflect the current best estimate of future outflows of resources.

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar

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transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances.

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.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money, discounted at pre-tax discount rate, adjusted for specific risks to the liability. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

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.

12.1 Provision for Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

13. LEASES

13.1 Operating Leases – Municipality as lessor

Operating leases are those leases that do not fall within the scope of finance lease definition. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leases asset is diminished.

13.2 Operating Leases – Municipality as lessee

Operating leases are those leases that do not fall within the scope of finance lease definition. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

14. BORROWING COSTS

All borrowing costs are treated as an expense in the period in which they are incurred.

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15. EMPLOYEE BENEFIT LIABILITIES

15.1 Short-term Employee Benefits

When an employee has rendered service to the entity during a reporting period, the entity recognises 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 entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

15.1.1 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 year-end 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.

In terms of the Collective Agreement for Local Government annual leave shall only be accumulated to a maximum of forty-eight (48) working days. The provision for annual leave is limited to a maximum of 48 days per employee.

15.1.2 Staff Bonuses Accrued

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year-end for each employee.

15.1.3 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 accrues to Section 57 employees. Municipalities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

15.2 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors and has both defined benefit and defined contribution post-employment plans.

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15.2.1 Defined Contribution Plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

15.2.2 Defined Benefit Plans

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified. 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 fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an independent actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Provincially-administered Defined Benefit Plans

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The municipality contributes to various National- and Provincial-administered Defined Benefit 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 charged against revenue in the year they become payable. These defined benefit funds are actuarially valued tri-annually on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

16. REVENUE RECOGNITION

16.1 General

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 is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from non-exchange transactions is recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

16.2 Revenue from Non-exchange Transactions

16.2.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

16.2.2 Fines

Fines constitute both spot fines and summonses.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

16.2.3 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has

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complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

16.2.4 Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received, but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

16.2.5 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

16.2.6 Interest Earned

Interest revenue is recognised using the effective interest rate method.

16.2.7 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff.

16.2.8 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

16.2.9 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 as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore, the substance of these transactions indicates that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise 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.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

16.2.10 Debt forgiveness

Debt forgiven is recognised when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners. Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

16.2.11 Service in-kind

Services in-kind that are significant to the Municipality's operations are recognised as assets and 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.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed, and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality, therefore, recognises an expense and related revenue for the consumption of services in-kind

16.3 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.

16.3.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced.

Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when 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.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

16.3.2 Prepaid Electricity

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

16.3.3 Rentals Received

Revenue from the rental of facilities and equipment and land is recognised on a Straight-line Basis over the term of the lease agreement.

16.3.4 Income from Agency Services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

16.3.5 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1% and recognised in surplus or deficit on the time-proportionate basis.

16.3.6 Tariff Charges

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

16.3.7 Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions have been met:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

16.3.8 Services rendered

Revenue from the services rendered is recognised when:

- The amount of revenue can be measured reliably;
- It is probable that economic benefits or service potential associated with the transaction will flow to the municipality;
- The stage of completion at the reporting date can be measured reliably;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

17. TRANSFER AND SUBSIDIES

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

18. MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply to the legislative requirements governing Municipalities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the First-In-First-Out Method as defined by GRAP 12 (Inventories).

19. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, 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 the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003).

All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

20. 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 (Act No 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure.

Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

21. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

22. COMMITMENTS

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP;
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date;
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources;
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure Notes to the Annual Financial Statements; and Other commitments for contracts that are non-cancellable or only cancellable at significant cost, should relate to something other than the business of the municipality.

Commitments are disclosed including VAT.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

23. 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.

Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.

The following are regarded as related parties of the Municipality:

(a) A person or a close member of that person's family is related to the Municipality if that person:

- has control or joint control over the Municipality.
- has significant influence over the Municipalities.
- is a member of the management of the Municipality or its controlling entity.

(b) An entity is related to the Municipality if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
- both entities are joint ventures of the same third party.
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).
The entity, or any member of a group of which it is part, provides management services to the reporting entity or to the controlling entity of the reporting entity.

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.

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Deputy Executive Mayor, Speaker, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager.

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ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

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

Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

24. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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 entity. A contingent liability could also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

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

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

25. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. (those that provide evidence of conditions that existed at the reporting date).

The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements. (those are indicative of conditions that arose 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.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

26. SEGMENT REPORTING

The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective and also considered separately for each of the towns within the municipal jurisdiction.

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available

The components described below have been identified as individually significant segments for purposes of reporting in terms of GRAP 18.

The following services are considered significant to the municipality and is accordingly managed separately:

Primary Segments:

- Executive and Council
- Corporate Services
- Financial Services
- Community Services and Public Safety
- Technical Services

Secondary Segments:

- Governance and Administration
- Community and Public Safety
- Economic and Environmental Services
- Energy Sources
- Waste Management
- Waste water Management
- Water Management
- Other

All other sources of income and expenditure is aggregated through means of the administrative function as these services are not significant to the other services of the municipality as a whole.

The municipality only operates in a single geographical location and accordingly does not report separately on each location within its jurisdiction.

Intersegmental transfers are per the municipality's approved tariff policy. The reconciliation clearly describes the effects of all internal transfers between segments.

The municipality manages its assets and liability as a whole and are not reviewed on a segregated basis for each town.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The accounting policies for segmental reporting in the management accounts are aligned to the requirements of GRAP as described in these accounting policies.

The restatement of segment information is only done if there was a change in the reportable structure of the municipality and information is readily available.

27. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991). 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 separately disclosed in the Statement of Financial Position.

28. COMPARATIVE FIGURES

When the presentation or classification of items in the annual financial statements is 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 are disclosed. Where accounting errors 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.

29. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue received is driven from legislation. Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered a financial instrument.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the liability. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

LAINGSBURG MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

30. ACCOUNTING BY PRINCIPALS AND AGENTS

A principal-agent arrangement exists where there is 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).

Where the municipality is considered the principal, all revenues, expenses, liabilities, and assets are recorded in the records of municipality in accordance with the relevant standards of GRAP.

Where the municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or money due being recorded in terms of GRAP.

Identification

Special consideration is given to the classification of an agreement to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Who determines significant terms?
- Who receives the benefit from the transactions?
- Is the municipality exposed to the variability of the outcome?

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

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. In the assessment reference is made to substance over form. Therefore, the exact wording of the contract is not the only indicator (for example if reference is made to "agent"). If rights and obligations are substantially transferred this could indicate a principal/agent arrangement. If not, the arrangement is accounted for as a normal supplier/customer relationship

31. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made based on 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.

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2025

	Cost											Accumulated Depreciation					Carrying Value	
	Opening Balance				Additions				Under construction	Disposals	Closing Balance	Opening Balance	Corrections	Additions	Disposals	Closing Balance		
	Opening Balance	Work-in-Progress	Corrections	Re-stated Opening Balance	Transfers	Additions	IGRAP 2 Adjustment	Contributed Assets										
Infrastructure assets																		
Roads Infrastructure	69 190 091	-	-	69 190 091	-	496 681	-	-	496 681	-	69 686 772	(28 478 887)	-	(1 601 347)	-	(30 080 233)	-	39 606 539
Storm Water Infrastructure	90 700 031	165 796	-	90 865 827	-	255 259	-	-	421 056	-	91 121 086	(62 248 080)	-	(1 885 441)	-	(64 133 521)	-	26 987 565
Electrical Infrastructure	32 016 555	5 218 686	-	37 235 240	-	74 630	-	-	5 218 686	-	37 309 870	(16 156 228)	-	(669 793)	-	(16 826 021)	-	20 483 849
Water Supply Infrastructure	105 347 044	4 753 716	-	110 100 760	(53 020)	1 232 099	-	-	1 345 416	-	111 279 839	(40 377 722)	-	(2 559 759)	-	(42 937 480)	-	68 342 358
Sanitation Infrastructure	80 544 412	32 800 352	-	113 344 764	(73 787)	12 595 488	-	-	28 302 785	-	125 866 464	(41 318 807)	-	(2 416 531)	-	(43 735 336)	-	82 131 127
Solid Waste Infrastructure	33 372 704	-	-	33 372 704	-	-	(9 327 698)	-	-	-	24 045 006	(14 697 942)	-	(779 680)	-	(15 477 623)	-	8 567 383
Total Infrastructure Assets	411 170 837	42 938 549	-	454 109 386	(126 807)	14 654 157	(9 327 698)	-	35 784 623	-	459 309 038	(203 277 666)	-	(9 912 551)	-	(213 190 217)	-	246 118 821
Community Assets																		
Community Assets	34 006 250	6 906 172	-	40 912 422	-	5 191 758	-	-	12 097 930	-	46 104 180	(12 856 895)	-	(958 204)	-	(13 815 189)	-	32 288 992
Land																		
Land	21 401 112	-	-	21 401 112	-	-	-	-	-	-	21 401 112	-	-	-	-	-	-	21 401 112
Other Assets																		
Other Assets	11 276 464	-	-	11 276 464	-	-	-	-	-	-	11 276 464	(5 455 225)	-	(327 832)	-	(5 783 057)	-	5 493 407
Computer Equipment																		
Computer Equipment	1 863 211	-	-	1 863 211	21 400	15 171	-	-	1 761 155	(138 627)	1 761 155	(1 049 769)	-	(87 737)	134 966	(1 002 540)	-	758 615
Furniture and Office Equipment																		
Furniture and Office Equipment	1 776 074	-	-	1 776 074	-	26 643	-	-	-	(393 014)	1 409 703	(1 242 376)	-	(101 231)	342 783	(1 000 824)	-	408 879
Machinery and Equipment																		
Machinery and Equipment	4 373 131	-	-	4 373 131	53 020	123 096	-	-	-	(254 476)	4 294 771	(2 180 280)	-	(328 815)	232 096	(2 276 999)	-	2 017 772
Transport Assets																		
Transport Assets	6 419 746	-	-	6 419 746	52 387	195 590	-	-	-	(1 172 986)	5 494 737	(4 731 931)	-	(367 935)	1 131 539	(3 968 327)	-	1 526 410
Leased Assets																		
Leased Assets	-	-	-	-	-	657 391	-	-	-	-	657 391	-	-	(189 774)	-	(189 774)	-	467 617
	492 286 825	49 844 722	-	542 131 547	-	20 863 806	(9 327 698)	-	47 882 553	(1 959 103)	551 708 551	(230 794 141)	-	(12 274 169)	1 841 383	(241 226 926)	-	310 481 625

2.2 30 JUNE 2024

	Cost											Accumulated Depreciation and Impairment Losses					Carrying Value	
	Opening Balance				Additions				Under construction	Disposals	Closing Balance	Opening Balance	Corrections	Additions	Disposals	Closing Balance		
	Opening Balance	Work-in-Progress	Corrections	Re-stated Opening Balance	Transfers	Additions	IGRAP 2 Adjustment	Contributed Assets										
Infrastructure assets																		
Roads Infrastructure	59 226 640	4 539 880	-	63 766 520	-	5 423 571	-	-	-	-	69 190 091	(27 012 891)	-	(1 465 996)	-	(28 478 887)	-	40 711 204
Storm Water Infrastructure	90 700 031	-	-	90 700 031	-	165 796	-	-	165 796	-	90 865 827	(60 397 046)	-	(1 851 034)	-	(62 248 080)	-	28 617 747
Electrical Infrastructure	32 016 555	5 218 686	-	37 235 240	-	-	-	-	5 218 686	-	37 235 240	(15 486 734)	-	(669 495)	-	(16 156 228)	-	21 079 012
Water Supply Infrastructure	105 347 044	-	-	105 347 044	-	4 753 716	-	-	4 753 716	-	110 100 760	(37 975 683)	-	(2 402 038)	-	(40 377 722)	-	69 723 038
Sanitation Infrastructure	80 544 412	14 013 935	-	94 558 347	-	18 786 417	-	-	32 800 352	-	113 344 764	(39 186 822)	-	(2 131 985)	-	(41 318 807)	-	72 025 957
Solid Waste Infrastructure	21 560 512	-	-	21 560 512	-	-	11 812 192	-	-	-	33 372 704	(11 872 597)	-	(2 825 345.24)	-	(14 697 942)	-	18 674 762
Total Infrastructure Assets	389 395 194	23 772 500	-	413 167 694	-	29 129 500	11 812 192	-	42 938 549	-	454 109 386	(191 931 773)	-	(11 345 892)	-	(203 277 666)	-	250 831 720
Community Assets																		
Community Assets	40 533 842	-	(6 527 592)	34 006 250	-	6 906 172	-	-	6 906 172	-	40 912 422	(19 833 220)	7 947 186	(970 861)	-	(12 856 895)	-	28 055 527
Land																		
Land	17 517 601	-	3 883 511	21 401 112	-	-	-	-	-	-	21 401 112	-	-	-	-	-	-	21 401 112
Other Assets																		
Other Assets	11 056 744	-	219 720	11 276 464	-	-	-	-	-	-	11 276 464	(8 622 772)	3 515 175	(347 629)	-	(5 455 225)	-	5 821 239
Computer Equipment																		
Computer Equipment	1 199 572	-	-	1 199 572	-	663 639	-	-	1 863 211	-	1 863 211	(833 248)	-	(216 520)	-	(1 049 769)	-	813 442
Furniture and Office Equipment																		
Furniture and Office Equipment	1 670 046	-	-	1 670 046	-	106 029	-	-	-	-	1 776 074	(1 146 473)	-	(95 903)	-	(1 242 376)	-	533 699
Machinery and Equipment																		
Machinery and Equipment	2 746 089	-	-	2 746 089	-	417 042	-	1 210 000	-	-	4 373 131	(1 981 186)	-	(199 094)	-	(2 180 280)	-	2 192 851
Transport Assets																		
Transport Assets	6 419 746	-	-	6 419 746	-	-	-	-	-	-	6 419 746	(4 158 014)	-	(573 917)	-	(4 731 931)	-	1 687 815
Leased Assets																		
Leased Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	470 538 833	23 772 500	(2 424 361)	491 886 973	-	37 222 382	11 812 192	1 210 000	49 844 722	-	542 131 547	(228 506 686)	11 462 361	(13 749 816)	-	(230 794 141)	-	311 337 406

The "Under Construction" column is shown only for transparency. These amounts are not included in additions or total asset costs to avoid duplication.

2. PROPERTY, PLANT AND EQUIPMENT

	2025 R	2024 R
2.3 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Contracted Services	1 338 760	1 290 437
Total Repairs and Maintenance	1 338 760	1 290 437

	2025 R	2024 R
2.4 Impairment losses of Property, Plant and Equipment		
Impairment losses on Property, Plant and Equipment recognised in Statement of Financial Performance are as follows:		
Other		(10 934)
Total Impairment Losses	-	(10 934)

	2025 R	2024 R
2.5 Reversal of Impairment losses of Property, Plant and Equipment		
Reversal of Impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:		
Other	-	10 934
Total Reversal of Impairment losses	-	10 934

	2025	2026 R	207 R
2.6 Effect of changes in accounting estimates			
Effect on Property, Plant and Equipment	(174 332)	(1 516 715)	(674 954)

	2025 R	2024 R
2.7 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	2 105 402	26 020 350
Infrastructure	2 105 402	26 020 350
Total	2 105 402	26 020 350

	2025 R	2024 R
This expenditure will be financed from:		
Government Grants	2 105 402	26 020 350
Total	2 105 402	26 020 350

	2025 R	2024 R
2.8 Retention incurred on Property, Plant and Equipment:		
Opening Balance	2 119 465	1 537 850
Deposits	-	1 980 853
Withdrawals	(1 734 926)	(1 399 238)
Total	384 539	2 119 465
	2025 R	2024 R
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	22 139 686	23 263 659
Cost	26 004 528	26 982 528
Accumulated Depreciation	(3 864 841)	(3 718 869)
Disposals	(2 484 643)	(878 845)
Cost	(3 432 200)	(978 000)
Accumulated Depreciation	947 557	99 155
Depreciation for the year	(309 827)	(245 128)
Net Carrying amount at 30 June	19 345 216	22 139 686
Cost	22 572 328	26 004 528
Accumulated Depreciation	(3 227 112)	(3 864 841)
	2025 R	2024 R
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	1 417 530	1 498 151
	2025 R	2024 R
4. INTANGIBLE ASSETS		
4.1 Net Carrying amount at 1 July	155 515	263 637
Cost	1 425 715	1 425 715
Accumulated Amortisation	(1 270 200)	(1 162 078)
Amortisation	(94 625)	(108 123)
Disposals	-	-
Net Carrying amount at 30 June	60 889	155 515
Cost	1 425 715	1 425 715
Accumulated Amortisation	(1 364 826)	(1 270 200)

	2025 R	2024 R
5. HERITAGE ASSETS		
5.1 Net Carrying amount at 1 July	43 354	43 354
Fair Value	43 354	43 354
Net Carrying amount at 30 June	43 354	43 354
Fair Value	43 354	43 354
	2025 R	2024 R
Historical building	43 354	43 354
	43 354	43 354

There are no restrictions on the title and disposal of Heritage Assets

There are no Heritage Assets pledged as security for liabilities

There are no Heritage Assets that are used by the municipality for more than one purpose.

	2025 R	2024 R
6. NON-CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Receivables with repay arrangements	459 344	666 643
Electricity	21 983	63 288
Water	36 175	78 779
Property Rental	330 016	377 578
Waste Management	41 205	72 233
Waste Water Management	29 380	70 385
Other Service Charges	585	4 379
Less: Current portion transferred to Receivables from Exchange Transactions	(94 809)	(183 395)
Total Non-Current Receivables from Exchange Transactions	364 535	483 248

	2025 R	2024 R
7. NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Property rates	2 977	27 168
Electricity Availability	-	453
Water Availability	-	90
Waste Water Availability	-	407
	2 977	28 117
Less: Current portion transferred to Receivables from Non-Exchange Transactions	(1 620)	(24 149)
Total Non-Current Receivables from Non-Exchange Transactions	1 357	3 968

	2025 R	2024 R
8. OPERATING LEASE ARRANGEMENTS		
8.1 The Municipality as Lessor		
Operating Lease Asset	<u>65 440</u>	<u>70 529</u>
	2025 R	2024 R
<u>Disclosed as follows:</u>		
Non-Current Operating Lease Asset		
Current Operating Lease Asset	65 440	70 529
	<u>65 440</u>	<u>70 529</u>
	2025 R	2024 R
<u>Reconciliation</u>		
Balance at the beginning of the year	70 529	77 976
Movement during the year	(5 090)	(7 447)
Balance at the end of the year	<u>65 440</u>	<u>70 529</u>
	2025 R	2024 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	107 918	93 842
1 to 5 Years	389 448	338 651
More than 5 Years	-	-
Total Operating Lease Arrangements	<u>497 367</u>	<u>432 493</u>

This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.

	2025 R	2024 R
8.2 The Municipality as Lessee		
Operating Lease Liability	<u>-</u>	<u>-</u>
	2025 R	2024 R
<u>Reconciliation</u>		
Balance at the beginning of the year	-	2 302
Movement during the year	-	(2 302)
Balance at the end of the year	<u>-</u>	<u>-</u>

	2025 R	2024 R
9. INVENTORY		
Consumables	48 766	8 579
Finished Goods	37 721	46 332
Materials and Supplies	27 370	27 370
Water	21 352	21 154
Balance previously reported		61 151
Plus: Corrections of error prior year		(39 998)
Total Inventory	135 208	103 435

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

	2025 R	2024 R
9.1 Inventories recognise as an expense during the year:		
Consumables	216 162	1 501 577
Materials and Supplies	559 240	696 304
Water	2 651 250	42 189
Total	3 426 651	2 240 071

	2025 R	2024 R
10. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	2 690 425	2 591 982
Water	2 918 597	2 156 559
Property Rentals	1 173 631	925 289
Balance previously reported		925 874
Plus: Corrections of error prior year		(585)
Waste Management	2 145 387	1 509 496
Waste Water Management	2 002 973	1 391 553
Housing Selling Scheme	96 766	83 072
Other Arrears	239 369	169 339
Balance previously reported		179 334
Plus: Corrections of error prior year		(9 995)
Prepayments and Advances	2 832 736	2 539 969
Deposits - Eskom securities	2 729 350	2 436 835
Balance previously reported		-
Plus: Transferred from receivables from non-exchange transactions		2 436 835
Subscriptions	103 387	103 134
Total: Receivables from exchange transactions (before provision)	14 099 885	11 367 259
Less: Provision for Debt Impairment	(7 621 382)	(5 775 578)
Total: Receivables from exchange transactions (after provision)	6 478 503	5 591 680

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

The fair value of receivables approximate their carrying value.

Debtors with a total outstanding balance of R459 344 (2024 - R666 643) have arranged to settle their account over an re-negotiated period. Total payments to the value of R364 534 (2024 - R483 248) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

	2025 R	2024 R
<u>(Electricity): Ageing</u>		
Current (0 - 30 days)	1 523 634	1 274 137
31 - 60 Days	108 784	108 572
61 - 90 Days	54 257	37 617
+ 90 Days	454 641	355 458
	2 141 316	1 775 784
Plus: Accrued revenue not included in age analysis	567 924	866 330
Less: Non-current portion transferred to non-current receivables	(13 527)	(44 845)
Less: Not included in debtors's sub-system	(5 288)	(5 288)
Total	2 690 425	2 591 982

	2025 R	2024 R
<u>(Water): Ageing</u>		
Current (0 - 30 days)	453 492	334 981
31 - 60 Days	140 151	128 984
61 - 90 Days	112 609	102 629
+ 90 Days	2 105 412	1 511 922
	2 811 664	2 078 515
Plus: Accrued revenue not included in age analysis	129 581	115 473
Less: Non-current portion transferred to non-current receivables	(22 649)	(37 430)
Total	2 918 597	2 156 559

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

	2025 R	2024 R
<u>(Property Rentals): Ageing</u>		
Current (0 - 30 days)	176 354	61 387
31 - 60 Days	45 482	77 328
61 - 90 Days	36 093	23 282
+ 90 Days	1 202 733	1 093 701
	1 460 662	1 255 698
Less: Non-current portion transferred to non-current receivables	(287 030)	(330 409)
Total	1 173 631	925 289

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

	2025 R	2024 R
<u>(Waste Management): Ageing</u>		
Current (0 - 30 days)	379 816	259 305
31 - 60 Days	101 420	97 919
61 - 90 Days	84 949	75 406
+ 90 Days	1 602 866	1 118 071
	2 169 052	1 550 701
Less: Non-current portion transferred to non-current receivables	(23 665)	(41 205)
Total	2 145 387	1 509 496
	2025 R	2024 R
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	325 512	229 297
31 - 60 Days	104 495	86 469
61 - 90 Days	84 299	66 247
+ 90 Days	1 506 330	1 038 899
	2 020 636	1 420 912
Less: Non-current portion transferred to non-current receivables	(17 663)	(29 359)
Total	2 002 973	1 391 553
	2025 R	2024 R
<u>(Housing Selling Scheme): Ageing</u>		
Current (0 - 30 days)	1 685	1 450
31 - 60 Days	816	1 357
61 - 90 Days	816	1 344
+ 90 Days	82 678	68 149
	85 995	72 300
Plus: Not included in debtors's sub-system	10 771	10 771
Total	96 766	83 072
	2025 R	2024 R
<u>(Other): Ageing</u>		
Current (0 - 30 days)	32 058	43 139
31 - 60 Days	3 021	5 072
61 - 90 Days	1 606	3 949
+ 90 Days	202 684	117 180
Total	239 369	169 339

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

	2025 R	2024 R
<u>(Total): Ageing</u>		
Current (0 - 30 days)	2 892 551	2 203 696
31 - 60 Days	504 170	505 701
61 - 90 Days	374 630	310 474
+ 90 Days	7 157 344	5 303 380
Total	10 928 695	8 323 250
Plus: Accrued revenue not included in age analysis	697 505	981 804
Less: Non-current portion transferred to non-current receivables	(364 534)	(483 248)
Plus: Not included in debtors's sub-system	5 483	5 483
	11 267 149	8 827 290

Summary of Debtors by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>	<u>Total</u>
30 June 2025					
Current (0 - 30 days)	1 482 495	1 033 074	323 819	53 164	2 892 551
31 - 60 Days	411 425	34 727	57 773	245	504 170
61 - 90 Days	328 476	11 087	34 961	106	374 630
+ 90 Days	6 235 289	501 179	419 535	1 341	7 157 344
Sub-total	8 457 686	1 580 066	836 087	54 856	10 928 695
Plus: Accrued revenue not included in age analysis	344 889	268 300	73 524	10 792	697 505
Less: Non-current portion transferred to non-current receivables	(157 622)	(22 821)	(184 091)		(364 534)
Plus: Not included in debtors's sub-system				5 483	5 483
Plus: Pre-payments and advances				2 832 736	2 832 736
	8 644 953	1 825 545	725 520	2 903 868	14 099 885
Less: Provision for debt impairment	(7 058 157)	(557 230)	-	(5 995)	(7 621 382)
Total debtors by customer classification	1 586 797	1 268 314	725 520	2 897 873	6 478 503

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continue)

Summary of Debtors by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>	<u>Total</u>
30 June 2024					
Current (0 - 30 days)	1 111 244	826 010	244 693	21 749	2 203 696
31 - 60 Days	363 242	113 139	29 316	4	505 701
61 - 90 Days	270 633	23 557	16 280	4	310 474
+ 90 Days	4 436 774	472 420	393 802	384	5 303 380
Sub-total	6 181 893	1 435 126	684 091	22 141	8 323 250
<u>Plus:</u> Accrued revenue not included in age analysis	323 648	532 747	114 436	10 973	981 804
<u>Less:</u> Non-current portion transferred to non-current receivables	(214 544)	(60 612)	(208 091)		(483 248)
Less: Prior period adjustments					-
Plus: Not included in debtors's sub-system				5 483	5 483
Plus: Pre-payments and advances				2 539 969	2 539 969
	6 290 997	1 907 261	590 435	2 578 565	11 367 259
<u>Less:</u> Provision for debt impairment	(4 950 143)	(559 222)	(261 467)	(4 747)	(5 775 578)
Total debtors by customer classification	1 340 853	1 348 040	328 968	2 573 819	5 591 680

**2025
R**

**2024
R**

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	5 775 578	4 223 460
Contribution to provision	1 845 804	1 552 119
Reversal of provision	-	-
Balance at end of year	7 621 382	5 775 578

**2025
R**

**2024
R**

The total amount of this provision is R7 928 928 (R5 775 578 - 2024) and consist of:

Services	6 487 309	4 562 175
Other Debtors	1 134 073	1 213 403
Total Provision for Debt Impairment on Receivables from exchange	7 621 382	5 775 578

**2025
R**

**2024
R**

Ageing of amounts past due but not impaired:

1 month past due	155 293	162 371
2+ months past due	1 008 025	708 324
	1 163 318	870 695

	2025 R	2024 R
11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Property rates by usage	4 853 223	4 016 106
Availability Charges - Electricity	545 874	442 481
Availability Charges - Water	467 608	390 162
Availability Charges - Waste Water	781 440	658 944
Fines	122 495 214	101 676 938
Deposits	-	-
Balance previously reported		2 436 835
Less: Transferred to receivables from exchange transactions		(2 436 835)
Other Receivables	808 838	174 998
Balance previously reported		164 418
Plus: Corrections of error prior year		10 580
	129 952 196	107 359 629
Less: Provision for Debt Impairment	(123 840 182)	(104 359 766)
Total Receivables from non-exchange transactions	6 112 015	2 999 863

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

	2025 R	2024 R
<u>(Rates): Ageing</u>		
Current (0 - 30 days)	39 519	33 938
31 - 60 Days	25 318	64 024
61 - 90 Days	20 037	52 515
+ 90 Days	4 769 705	3 869 597
Total	4 854 580	4 020 074
Less: Non-current portion transferred to non-current receivables	(1 357)	(3 968)
Plus: Prior period adjustments		
	4 853 223	4 016 106

	2025 R	2024 R
<u>(Availability Charges): Electricity - Ageing</u>		
Current (0 - 30 days)	14 794	11 598
31 - 60 Days	5 467	7 224
61 - 90 Days	5 467	7 063
+ 90 Days	520 146	416 596
Total	545 874	442 481

11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (continue)

	2025 R	2024 R
<u>(Availability Charges): Water - Ageing</u>		
Current (0 - 30 days)	10 355	8 626
31 - 60 Days	4 001	5 742
61 - 90 Days	3 889	5 668
+ 90 Days	449 362	370 127
Total	467 608	390 162

	2025 R	2024 R
<u>(Availability Charges): Waste Water - Ageing</u>		
Current (0 - 30 days)	16 747	13 569
31 - 60 Days	6 509	9 653
61 - 90 Days	6 164	9 110
+ 90 Days	752 019	626 613
Total	781 440	658 944

Summary of Debtors by Customer Classification

	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>	<u>Total</u>
30 June 2025					
Current (0 - 30 days)	59 783	13 569	6 212	1 650 432	1 729 995
31 - 60 Days	31 722	5 507	3 134	1 087 332	1 127 696
61 - 90 Days	27 648	4 266	2 712	1 799 032	1 833 658
+ 90 Days	2 662 044	3 362 735	391 443	32 644 239	39 060 462
Sub-total	2 781 198	3 386 077	403 501	37 181 035	43 751 811
Less: Non-current portion transferred to non-current receivables	(1 357)				(1 357)
Plus: Other receivables				808 838	808 838
	2 779 840	3 386 077	403 501	37 989 873	44 559 291
Less: Provision for debt impairment	(2 699 586)	(3 318 041)	-	(117 822 554)	(123 840 182)
Total debtors by customer classification	80 254	68 036	403 501	(79 832 681)	(79 280 891)

11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (continue)

30 June 2024

Current (0 - 30 days)	35 220	26 458	4 530	1 522	67 730
61 - 90 Days	41 681	28 303	2 870	1 502	74 356
+ 90 Days	2 214 118	2 739 093	266 890	62 832	5 282 933
Sub-total	2 336 342	2 829 511	278 440	67 369	5 511 661
transferred to non-current receivables	(2 977)		(991)		(3 968)
Plus: Traffic fines				101 676 938	101 676 938
Plus: Other receivables				174 998	174 998
	2 333 365	2 829 511	277 449	101 919 304	107 359 629
Less: Provision for debt impairment	(2 268 299)	(2 743 195)	(231 886)	(99 116 386)	(104 359 766)
Total debtors by customer classification	65 066	86 317	45 562	2 802 918	2 999 863

	2025 R	2024 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	104 359 766	72 842 013
Contribution to provision	19 502 157	31 685 912
Reversal of provision	(21 741)	(168 160)
Balance at end of year	123 840 182	104 359 766

	2025 R	2024 R
Taxes - Rates	4 354 542	3 837 896
Availability Charges	1 733 884	1 471 434
Fines	117 751 756	99 050 435
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	123 840 182	104 359 766

Ageing of amounts past due but not impaired:

	2025 R	2024 R
1 month past due	12 640	18 733
2+ months past due	513 080	170 497
	525 720	189 231

The provision for doubtful debts on debtors exists due to the possibility that not all debts will be recovered. Receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognising a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

	2025 R	2024 R
12. BANK ACCOUNTS		
12.1 <u>Cash and Cash Equivalents</u>		
Current Accounts	24 191 896	6 198 935
Call Deposits and Investments	545 414	510 639
Cash On-hand	3 801	3 801
Total Cash and Cash Equivalents - Assets	24 741 111	6 713 375

The municipality has the following bank accounts:

Current Accounts

Laingsburg Municipality ABSA Bank Limited - Account Number 2540140874

(Primary Bank Account):

25 603 131

3 912 275

(Secondary Account):

615 633

2 189 151

26 218 764

6 101 426

Cash book balance 30/06/2025

24 187 347

6 101 426

Less: Amounts receipted not banked

(73 491)

Plus: EFT payments released not yet on bank statement

2 104 908

Balance as per bank statement

26 218 764

6 101 426

Details of current accounts are as follow:

Laingsburg Municipality ABSA Bank Limited - Account Number 2540140874 (Primary Bank Account):

Cash book balance at beginning of year

6 010 790

2 000 006

Cash book balance at end of year

24 187 347

6 010 790

Bank statement balance at beginning of year

3 912 275

1 403 464

Bank statement balance at end of year

26 218 764

3 912 275

**2025
R**

**2024
R**

Laingsburg Municipality Standard Bank - Account Number 203247663

Bank statement balance at beginning of year

2 189 151

553 785

Bank statement balance at end of year

615 633

2 188 092

Details of call investment accounts are as follow:

**2025
R**

**2024
R**

Laingsburg Municipality ABSA Bank - Account Number 5064314329

Cash book balance at beginning of year

506 320

471 861

Cash book balance at end of year

541 095

506 320

Bank statement balance at beginning of year

506 320

471 861

Bank statement balance at end of year

541 095

506 320

12. **BANK ACCOUNTS (continue)**

	2025 R	2024 R
Laingsburg Municipality Standard Bank - Account Number 288704800		
Cash book balance at beginning of year	4 319	4 319
Cash book balance at end of year	4 319	4 319
	<hr/>	<hr/>
Bank statement balance at beginning of year	4 319	4 319
Bank statement balance at end of year	4 319	4 319
	<hr/>	<hr/>

13. **LONG-TERM BORROWINGS**

	2025 R	2024 R
Centrafin	449 051	
	<hr/>	<hr/>
	449 051	-
Less: Current Portion transferred to Current Liabilities	(218 950)	-
Centrafin	(218 950)	
	<hr/>	<hr/>
	230 101	-
	<hr/>	<hr/>
Total Long-term Borrowings	230 101	-
	<hr/>	<hr/>

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

	2025 R	Minimum payments	2024 R
13.1. The obligations under annuity loans are scheduled below:			
Amounts payable under annuity loans:			
Payable within one year	218 950		
Payable within two to five years	230 101		
Payable after five years	-		
	<hr/>		<hr/>
	449 051		-
	<hr/>		<hr/>
Less: Future finance obligations			
Present value of annuity loans obligations	449 051		-
	<hr/>		<hr/>

	2025 R	2024 R
14. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	25 651 040	31 988 106
Insurance Workmen's Compensation Act	2 014 858	1 786 915
Total Non-current Provisions	27 665 898	33 775 021
	2025 R	2024 R
14.1 <u>Landfill Sites</u>		
Balance 1 July	31 988 106	18 626 702
Increase/(Decrease) due to discounting	2 990 632	1 549 212
Capitalizing increase or decrease -cost	(9 330 172)	11 760 213
Addition - post closure cost	2 474	51 979
Balance previously reported		-
Plus: Correction of error		51 979
Unused amounts reversed		-
Expenditure for the year		-
Change in Accounting Policy - Note		
Correction of Error - Note		
Total provision 30 June	25 651 040	31 988 106

The estimated rehabilitation costs for the existing site are based on the current rates for construction costs. The assumptions used are as follows:

	Laingsburg
Rehabilitation area (m ²)	35 331
Costs for rehabilitation and closure:	
Preliminary and general	3 826 207
Site clearance and preparation	53 703
Storm water control measures	2 513 170
Capping	20 777 984
Leachate management	811 604
Fencing	14 146
Other:	
Environmental authorisation (closure license)	460 688
Technical ROD	236 794
Install groundwater monitoring boreholes with lockable caps	152 075
Landscape architects	170 965
Water use license	39 000
Topographical survey	13 800
Contingencies (10% of total construction costs)	2 799 681
Engineering: Professional fees	3 370 185
Site supervision (Engineer's representative)	528 977
Site supervision (Environmental control officer & OHS agent)	126 560
Total (Excl VAT)	35 895 540
Cost per rehab (m ²)	1 016

In terms of the licencing of the landfill-sites, the municipality will incur licencing and rehabilitation costs of R25 648 566 (2024: R22 463 762) to restore the sites at the end of their useful lives. Provision has been made for the net present value of the future cost, using the government bond rate for the applicable period.

14. NON-CURRENT PROVISIONS (continue)

		2025	2024
Location	Estimated decommission date	R	R
Laingsburg	2033	24 623 996	31 988 106
		24 623 996	31 988 106

14.2 Insurance Workmen's Compensation Act	2025	2024
	R	R
Balance 1 July	1 786 915	1 548 851
Increase in provision (discounting)	227 943	238 064
Total provision 30 June	2 014 858	1 786 915
Balance 30 June	2 014 858	1 786 915

The provision for WCA insurance is made in terms of the Workmen's Compensation Act. The provision is calculated based on the Compensation Commissioner returns submitted and the amount is payable on assessment by the Workmen's Compensation Commissioner.

15. NON-CURRENT EMPLOYEE BENEFITS	2025	2024
	R	R
Provision for Post Retirement Health Care Benefits	6 262 000	4 390 000
Provision for Long Service Awards	1 256 000	1 414 000
Total Non-current Employee Benefits	7 518 000	5 804 000

	2025	2024
	R	R
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	4 561 000	4 556 000
Current Service Cost	158 000	169 000
Interest Cost	549 000	563 000
Expenditure for the year	(206 945)	(84 849)
Policy amendments	803 000	
Actuarial Loss/(Gain)	664 945	(642 151)
Total provision 30 June	6 529 000	4 561 000
Less: Transfer of Current Portion to Current Employee Benefits - Note 18	(267 000)	(171 000)
Balance 30 June	6 262 000	4 390 000

	2025	2024
	R	R
<u>Long Service Awards</u>		
Balance 1 July	1 679 000	1 772 000
Current Service Cost	122 000	127 000
Interest Cost	175 000	190 000
Expenditure for the year	(196 050)	(190 022)
Actuarial Loss/(Gain)	(447 950)	(219 978)
Total provision 30 June	1 332 000	1 679 000
Less: Transfer of Current Portion to Current Employee Benefits - Note 18	(76 000)	(265 000)
Balance 30 June	1 256 000	1 414 000

	2025 R	2024 R
15. NON-CURRENT EMPLOYEE BENEFITS (continue)		
15.1 Provision for Post Retirement Health Care Benefits		
CHARATERISCTICS		
<u>Nature of the plan</u>		
Eligible employees will receive a post-employment subsidy of 60% of the contributions payable should they be a member of a medical scheme at retirement.		
Continuation members and their eligible dependants receive a 70% subsidy. At this valuation, there were not yet any continuation members entitled to a 60% subsidy.		
Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.		
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
Bonitas		
LA Health		
SAMWU Medical Aid		
Sizwe Hosmed		
<u>Regulatory framework</u>		
GRAP 25, derived from IPSAS 39 and IAS 19, has been approved by the ASB and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.		
It applies to institutions falling within the ambit of the Finance Management Act.		
<u>Risks of the plan</u>		
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 DBO: The risk that the DBO may be volatile which is exacerbated by its long-term nature.		
Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.		
Future changes in legislation: The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the DBO for the Municipality.		
There are no curtailments or settlement to reflect.		
VALUATION METHOD		
The Projected Unit Credit Method has been used to value the defined benefit obligation.		
	2025 R	2024 R
Post Retirement Benefits (PEMA)	6 529 000	4 561 000
Total Net defined benefit liability	6 529 000	4 561 000

	2025 R	2024 R
15. NON-CURRENT EMPLOYEE BENEFITS (continue)		
<u>Post Retirement Health Care Benefits</u>		
Balance 1 July	4 561 000	4 556 000
Contribution for the year	1 510 000	732 000
Expenditure for the year	(206 945)	(84 849)
Actuarial Loss/(Gain)	664 945	(642 151)
	<hr/>	<hr/>
Net defined benefit liability	6 529 000	4 561 000
Less: Transfer of Current Portion to Current Employee Benefits - Note 18	(267 000)	(171 000)
	<hr/>	<hr/>
Non-current portion: Net defined benefit liability	6 262 000	4 390 000
	<hr/>	<hr/>

The total Defined Benefit Obligation has increased by less than 1% (or R5 000) since the last valuation.

The main reasons for the actual movement in the DBO are listed below.

In-Service Members

The **average in-service member DBO** has increased by 11% since the last valuation due to:

an increase in the average age which means members are closer to retirement (less discounting) and less likely to leave before retirement; and

an increase in the average past service; and

an increase in the average post-employment subsidy.

These impacts were partially offset by an increase in the net discount rate.

The **total in-service member DBO** has decreased by 7% due to the above being more than offset by a decrease in the number of in-service members.

In-Service Non-Members

The **average in-service non-member DBO** has increased by 2% since the last valuation due to:

an increase in the average age

an increase in the average past service; and

an increase in the net discount rate.

These impacts were partially offset by an increases in the net discount rate

The **total in-service non-member DBO** has increased by 20% due to the above, combined with an increase in the number of in-service non-members

Continuation Members

The **average continuation member DBO** has increased by 3% since the last valuation due to an increase in the average subsidy. The impact was partially offset by increases in the net discount rates and an increase in the average above, and because there was no change in the number of continuation members.

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

	2025	2024
In-service (employee) members	19	21
In-service (employee) non-members	49	47
Continuation members (e.g. Retirees, widows, orphans)	4	2
	<hr/>	<hr/>
Total Members	72	70
	<hr/>	<hr/>

	2025 R	2024 R
The liability in respect of past service has been estimated to be as follows:		
In-service members	2 587 000	2 313 000
In-service non-members	1 059 000	763 000
Continuation members	2 883 000	1 485 000
Total Liability	6 529 000	4 561 000

Key actuarial assumptions used:

Financial assumptions

	2025	2024
i) Rate of interest	%	%
Discount rate	11.20%	12.25%
CPI inflation rate	5.20%	6.22%
Medical Aid Contribution Inflation Rate	7.00%	7.72%
Net discount rate	3.90%	4.21%

Demographic assumptions

ii) Mortality during employment	SA 85 - 90	
iii) Mortality post-employment	PA(90) -1 with a 1% mortality improvement p.a. from 2010	
iv) Normal retirement age	The normal retirement age is 65 for males and 60 for females	
v) Average retirement age	62	
vi) Proportion with a spouse dependant at retirement	60%	
vii) Continuation of membership at retirement	75%	
viii) Termination of service (resignation and retrenchment):		
Termination rates per annum		
	Age	Rate
	20 - 24	9%
	25 - 29	8%
	30 - 34	6%
	35 - 39	5%
	40 - 44	5%
	45 - 49	4%
	50 - 54	3%
	55+	0%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	6 262 000	4 390 000
Net defined benefit liability	6 262 000	4 390 000

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero.

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	4 605 151	4 556 000
Service cost	158 000	169 000
Interest cost	549 000	563 000
Expenditure for the year	(206 945)	(84 849)
Policy amendments	803 000	
<u>Actuarial (gains)/losses</u>	664 945	(598 000)
Financial assumptions: increase in net discount rate	266 000	(141 000)
Demographic assumptions: none	-	-
Experience:		
Subsidy inflationary increases lower than assumed	51 000	33 000
Changes to membership profile different from assumed	312 000	(480 000)
Actual benefits vested, lower than expected	35 945	(10 000)

	2025 R	2024 R
Present value of fund obligation at the end of the year	6 529 000	4 605 151
<u>Less:</u>	(267 000)	(171 000)
Net defined benefit liability	6 262 000	4 434 151

Sensitivity Analysis

Sensitivity Analysis on the defined benefit obligation

Assumption	Change	Eligible Employees	Continuation members	Total DBO	% Change
Central Assumptions		3 646 000	2 883 000	6 529 000	
Medical aid contribution	+1%	4 309 000	3 196 000	7 505 000	15%
inflation rate	-1%	3 116 000	2 617 000	5 733 000	-12%
	+1%	3 138 000	2 628 000	5 766 000	-12%
Discount rate	-1%	4 287 000	3 186 000	7 473 000	14%
	+1 yr	3 554 000	2 806 000	6 360 000	-3%
Post-employment mortality	-1 yr	3 738 000	2 959 000	6 697 000	3%
Average retirement age	-1 yr	3 928 000	2 883 000	6 811 000	4%
Membership continuation	-10%	3 178 000	2 883 000	6 061 000	-7%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2025

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		158 000	549 000	707 000	
Medical aid contribution	+1%	175 000	605 000	780 000	10%
inflation rate	-1%	141 000	491 000	632 000	-11%
	+1%	136 000	525 000	661 000	-7%
Discount rate	-1%	190 000	575 000	765 000	8%
	+1 yr	155 000	534 000	689 000	-3%
Post-employment mortality	-1 yr	162 000	563 000	725 000	3%
Average retirement age	-1 yr	167 000	582 000	749 000	6%
Membership continuation	-10%	140 000	500 000	640 000	-9%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2026

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central Assumptions		201 000	716 000	917 000	
Medical aid contribution	+1%	247 000	825 000	1 072 000	17%
inflation rate	-1%	165 000	627 000	792 000	-14%
	+1%	169 000	687 000	856 000	-7%
Discount rate	-1%	243 000	748 000	991 000	8%
	+1 yr	196 000	697 000	893 000	-3%
Post-employment mortality	-1 yr	206 000	735 000	941 000	3%
Average retirement age	-1 yr	203 000	747 000	950 000	4%
Membership continuation	-10%	175 000	664 000	839 000	-9%

Future cashflows

The Service Cost for the ensuing year is estimated to be R201 000, whereas the Interest Cost for the next year is estimated to be R716 000.

Maturity analysis

Year	Future Year	Expected benefits vesting
2025	1	171 000
2026	2	224 000
2027	3	285 000
2028	4	307 000
2029	5	348 000
2030 - 2034	6 - 10	2 672 000
2035 - 2039	11 - 15	4 303 000
2040 - 2044	16 - 20	6 134 000
2045 - 2049	21 - 25	8 414 000
2050 - 2054	26 - 30	11 964 000
2055 - 2064	31 - 40	31 239 000
2065 - 2074	41 - 50	33 052 000
2075 - 2084	51 - 60	25 181 000
2085 - 2094	61 - 70	11 286 000
2095 - 3004	71 - 80	2 006 000

15.2 Provision for Long Service Bonuses

CHARACTERISTICS

Nature of the plan

The Municipality offers employees LSA 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 an LSA. Working days awarded are valued at 1/250th of annual earnings per day.

Employees' basic salaries are used to determine the Rand value of LSA.

The Municipality does not pay any pro-rata LSA.

Regulatory framework

and the Minister of Finance, and is effective for financial periods commencing on or after 1 April 2023.

It applies to institutions falling within the ambit of the Finance Management Act.

Risks of the plan

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 DBO: The risk that the DBO 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 DBO for the Municipality.

There are no curtailments or settlements to reflect.

VALUATION METHOD

The Projected Unit Credit Method has been used to value the defined benefit obligation.

	2025 R	2024 R
Long Service Awards (LSA)	1 332 000	1 679 000
Total Net defined benefit liability	1 332 000	1 679 000

There are currently no long-term assets set aside off-balance sheet in respect of the DBO, thus plan assets is zero.

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation.

Long Service Awards

Balance 1 July	1 679 000	1 772 000
Contribution for the year	297 000	317 000
Expenditure for the year	(196 050)	(190 022)
Actuarial Loss/(Gain)	(447 950)	(219 978)
Net defined benefit liability	1 332 000	1 679 000
Less:	(76 000)	(265 000)
Non-current portion: Net defined benefit liability	1 256 000	1 414 000

The **average** DBO has decreased by 9% since the last valuation due to:
a decrease in the average past service; and
an increase in the net discount rate.

These impacts were partially offset by an increase in the average earnings.

The **total** DBO has decreased by 21% (or R 347 000), due to the above, partially offset by the fact that there are three more eligible employees than at the last valuation.

There were 68 employees entitled to a Long service awards at this valuation.

Key actuarial assumptions used:

Financial assumptions

Rate of interest

	%	%
Discount rate	10.20%	11.29%
CPI inflation rate	4.30%	5.42%
General earnings inflation rate	5.30%	6.42%
Net discount rate	4.70%	4.58%

Demographic assumptions

Average retirement age	62	
Mortality during employment	SA 85 - 90	
Withdrawal from service	Age	%
	20	9%
	30	6%
	40	5%
	50	3%
	55	0%

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 679 000	1 772 000
Service cost	122 000	127 000
Interest cost	175 000	190 000
Expenditure for the year	(196 050)	(190 022)
<u>Actuarial (gains)/losses</u>	(447 950)	(132 000)
Financial assumptions: increase in net discount rate	(5 000)	(18 000)
Demographic assumptions: none	-	-
Experience:		
Earnings increases higher than assumed	30 000	-
Changes to employee profile different from assumed	(404 000)	(31 000)
Actual benefits vesting, greater than expected	(68 950)	-
Changes to a number of employees' dates of employment		(83 000)
Present value of fund obligation at the end of the year	1 332 000	1 679 000
Less:	(76 000)	(265 000)
Net defined benefit liability	1 256 000	1 414 000

Sensitivity Analysis

Sensitivity Analysis on the defined benefit obligation

Assumption	Change	DBO	% Change
Central Assumptions		1 332 000	
General earnings inflation rate	+1%	1 431 000	7%
	-1%	1 244 000	-7%
	+1%	1 242 000	-7%
Discount rate	-1%	1 436 000	8%
	+2 yrs	1 519 000	14%
Average retirement age	-2 yrs	1 133 000	-15%
Rates of termination of service	x2	1 018 000	-24%
	x0.5	1 554 000	17%

Sensitivity analysis on current service and interest costs for year ending 30/06/2025

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central assumptions		122 000	175 000	297 000	
General earnings inflation rate	+1%	132 000	186 000	318 000	7%
	-1%	114 000	165 000	279 000	-6%
Discount rate	+1%	115 000	179 000	294 000	-1%
	-1%	131 000	170 000	301 000	1%
Average retirement age	+2 yrs	134 000	198 000	332 000	12%
	-2 yrs	101 000	126 000	227 000	-24%
Rates of termination of service	x2	91 000	143 000	234 000	-21%
	x0.5	146 000	198 000	344 000	16%

Sensitivity analysis on current service and interest costs for year ending 30/06/2026

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% Change
Central assumptions		117 000	132 000	249 000	
General earnings inflation rate	+1%	127 000	142 000	269 000	8%
	-1%	108 000	123 000	231 000	-7%
Discount rate	+1%	109 000	135 000	244 000	-2%
	-1%	126 000	128 000	254 000	2%
Average retirement age	+2 yrs	129 000	151 000	280 000	12%
	-2 yrs	103 000	112 000	215 000	-14%
Rates of termination of service	x2	82 000	100 000	182 000	-27%
	x0.5	143 000	154 000	297 000	19%

The method used to prepare the sensitivity analysis remained unchanged from the previous period. The assumptions used would be based on the market conditions and demographic inputs as at 30 June 2025.

Future cashflows

The Service Cost for the ensuing year is estimated to be R132 000, whereas the Interest Cost for the next year is estimated to be R186 000.

Maturity analysis

Year	Future Year	Expected benefits vesting
2025	1	265 000
2026	2	364 000
2027	3	206 000
2028	4	188 000
2029	5	389 000
2030 - 2034	6 - 10	1 233 000
2035 - 2039	11 - 15	1 648 000
2040 - 2044	16 - 20	2 025 000
2045 - 2054	21 - 30	3 001 000
2055 - 2064	31 - 40	314 000

	2025 R	2024 R
16. CONSUMER DEPOSITS		
Electricity	210 226	218 566
Rental Properties	192 094	181 677
Water	631 990	582 920
Building Plans	75 218	50 978
Posters	6 000	6 000
Hiring of Decorative Items	5 530	5 530
Total Consumer Deposits	1 121 057	1 045 670

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

	2025 R	2024 R
17. CURRENT EMPLOYEE BENEFITS		
Performance Bonuses	14 172	6 007
Staff Bonuses	830 782	913 032
Staff Leave	1 822 769	1 904 746
Current Portion of Non-Current Provisions	343 000	436 000
Current Portion of Post Retirement Benefits - Note 15	267 000	171 000
Current Portion of Long-Service Provisions - Note 15	76 000	265 000
Total Provisions	3 010 724	3 259 784

The movement in current provisions are reconciled as follows:

17.1 Performance Bonuses

Balance at beginning of year	6 007	
Transfer from non-current		
Contribution to current portion	8 165	190 885
Expenditure incurred	-	(184 878)
Balance at end of year	14 172	6 007

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.

	2025 R	2024 R
17.2 <u>Staff Bonuses</u>		
Balance at beginning of year	913 032	797 956
Contribution to current portion	1 535 951	1 690 148
Expenditure incurred	(1 618 201)	(1 575 072)
Balance at end of year	830 782	913 032

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

	2025 R	2024 R
17.3 <u>Staff Leave</u>		
Balance at beginning of year	1 904 746	1 799 636
Contribution to current portion	364 692	144 302
Expenditure incurred	(446 669)	(39 192)
Balance at end of year	1 822 769	1 904 746

Staff leave is accrued to employees according to the collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

	2025 R	2024 R
18. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	4 933 687	1 601 058
Advance Payments	336 503	321 488
Control, Clearing and Interface Accounts	(113 553)	(183 353)
Retentions	384 539	2 119 465
Electricity bulk purchase	1 434 138	1 295 693
Auditor General	19 564 835	9 034 643
Unallocated Deposits	6 642 342	6 588 212
Inventory	(66 933)	108 556
Contractors	970 167	
Total Trade Payables	34 085 724	20 885 761

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

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

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

A SCA (Service concession arrangement) Performance obligation shall be as the same value at which the receivable interest is recognised at the commencement of the service concession arrangement. Refer to note 10 for details on the receivable.

	2025 R	2024 R
19. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	4 922 484	1 995 140
National Government Grants	-	-
Provincial Government Grants	4 802 484	1 995 140
District Municipality	120 000	-
Total Unspent Transfers and Subsidies	4 922 484	1 995 140

See appendix "E" for reconciliation of grants from other spheres of government.

The Unspent Grants are cash-backed by short-term deposits.

or

The Unspent Grants are not cash-backed by short-term deposits, but are in the primary bank account of the municipality.

The municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

No grants were delayed or withheld.

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

	2025 R	2024 R
20. VAT Receivable/(Payable)		
20.1 VAT Payable	8 176 438	5 679 246
Balance previously reported		
Plus: Corrections of error prior year		
VAT Control (Payable)	10 657 276	7 685 707
Output Tax Accrual	(251 922)	-
Output Tax	(2 228 917)	(2 006 461)
Less: Contribution to Provision for Doubtful Debt Impairment		
Total VAT Payable	8 176 438	5 679 246

	2025 R	2024 R
20.2 VAT Receivable	711 310	3 503 354
Balance previously reported		
Plus: Corrections of error prior year	-	-
Input Tax Accrual	7 425 004	5 502 632
Input Tax General	(1 747 417)	(1 264 467)
Input Tax Capital	573 347	571 603
VAT Control (Receivable)	(5 539 624)	(1 306 414)
	-	-
Total VAT Receivable	711 310	3 503 354
20.3 Net VAT (Payable)/Receivable	8 887 747	9 182 600

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

	2025 R	2024 R
21 PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	6 356 284	5 613 882
Business and Commercial Property	1 062 470	826 281
Communal Land	-	-
Balance transferred from Property Rates Levies		
Less: Corrections of error prior year		
Agricultural Properties	2 931 427	2 783 191
Industrial Property	50 498	-
Mining Properties	1 272	-
Public Benefit Organisations	14 257	156 655
Residential Properties	1 721 729	1 265 649
Balance transferred from Property Rates Levies		
Plus: Corrections of error prior year		
Public Service Purposes Properties	550 628	569 076
Vacant land	24 003	13 030
Balance transferred from Property Rates Levies		
Less: Corrections of error prior year		
Less: Revenue Forgone	(699 071)	(589 236)
Total Property Rates	5 657 213	5 024 646

	2025	2024
	R	R
<u>Valuations as at 30 June 2025</u>		
Rateable Land and Buildings	1 448 456 800	1 270 044 000
Residential Properties - Sec 8(2)(a)	174 994 000	137 682 000
Industrial Properties - Sec 8(2)(b)	4 070 000	271 000
Business and Commercial Properties - Sec 8(2)(c)	83 565 000	69 371 000
Farm Agricultural Purposes - Sec 8(2)(d)	1 033 921 500	948 791 500
Mining Properties - Sec 8(2)(e)	-	1 000
State Owned & Used for Public Services - Sec 8(2)(f)	25 973 000	21 423 000
Public service infrastructure properties - Sec 8(2)(g)	402 000	667 500
Public Benefit Organisation - Sec 8(2)(h)	5 380 000	4 450 000
Vacant Land Sec 8(3)	1 887 000	1 108 000
Other (non-rateable)	118 264 300	86 279 000
Total Assessment Rates	1 448 456 800	1 270 044 000

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last general valuation (GV) came into effect on 1 July 2024. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, consolidations and subdivisions and also to accommodate growth in the rate base due mostly to private development. The 2024/25 General Valuation (GV) had a significant impact on tariffs, which were adjusted lower, to offset capital growth and ensure affordability and fairness.

Basic Rate	2025	2024
Residential Properties	R 0.010600	R 0.011760
Industrial Properties	R 0.012720	R 0.011760
Business and Commercial Properties	R 0.012720	R 0.011760
Farm Agricultural Purposes	R 0.001247	R 0.002940
Mining Properties	R 0.012720	R 0.011760
State Owned & Used for Public Services	R 0.021200	R 0.023520
Public Benefit Organisation	R 0.002650	R 0.002940
Vacant Land	R 0.012720	R 0.011760

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 2% on outstanding monthly instalments.

Exemptions, rebates & impermissible rates applicable:

Rebates were granted on land with buildings used solely for dwellings purposes as follows:
- *Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.*

Municipal owned properties and PSI's (Public Service Infrastructure) are exempt.

The first R15000 of improved residential properties is impermissible.
An additional 40% rebate is given to all qualifying bona fide farmers.
Place of Worship and Protected Areas are Impermissible and not levied.

Residential - The first R15 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2025 R	2024 R
22. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operating - Monetary allocations	30 420 718	25 647 850
Equitable Share	22 685 000	21 520 000
Expanded Public Works Programme Integrated Grant (EPWP)	1 209 000	1 173 000
Local Government Financial Management Grant	1 800 000	2 045 514
Municipal Infrastructure Grant - PMU	345 948	436 303
Human Settlements Development Grant (Beneficiaries)	3 918 855	-
Community Development Workers Grant (CDW)	76 000	76 000
Main Roads	197 583	50 000
CKDM Community Safety Grant		160 000
Sector Education and Training Authority (SETA)	46 174	51 380
Human Settlements Acceleration Grant	142 158	135 652
Government Grants and Subsidies - Capital - Monetary allocations	24 186 493	41 349 624
Municipal Infrastructure Grant	6 570 052	13 781 910
Water Services Infrastructure Grant	16 044 000	25 832 000
WC - Water Resilience Grant (WCWRG)	1 347 512	1 650 000
CKDM War on Leaks Grant	-	85 714
WC - Fire Services Capacity Building Grant	224 929	-
Total Government Grants and Subsidies	54 607 211	70 745 211
	2025 R	2024 R
Included in above are the following grants and subsidies received:		
<u>Unconditional</u>	22 685 000	21 520 000
Equitable Share	22 685 000	21 520 000
<u>Conditional</u>	31 922 211	49 225 211
Local Government Financial Management Grant (FMG)	1 800 000	2 045 514
Expanded Public Works Programme Integrated Grant (EPWP)	1 209 000	1 173 000
Municipal Infrastructure Grant (MIG) - operational	345 948	436 303
Municipal Infrastructure Grant (MIG) - capital	6 570 052	13 781 910
Water Services Infrastructure Grant (WSIG)	16 044 000	25 832 000
Community Development Workers	76 000	76 000
Human Settlement Acceleration Grant	142 158	135 652
Western Cape Water Resilience Grant (WCWRG)	1 347 512	1 650 000
Main Roads	197 583	50 000
Sector Education and Training Authority (SETA)	46 174	51 380
CKDM War on Leaks Grant	-	85 714
CKDM Community Safety Grant	-	160 000
Human Settlements Development Grant (Beneficiaries)	3 918 855	3 747 737
WC - Fire Services Capacity Building Grant	224 929	-
Total Government Grants and Subsidies	54 607 211	70 745 211

	2025 R	2024 R
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	22 685 000	21 520 000
Finance and Administration	30 515 628	44 254 475
Road Transport	1 406 583	1 223 000
Total Government Grants and Subsidies	54 607 211	66 997 475

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

	2025 R	2024 R
22.1 <u>Equitable Share</u>		
Grants received	22 685 000	21 520 000
Conditions met - Operating	(22 685 000)	(21 520 000)
Conditions still to be met	-	-

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.

	2025 R	2024 R
22.2 <u>Local Government Financial Management Grant (FMG)</u>		
Opening balance	-	287 755
Grants received	1 800 000	1 800 000
Repaid to National Revenue Fund	-	(174 670)
Conditions met - Operating	(1 800 000)	(1 913 085)
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

	2025 R	2024 R
22.3 <u>Water Services Infrastructure Grant (WSIG)</u>		
Grants received	16 044 000	25 832 000
Conditions met - Capital	(16 044 000)	(25 832 000)
Conditions still to be met	-	-

The Water Services Infrastructure Grant is paid by National Treasury to facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities.

	2025 R	2024 R
22.4 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	-	260 213
Grants received	6 570 052	13 521 697
Conditions met - Capital	(6 570 052)	(13 781 910)
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/> <hr/>	<hr/> <hr/>

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

	2025 R	2024 R
22.5 <u>Sector Education and Training Authority (SETA)</u>		
Grants received	46 174	51 380
Conditions met - Operating	(46 174)	(51 380)
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/> <hr/>	<hr/> <hr/>

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes.

	2025 R	2024 R
22.6 <u>Community Development Workers (CDW)</u>		
Opening balance	-	27 972
Grants received	76 000	76 000
Repaid to National Revenue Fund	-	(27 971)
Conditions met - Operating	(76 000)	(76 000)
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/> <hr/>	<hr/> <hr/>

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes.

	2025 R	2024 R
22.7 <u>WC - Fire Services Capacity Building Grant</u>		
Grants received	557 000	-
Conditions met - Capital	(224 929)	-
	<hr/>	<hr/>
Conditions still to be met	332 072	-
	<hr/> <hr/>	<hr/> <hr/>

To transform urban and rural public library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.

	2025 R	2024 R
22.8 <u>Municipal Infrastructure Grant (MIG) - PMU</u>		
Grants received	345 948	436 303
Conditions met - Operating	(345 948)	(436 303)
Conditions still to be met	-	-

The Municipal Infrastructure Grant aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting.

	2025 R	2024 R
22.9 <u>Expanded Public Works Programme Integrated Grant (EPWP)</u>		
Grants received	1 209 000	1 173 000
Conditions met - Operating	(1 209 000)	(1 173 000)
Conditions still to be met	-	-

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure, tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.

	2025 R	2024 R
22.10 <u>Western Cape Financial Management Support Grant</u>		
Opening balance	852 982	463 197
Grants received	-	400 000
Conditions met - Operating	-	(10 214)
Conditions still to be met	852 982	852 982

The bursary grant is there to encourage local scholars to further their education.

	2025 R	2024 R
22.11 <u>Human Settlements Acceleration Grant</u>		
Opening balance	142 158	-
Grants received	-	277 810
Conditions met - Operating	(142 158)	(135 652)
Conditions still to be met	-	142 158

To accelerate transfer of houses to beneficiaries.

	2025 R	2024 R
22.12 <u>External Bursary Programme</u>		
Opening balance	-	122 215
Conditions met - Operational	-	(122 215)
Conditions still to be met	-	-
To encourage local scholars to further their education.		
	2025 R	2024 R
22.13 <u>Western Cape Municipal Financial Recovery Services Grant</u>		
Opening balance	1 000 000	-
Grants received	-	1 000 000
Conditions still to be met	1 000 000	1 000 000
To assist municipalities to perform their functions effectively, including the co-ordination and integrated functions and support related to improving on overall financial governance and financial sustainability within municipalities when there is a municipal intervention.		
	2025 R	2024 R
22.14 <u>Western Cape Water Resilience Grant (WCWRG)</u>		
Grants received	2 000 000	1 650 000
Conditions met - Capital	(1 347 512)	(1 650 000)
Conditions still to be met	652 488	-
To provide financial assistance to municipalities to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management across the Province.		
	2025 R	2024 R
22.15 <u>Main Roads</u>		
Grants received	197 583	50 000
Conditions met - Operational	(197 583)	(50 000)
Conditions still to be met	-	-
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
22.16 <u>Human Settlements Development Grant (Beneficiaries)</u>		
Grants received	4 323 798	-
Conditions met - Operational	(3 918 855)	-
Conditions still to be met	404 943	-
	2025 R	2024 R
22.17 <u>Community Library Services Grant</u>		
Grants received	1 000 000	-
Conditions still to be met	1 000 000	-

	2025 R	2024 R
22.18 <u>CKDM DLG Funding for HR Internship</u>		
Grants received	100 000	-
Conditions still to be met	<u>100 000</u>	<u>-</u>
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
22.19 <u>CKDM WOSA Safety Funding</u>		
Grants received	20 000	-
Conditions still to be met	<u>20 000</u>	<u>-</u>
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
22.20 <u>CKDM Community Safety Grant</u>		
Grants received	-	160 000
Conditions met - Operational	-	(160 000)
Conditions still to be met	<u>-</u>	<u>-</u>
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
22.21 <u>CKDM War on Leaks Grant</u>		
Grants received	-	85 714
Conditions met - Capital	-	(85 714)
Conditions still to be met	<u>-</u>	<u>-</u>
Grant received to work on roads on behalf of SANRAL.		
	2025 R	2024 R
22.22 <u>Western Cape Municipal Interventions Grant</u>		
Grants received	560 000	-
Conditions still to be met	<u>560 000</u>	<u>-</u>
	2025 R	2024 R
22.23 <u>Total Grants</u>		
Opening balance	1 995 140	1 161 351
Grants received	57 534 555	68 033 905
Repaid to National Revenue Fund	-	(202 641)
Conditions met - Operating	(30 420 718)	(25 647 850)
Conditions met - Capital	(24 186 493)	(41 349 624)
Conditions still to be met/(Grant expenditure to be recovered)	<u>4 922 484</u>	<u>1 995 140</u>
	2025 R	2024 R
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	<u>4 922 484</u>	<u>1 995 140</u>
Total	<u><u>4 922 484</u></u>	<u><u>1 995 140</u></u>

	2025 R	2024 R
23. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT		
Provincial government	-	1 210 000
Total Contributed Property, Plant and Equipment	<u>-</u>	<u>1 210 000</u>
	2025 R	2024 R
24. AVAILABILITY CHARGES		
Electricity	115 776	102 619
Water	76 253	68 688
Waste Management	42 063	-
Waste Water Management	84 126	116 361
Total Availability Charges	<u>318 218</u>	<u>287 668</u>
	2025 R	2024 R
25. LICENCES AND PERMITS		
Road and Transport	226 882	256 397
Total Licences and Permits	<u>226 882</u>	<u>256 397</u>
	2025 R	2024 R
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	226 882	256 397
Total Licences and Permits	<u>226 882</u>	<u>256 397</u>
	2025 R	2024 R
26. SERVICE CHARGES		
Electricity	21 757 564	18 028 447
Service Charges	22 721 514	19 899 912
Less: Revenue Forgone	(963 950)	(1 871 465)
Water	4 407 259	3 867 405
Service Charges	5 345 498	5 384 024
Less: Revenue Forgone	(938 239)	(1 516 618)
Waste Management	3 779 431	2 767 072
Service Charges	4 522 143	3 853 860
Less: Revenue Forgone	(742 712)	(1 086 788)
Waste Water Management	3 592 978	2 727 208
Service Charges	4 427 499	3 945 895
Less: Revenue Forgone	(834 521)	(1 218 687)
Total Service Charges	<u>33 537 232</u>	<u>27 390 132</u>

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of

	2025 R	2024 R
27. SALES OF GOODS AND RENDERING OF SERVICES		
Building Plan Approval	97 888	86 941
Cemetery and Burial	20 800	18 123
Cleaning and Removal	12 408	10 620
Clearance Certificates	23 597	28 430
Encroachment Fees	9 644	66
Photocopies and Faxes	11 872	7 091
Removal of Restrictions	65 719	63 120
Sale of Goods	-	(755)
Pest Control	727	1 514
Tender Documents	42 000	41 740
Stone and Gravel	55 249	36 861
Valuation Services	1 383	1 132
Total Sales of Goods and Rendering of Services	341 288	294 883
	2025 R	2024 R
28. RENT ON LAND		
Land	26 650	102 655
Undeveloped Land	26 650	102 655
Total Rent on Land	26 650	102 655
	2025 R	2024 R
29. RENTAL FROM FIXED ASSETS		
Investment Property	(5 090)	(7 447)
Property, Plant and Equipment	1 644 746	1 651 165
Total Rental from Fixed Assets	1 639 656	1 643 719
	2025 R	2024 R
30. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank accounts	1 582 549	1 230 251
Short-term investment and call accounts	34 774	34 460
Total Interest Earned - External Investments	1 617 323	1 264 711
	2025 R	2024 R
31. INTEREST EARNED - RECEIVABLES		
Non-current receivables	-	6 467
Other Interest	292 514	184 298
Trade Receivables - exchange	896 191	587 218
Trade Receivables - non-exchange	466 349	423 163
Total Interest Earned - Outstanding Receivables	1 655 054	1 201 146

	2025 R	2024 R
32. OPERATIONAL REVENUE		
Commission	21 610	19 972
Development Charges	47 643	21 983
Merchandising, Jobbing and Contracts	1 466 957	1 619 130
Request for Information	215	200
Total Operational Revenue	1 536 424	1 661 285
<u>Disclosed as follows:</u>		
	2025 R	2024 R
Revenue from Exchange Transactions	1 536 424	1 661 285
Total Operational Revenue	1 536 424	1 661 285
33. FINES, PENALTIES, FORFEITS	2025 R	2024 R
<u>Fines</u>	28 860 283	33 765 412
Law Enforcement	92 300	8 300
Overdue Books Fine	1 999	1 128
Traffic	28 765 984	33 755 984
	28 860 283	33 765 412
34. EMPLOYEE RELATED COSTS	2025 R	2024 R
Basic Salaries and Wages	24 316 021	23 337 194
Pension and UIF Contributions	3 174 736	3 183 394
Medical Aid Contributions	798 899	909 318
Overtime	1 070 256	801 123
Bonuses	1 745 288	1 854 972
Motor Vehicle Allowance	1 268 056	1 389 267
Cell Phone Allowance	3 240	3 240
Housing Allowances	173 329	78 914
Other benefits and allowances	-	22 500
Standby allowance	541 593	518 693
Acting allowance	181 910	47 647
Bargaining council	10 734	10 711
Payments in lieu of leave	364 692	144 302
Post-retirement Benefit Obligations	1 807 000	1 049 000
Medical - Note 14.1	1 510 000	732 000
Current Service Cost	961 000	169 000
Interest Cost	549 000	563 000
Long Service Awards - Note 14.2	297 000	317 000
	35 455 753	33 350 274
Total Employee Related Costs	35 455 753	33 350 274

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on xx-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

	2025 R	2024 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - Mr J Booysen</i>		
Basic Salary	1 371 614	1 369 472
Pension and UIF Contributions	2 125	2 125
Performance Bonus	190 885	184 878
Cell Phone Allowance	42 000	42 000
Other benefits and allowances	14 055	137
Total	1 620 680	1 598 612
	2025 R	2024 R
<i>Remuneration of the Chief Financial Officer - Ms A Groenewald</i>		
Basic Salary	673 188	1 046 844
Pension and UIF Contributions	83 287	190 558
Medical Aid Contributions	19 988	20 300
Service Bonus	91 163	87 237
Motor Vehicle Allowance	150 393	245 120
Housing Allowances	5 476	12 797
Other benefits and allowances	212 316	137
Total	1 235 811	1 602 992
	2025 R	2024 R
<i>Remuneration of Manager : Corporate Services - Ms N Gouws</i>		
Basic Salary	752 230	699 468
Pension and UIF Contributions	137 527	128 029
Medical Aid Contributions	27 418	24 761
Service Bonus	62 374	58 289
Motor Vehicle Allowance	255 619	217 536
Housing Allowances	13 277	12 797
Other benefits and allowances	10 051	137
Long service awards	-	53 806
Total	1 258 495	1 194 823
	2025 R	2024 R
<i>Remuneration of Manager : Community Services - Mr N Hendriks</i>		
Basic Salary	770 297	716 256
Pension and UIF Contributions	140 779	131 051
Medical Aid Contributions	53 060	56 735
Service Bonus	63 872	59 688
Motor Vehicle Allowance	255 892	245 120
Other benefits and allowances	10 502	137
Total	1 294 402	1 208 987

	2025 R	2024 R
Remuneration of Manager : Infrastructure - Mr J Komanisi		
Basic Salary	931 237	865 908
Pension and UIF Contributions	169 748	157 988
Medical Aid Contributions	61 513	57 031
Service Bonus	77 217	72 159
Motor Vehicle Allowance	255 892	245 120
Other benefits and allowances	12 213	137
Total	1 507 820	1 398 343

	2025 R	2024 R
Remuneration of Director : Community Services - Mr C Moses (Acting)		
Basic Salary - Acting Allowance	18 194	25 255
Total	18 194	25 255

	2025 R	2024 R
Remuneration of Budget and Treasury Officer - G Bothma		
Basic Salary		751 056
Pension and UIF Contributions		137 315
Medical Aid Contributions		-
Service Bonus		62 588
Motor Vehicle Allowance		245 120
Other benefits and allowances		137
Long service awards		-
Total		1 196 216

An audit finding in 2023/24 was raised that mr Bothma is not part of key management personnel. The remuneration for 2023/24 was included for completeness purposes only.

	2025 R	2024 R
Remuneration of Internal Auditor - P Post		
Basic Salary	539 698	513 888
Pension and UIF Contributions	99 271	94 625
Medical Aid Contributions	21 733	20 300
Service Bonus	44 751	42 824
Motor Vehicle Allowance	199 870	191 251
Housing Allowances	11 144	
Other benefits and allowances	7 520	37 003
Total	923 986	899 892

Remuneration of Supply Chain Officer - K Gertse		
Basic Salary - Acting Allowance		377 556
Pension and UIF Contributions		70 085
Medical Aid Contributions		61 166
Service Bonus		31 463
Housing Allowances		1 066
Other benefits and allowances		137
Total		541 473

An audit finding in 2023/24 was raised that mr Gertse is not part of key management personnel. The remuneration for 2023/24 was included for completeness purposes only.

	2025 R	2024 R
Total Key Management Remuneration		
Basic Salary	4 516 761	5 851 815
Pension and UIF Contributions	533 466	817 151
Medical Aid Contributions	161 979	219 993
Performance Bonus	190 885	184 878
Service Bonus	294 626	371 424
Motor Vehicle Allowance	917 795	1 198 016
Cell Phone Allowance	42 000	42 000
Housing Allowances	18 753	26 660
Other benefits and allowances	259 136	956
Long service awards	-	53 806
	6 935 401	8 766 699

	2025 R	2024 R
35. REMUNERATION OF COUNCILLORS		
A Kleinbooi (Executive Mayor)	976 436	916 339
S Laban (Deputy Executive Mayor)	461 803	454 284
M Gouws (Speaker)	790 550	773 768
J Botha	341 137	361 762
A Theron (MPAC Chair)	424 474	414 891
J Pieterse	341 137	336 831
L Potgieter	341 137	337 070
G McKenzie	-	11 571
M Smith	-	-
Total Councillors' Remuneration	3 676 673	3 606 515

Remuneration paid to Councillors can be summarised as follow:

	Salary	Allowances/ Contributions	Total
Executive Mayor / Mayor	929 432	47 004	976 436
Executive Deputy-Mayor / Deputy-Mayor	414 799	47 004	461 803
Speaker	690 062	100 489	790 550
Councillors	1 259 868	188 016	1 447 884
Total Councillors' Remuneration	3 294 160	382 513	3 676 673

In-kind Benefits

The Executive Mayor and Speaker are full-time Councillors. Each is provided with an office and secretarial support at the cost of the Municipality.

	2025 R	2024 R
36. CONTRACTED SERVICES		
Outsourced Services	787 405	1 080 166
Burial Services	-	2 250
Business and Advisory	484 230	599 805
Catering Services	31 792	39 076
Internal Auditors	45 635	84 620
Electrical	225 747	354 414
Consultants and Professional Services	8 019 845	3 169 192
Business and Advisory	3 960 476	2 484 990
Accounting and Auditing	3 831 827	2 366 810
Medical Examinations	5 235	-
Research and Advisory	123 414	118 179
Infrastructure and Planning	3 284 286	-
Land and Quantity Surveyors	3 284 286	-
Legal Cost	775 083	684 202
Legal Advice and Litigation Issue of Summons	504 683 270 400	451 202 233 000
Contractors	1 213 715	955 910
Building	36 731	65 587
Electrical	1 060	4 871
Maintenance of Buildings and Facilities	14 920	91 698
Maintenance of Equipment	42 151	22 873
Maintenance of Unspecified Assets	1 018 151	750 993
Pest Control and Fumigation	24 202	667
Plants, Flowers and Other Decorations	-	1 221
Transportation	76 500	18 000
Total Contracted Services	10 020 964	5 205 268
	2025 R	2024 R
37. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	12 274 169	13 760 749
Balance previously reported		12 171 386
Less: Correction of error		1 589 364
Intangible Assets	94 625	108 123
Investment Property	309 827	245 128
Balance previously reported		-
Less: Correction of error		245 128
Total Depreciation and Amortisation	12 678 621	14 114 000
	2025 R	2024 R
38. FINANCE COSTS		
Long-term Borrowings	28 012	-
Non-current Provisions	2 990 632	1 549 212
Payables	1 511 795	1 099 793
Total Finance Costs	4 530 439	2 649 005

	2025 R	2024 R
39. BULK PURCHASES		
Electricity	14 818 560	11 873 369
Total Bulk Purchases	14 818 560	11 873 369
	2025 R	2024 R
40. TRANSFERS AND SUBSIDIES		
Capital	-	-
Operational	97 621	-
Monetary Allocations	97 621	-
Households	97 621	-
Total Transfers and Subsidies	97 621	-
	2025 R	2024 R
41. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	158 555	142 622
Assets less than the Capitalisation Threshold	3 457	16 115
External Audit Fees	10 606 436	7 253 169
Bank Charges, Facility and Card Fees	414 522	404 036
Commission	103 583	145 534
Communication	258 684	258 606
Deeds	10 361	14 870
Drivers Licences and Permits	46 452	60 040
Entrance Fees	-	4 000
External Computer Service	1 653 674	2 399 346
Indigent Relief	199 008	-
Insurance Underwriting	-	336 510
Learnerships and Internships	-	5 175
Levies Paid - Water Resource Management Charges	115 126	111 626
Licences	99 845	101 088
Municipal Services	1 575 821	1 355 880
Printing, Publications and Books	147 331	267 547
Professional Bodies, Membership and Subscription	500 268	503 933
Registration Fees	-	12 496
Remuneration to Ward Committees	227 505	233 396
Skills Development Fund Levy	246 170	257 076
Toll Gate Fees	521	1 050
Travel and Subsistence	922 464	811 508
Uniform and Protective Clothing	104 002	62 997
Wet Fuel	1 132 998	12 335
Workmen's compensation	227 943	238 064
Total Operational Costs	18 754 727	15 009 018

	2025 R	2024 R
42. REVERSAL OF IMPAIRMENT LOSS/ (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 10	(1 845 804)	(1 552 119)
Balance previously reported	-	-
Plus: Correction of error	(1 552 119)	(1 552 119)
Receivables from Non-exchange Receivables - Note 11	(19 480 416)	(31 517 753)
Balance previously reported	-	-
Plus: Correction of error	(31 517 753)	(31 517 753)
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	(21 326 220)	(33 069 872)
	2025 R	2024 R
43. GAINS/ (LOSS) ON SALE OF FIXED ASSETS		
Investment Property	(304 643)	(248 845)
Property, Plant and Equipment	(117 720)	-
Total Gains/ (Loss) on Sale of Fixed Assets	(422 363)	(248 845)
	2025 R	2024 R
44. WATER LOSSES		
Apparent Losses	1 072 376	1 261 182
Total Water Losses	1 072 376	1 261 182

2024
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45. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

2024
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45.1 Property, Plant and Equipment

Balance previously reported	302 810 358
The post closure cost for future expenditure was excluded from the calculation during 2023/24	51 979
The land where the hospital is situated was removed from the FAR as it was incorrectly included	(2 214 406)
A container at the Laingsburg sportsfield was recognised for the first time	26 802
Several structures on erf 2071 at the Goldnerville community hall were recognised for the first time	2 403 757
The accumulated depreciation for the first time recognitions was calculated to date	(945 206)
Reclassification of existing assets resulted in recalculation of accumulated depreciation	12 407 566
Reclassification of assets resulted in the following adjustments:	
Land	(2 638 023)
Buildings	219 720
Community assets	(222 212)
Reclassification of assets resulted in the following adjustments to accumulated depreciation:	
Buildings	(231 430)
Community assets	(330 716)
Roads	(622)
Storm water	(162)
Restated Balance	311 337 406

2024
R

45.2 Investment property

Balance previously reported	21 207 961
An improvement of erf 1623 was recognised for the first time	426 666
Accumulated depreciation on assets recognised for the first time	(160 609)
Reclassification of assets	2 640 514
Adjustment to depreciation due to re-classification	(1 791 629)
Derecognition of erf 1369	(3 970)
Adjustment to depreciation additions due to reclassification	(179 248)
Restated Balance	22 139 686

2024
R

45.3 Inventory

Balance previously reported	143 433
Less: Movement in water inventory not recognised during 2023/24	(39 998)
Restated Balance	103 435

		2024
		R
45.4	Receivables from exchange transactions	
	Balance previously reported	3 165 425
	Plus: Eskom deposits disclosed as receivables from non-exchange transactions during 2023/24	2 436 835
	Less: Transferred to receivables from non-exchange transactions	(10 580)
	Restated Balance	5 591 680
		<hr/> <hr/>
		2024
		R
45.5	Receivables from Non-exchange Transactions	
	Balance previously reported	5 426 118
	Less Eskom deposits disclosed as receivables from non-exchange transactions during 2023/24	(2 436 835)
	Plus: Transferred from receivables from exchange transactions	10 580
	Restated Balance	2 999 863
		<hr/> <hr/>
		2024
		R
45.6	VAT receivable/(payable)	
	Balance previously reported	9 182 600
	Less: VAT on NT contribution previously regarded as allocation-in-kind, changed to be treated as debt forgiveness	(488 835)
	Restated Balance	8 693 765
		<hr/> <hr/>
		2024
		R
45.7	Non-current Provisions	
	Balance previously reported	33 723 042
	The post closure cost for future expenditure was excluded from the calculation during	51 979
	Restated Balance	33 775 021
		<hr/> <hr/>
		2024
		R
45.8	Trade and Other Payables from Exchange Transactions	
	Balance previously reported	20 098 672
	Plus: Payments iro 2023/24 made during 2024/25	500 000
	Plus: Backpay on MM performance bonus	8 149
	Plus: Interest payable on VAT on library allocations	278 939
	Restated Balance	20 885 761
		<hr/> <hr/>

2024
R

45.9 Accumulated surplus

Balance previously reported	283 479 576
Plus: Adjustment to depreciation due to re-classification and verification of fixed assets	(742 179)
Less: VAT on contribution from National Treasury iro extenal audit fees not recognised during 2023/24	(488 835)
Less: Interest on VAT on library allocations before 30 June 2023	(147 814)
Less: Interest on VAT on library allocations for 2023/24	(131 125)
Less; Movement in water inventory not recognised during 2023/24	(39 998)
Less: Backpay on MM performance bonus	(8 149)
Less: Payment to Salga iro 2023/24 made during 2024/25	(500 000)
Less: Derecognition of hospital property previously recognised on fixed asset register	(2 214 406)
Plus: First time recognition of assets at Goldnerville Community Hall and Laingsburg sports fields	2 430 559
Plus: First time recognition of investment property on erf 1623	426 666
Less: Derecognition of land erf 1369	(3 970)
Less: Calculation of depreciation on community assets recognised for the first time	(945 206)
Less: Calculation of depreciation on investment property recognised for the first time	(160 609)
Less: Depreciation on community assets moved due to reclassification	8 892 391
Less: Depreciation on buildings moved due to reclassification	3 515 175
Plus: Depreciation reduced on investment property due to reclassification	(1 791 629)
Restated Balance	291 570 448

45.10 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Balance previously reported	Adjustments	Restated Balance
Revenue			
Property Rates	5 024 646	-	5 024 646
Surcharges and Taxes	295 563	-	295 563
Government Grants and Subsidies	72 364 342	(5 366 867)	66 997 475
Contributed Property, Plant and Equipment	1 210 000	-	1 210 000
Fines, Penalties and Forfeits	-	33 765 412	33 765 412
Availability Charges	287 668	-	287 668
Fines, Penalties and Forfeits	33 765 412	(33 765 412)	-
Interest Earned - Non-exchange Transactions	423 163	-	423 163
Licences and Permits	256 397	-	256 397
Service Charges	27 390 132	-	27 390 132
Sales of Goods and Rendering of Services	294 883	-	294 883
Rent on Land	102 655	-	102 655
Rental from Fixed Assets	1 643 719	-	1 643 719
Interest Earned - External Investments	1 264 711	-	1 264 711
Interest Earned - Exchange Transactions	777 982	-	777 982
Operational Revenue	42 155	1 619 130	1 661 285
Agency Services	196 641	-	196 641
Total	145 340 070	(3 747 737)	141 592 333
Expenditure			
Employee related costs	33 342 125	8 149	33 350 274
Remuneration of Councillors	3 606 532	-	3 606 532
Bad Debts Written Off	-	-	-
Contracted Services	5 205 268	-	5 205 268
Depreciation and Amortisation	13 371 821	742 179	14 114 000
Finance Costs	2 517 880	131 125	2 649 005
Bulk Purchases	11 873 369	-	11 873 369
Inventory Consumed	2 200 073	39 998	2 240 071
Operating Leases	744 852	-	744 852
Transfers and Subsidies	-	-	-
Operational Costs	14 509 018	500 000	15 009 018
Total	87 370 937	1 421 452	88 792 389
Gains and Losses			
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	(33 069 872)	-	(33 069 872)
Gains/(Loss) on Sale of Fixed Assets	(248 845)	-	(248 845)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	10 934	-	10 934
Profit/(Loss) on Fair Value Adjustments	-	-	-
Actuarial gain/(loss)	862 129	-	862 129
Profit/(Loss) from Discontinued Operations	-	-	-
Water Losses	-	-	-
Total	(32 445 654)	-	(32 445 654)
Net Surplus/(Deficit) for the year	25 523 478	(5 169 188)	20 354 290

	2025 R	2024 R
46. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	5 884 778	24 102 027
Adjustments for:		
Depreciation and Amortisation	12 678 621	14 114 000
Loss/(Gain) on Sale of Fixed Assets	422 363	248 845
Impairment Loss/(Reversal of Impairment Loss)	21 326 220	33 058 938
Contributed Property, Plant and Equipment	-	(1 210 000)
Government Grants and Subsidies received	57 534 555	68 033 905
Government Grants and Subsidies recognised as revenue	(54 607 211)	(66 997 475)
Allocations-in-kind		(3 747 737)
Adjust operational expenditure allocation-in-kind		3 747 737
Repayment of unspent grants	-	(202 641)
Contribution to provisions – Non-Current Provisions		
Change in Provision for Rehabilitation Cost		
Contribution from/to provisions - Non-Current Employee Benefits	4 622 580	2 561 405
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	216 995	(862 129)
Contribution from/to - Current Employee Benefits	(156 061)	226 192
Bad Debts written off	1 115 945	-
Operating lease income accrued	5 090	7 447
Operating lease expenses accrued	-	(2 302)
Operating Surplus/(Deficit) before changes in working capital	49 043 876	73 078 211
Changes in working capital	(12 902 710)	(32 289 762)
Increase/(Decrease) in Provisions	0	-
Increase/(Decrease) in Trade and Other Payables	13 199 963	2 573 398
Increase/(Decrease) in Employee Benefits	-	
Increase/(Decrease) in Taxes	294 853	(2 737 172)
(Increase)/Decrease in Inventory	(31 774)	156 240
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(3 848 334)	(2 104 048)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	(22 592 806)	(30 294 243)
(Increase)/Decrease in Repay Arrangements	-	-
(Increase)/Decrease in Consumer Deposits	75 387	116 063
Cash generated/(absorbed) by operations	36 141 166	40 788 449
	2025 R	2024 R
47. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 12	24 191 896	6 198 935
Call Deposits and Investments - Note 12	545 414	510 639
Cash on hand - Note 12	3 801	3 801
Total cash and cash equivalents	24 741 111	6 713 375
	2025 R	2024 R
48. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 46	24 741 111	6 713 375
Less:	(13 098 922)	(7 674 386)
Unspent Transfers and Subsidies - Note 18	(4 922 484)	(1 995 140)
VAT - Note 19	(8 176 438)	(5 679 246)
Net cash resources available for internal distribution	11 642 189	(961 011)
Resources available for working capital requirements	11 642 189	(961 011)

	2025 R	2024 R
49. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
49.1 <u>Unauthorised expenditure</u>		
Reconciliation of unauthorised expenditure:		
Opening balance	94 882 019	68 634 986
Correction of prior period error		
Restated opening balance	94 882 019	68 634 986
Unauthorised expenditure current year - operational	6 687 001	26 155 505
Unauthorised expenditure current year - capital	231 480	91 529
Unauthorised expenditure awaiting authorisation	101 800 500	94 882 019

	2025 Variance R	2025 Unauthorised R		
<u>Unauthorised expenditure current year - operating</u>				
	2025 Variance R	2025 Unauthorised R		
	Actual R	Final Budget R		
	Variance R	Unauthorised R		
Vote 1 - Mayor and Council	6 024 790	6 237 164	212 374	-
Vote 2 - Municipal Manager	3 792 429	3 449 372	(343 057)	343 057
Vote 3 - Corporate Services	10 474 648	8 110 198	(2 364 450)	2 364 450
Vote 4 - Budget and Treasury	26 148 160	25 000 638	(1 147 522)	1 147 522
Vote 5 - Planning and Development	903 456	831 300	(72 156)	72 156
Vote 6 - Community and Social Services	1 571 624	1 499 459	(72 165)	72 165
Vote 7 - Sports and Recreation	1 129 481	911 000	(218 481)	218 481
Vote 8 - Housing	-	6 500	6 500	-
Vote 9 - Public Safety	22 829 337	31 018 745	8 189 408	-
Vote 10 - Road Transport	15 786 637	14 806 866	(979 771)	979 771
Vote 11 - Waste Management	6 176 761	6 501 765	325 004	-
Vote 12 - Waste Water Management	5 054 037	4 316 596	(737 441)	737 441
Vote 13 - Water	7 104 828	6 352 870	(751 958)	751 958
Vote 14 - Electricity	16 835 612	17 817 366	981 754	-
	123 831 800	126 859 839	3 028 039	6 687 001
	2025 Variance R	2025 Unauthorised R		

	Actual	Final Budget	Variance	Unauthorised
<u>Unauthorised expenditure current year - capital</u>				
Vote 1 - Mayor and Council	1 670	-	(1 670)	1 670
Vote 3 - Corporate services	2 085	-	(2 085)	2 085
Vote 4 - Budget and Treasury	36 571	-	(36 571)	36 571
Vote 16 - Community and Social Services	-	869 565	869 565	-
Vote 17 - Sports and Recreation	5 191 758	5 813 050	621 292	-
Vote 18 - Public Safety	195 590	200 000	4 410	-
Vote 19 - Road Transport	876 524	760 000	(116 524)	116 524
Vote 21 - Waste Water Management	12 559 482	13 959 000	1 399 518	-
Vote 22 - Water	1 268 104	6 657 000	5 388 896	-
Vote 23 - Electricity	74 630	-	(74 630)	74 630
	20 206 414	28 258 615	8 052 201	231 480

			2024 Variance R	2024 Unauthorised R
<u>Unauthorised expenditure prior year - operating</u>				
	Actual R	Final Budget R	Variance R	Unauthorised R
Vote 1 - Mayor and Council	5 147 240	5 238 588	91 348	-
Vote 2 - Municipal Manager	3 859 923	3 347 496	(512 427)	512 427
Vote 3 - Corporate Services	7 097 808	6 265 776	(832 032)	832 032
Vote 4 - Budget and Treasury	21 660 084	22 410 708	750 624	-
Vote 5 - Planning and Development	860 029	827 136	(32 893)	32 893
Vote 6 - Community and Social Services	1 902 700	1 821 600	(81 100)	81 100
Vote 7 - Sports and Recreation	1 241 281	347 016	(894 265)	894 265
Vote 8 - Housing	6 490	7 428	938	-
Vote 9 - Public Safety	35 621 428	18 288 912	(17 332 516)	17 332 516
Vote 10 - Road Transport	14 726 054	13 074 456	(1 651 598)	1 651 598
Vote 11 - Waste Management	6 212 258	2 719 932	(3 492 326)	3 492 326
Vote 12 - Waste Water Management	4 021 631	3 153 792	(867 839)	867 839
Vote 13 - Water	6 103 477	5 644 968	(458 509)	458 509
Vote 14 - Electricity	13 559 083	15 931 776	2 372 693	-
	<u>122 019 486</u>	<u>99 079 584</u>	<u>(22 939 902)</u>	<u>26 155 505</u>

			2024 Variance R	2024 Unauthorised R
<u>Unauthorised expenditure prior year - capital</u>				
Vote 17 -Budget and Treasury	-	399 996	399 996	-
Vote 18 - Community and Social Services	117 042	230 004	112 962	-
Vote 19 - Sports and Recreation	6 906 172	7 680 048	773 876	-
Vote 10 - Road Transport	5 589 367	5 580 060	(9 307)	9 307
Vote 23 - Waste Water Management	18 971 217	18 888 996	(82 221)	82 221
Vote 24 - Water	4 753 716	15 057 012	10 303 296	-
Vote 25 - Electricity	-	596 004	596 004	-
	<u>36 337 515</u>	<u>48 432 120</u>	<u>12 094 605</u>	<u>91 529</u>

49.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	3 562 483	2 240 411
Correction of prior period error	-	222 279
Restated opening balance	3 562 483	2 462 690
Fruitless and wasteful expenditure current year	1 546 421	1 099 793
Fruitless and wasteful expenditure awaiting further action	<u>5 108 904</u>	<u>3 562 483</u>

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2025 R	2024 R
<i>Interest on overdue accounts</i>	<i>None</i>	4 966 704	3 562 483
<i>Penalties - SARS</i>	<i>None</i>	142 199	-
		<u>5 108 904</u>	<u>3 562 483</u>

49.3 **Irregular expenditure**

Reconciliation of irregular expenditure:

	2025 R	2024 R
Opening balance	118 382 588	64 964 565
Correction of prior period error:	-	40 603 714
Restated opening balance	118 382 588	105 568 279
Irregular expenditure current year	17 189 451	12 814 309
Balance previously reported		3 733 229
Plus: Correction of error		9 081 080
Written off as supported by council	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	135 572 039	118 382 588

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2025 R	2024 R
<i>Non-compliance with Municipal SCM Regulations:</i>	<i>None</i>		
- Regulation 16 - Request for Quotations processes not followed	<i>None</i>	-	1 121 151
- Regulation 17(2) - Formal Written Price Quotations processes not followed	<i>None</i>	1 892 259	61 496
- Regulation 19 - Continuation of historical irregular contracts not procured through competitive bidding	<i>None</i>	2 099 907	3 668 288
- Regulation 22	<i>None</i>	12 964 114	6 659 133
- Regulation 27	<i>None</i>		611 706
- Regulation 36(1)(a)	<i>None</i>	139 001	480 005
<i>Non-compliance with PPPFA 2(1) (a)</i>	<i>None</i>		212 532
<i>Non-compliance with S112 (1) (a) of MFMA</i>	<i>None</i>	94 171	
		17 189 451	12 814 309

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

	2025 R	2024 R
50. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
50.1 <u>Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)</u>		
Council subscriptions	500 000	500 000
Amount paid - current year	(500 000)	(500 000)
Balance unpaid (included in creditors)	-	-
	2025 R	2024 R
50.2 <u>Audit fees - [MFMA 125 (1)(c)]</u>		
Opening balance	6 978 062	6 472 630
Correction of prior period error	2 056 581	-
Restated opening balance	9 034 643	6 472 630
Current year audit fee	13 530 191	7 253 169
External Audit - Auditor-General	13 530 191	7 253 169
Amount paid - current year	(3 000 000)	(1 450 000)
Amount paid - previous year	-	(1 550 000)
Contribution National Treasury	(6 556 816)	(3 747 737)
Balance unpaid (included in creditors)	13 008 018	6 978 062
	2025 R	2024 R
50.3 <u>VAT - [MFMA 125 (1)(c)]</u>		
Opening balance	(174 072)	468 957
Correction of prior period error		
Restated opening balance	(174 072)	468 957
VAT Input	711 310	2 983 828
VAT Output	8 176 438	(432 524)
Amount paid	(4 233 211)	(3 194 334)
Amount received	-	-
Closing balance	4 480 464	(174 072)
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.		
	2025 R	2024 R
50.4 <u>PAYE, SDL and UIF - [MFMA 125 (1)(c)]</u>		
Current year payroll deductions	5 665 509	5 370 685
Amount paid - current year	(5 665 509)	(5 370 685)
Balance unpaid (included in creditors)	-	-

	2025 R	2024 R
50.5 <u>Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</u>		
Current year payroll deductions and Council Contributions	6 266 042	1 800 463
Amount paid - current year	(6 266 042)	(1 800 463)
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

50.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

Non of the councillors had arrear accounts for more than 90 days as at 30 June 2025.

50.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May

50.7.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2025

	Amount	Sole supplier	Type of Deviation	
			Impractical/ Impossible	Emergency
March	73 083	-	-	73 083
	<u>73 083</u>	<u>-</u>	<u>-</u>	<u>73 083</u>

30 June 2024

	Amount	Sole supplier	Type of Deviation	
			Impractical/ Impossible	Emergency
December	159 685	11 507	148 177	-
February	3 000	-	3 000	-
March	47 438	-	47 438	-
June	5 500	-	-	5 500
	<u>215 622</u>	<u>11 507</u>	<u>198 615</u>	<u>5 500</u>

50.7.2 Regulation 45 - Details of Awards to close family members of persons in the service of the state:

No awards were made to close family members of persons in the service of the state during the financial year.

50.8	<u>Material losses [MFMA 125 (2)(d)]</u>	2025	2024
		R	R
	Electricity distribution losses		
	Units purchased (Kwh)	7 298 179	6 514 826
	Units lost during distribution (Kwh)	704 558	650 558
	Percentage lost during distribution	9.65%	9.99%
	Distribution loss (Rand Value)	1 430 562	1 261 182

paid meters. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

Water distribution losses

Units purchased (kl)	485 769	466 220
Balance previously reported		442 590
Plus: Corrections of error prior year (COMAF 93 of 2024 Matjiesfontein omitted)		23 630
Units lost during distribution (kl)	196 484	183 549
Units previously reported		169 651
Plus: Corrections of error prior year		13 898
Percentage lost during distribution	40.45%	39.40%
Distribution loss (Rand Value)	1 072 376	856 148
Balance previously reported		2 200 009
Less: Corrections of error prior year (COMAF 93 of 2024)		(1 343 861)

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

50.9	<u>Non-compliance with the Municipal Finance Management Act and other Legislation [MFMA 125 (2)(e)]</u>	2025	2024
		R	R

Non-compliance with MFMA Section 65 (2) (e)

Money owing by the municipality was not paid within 30 days of receiving the relevant invoice or statement from the supplier, due to cashflow challenges caused by low revenue collection rates.

Non-compliance with MFMA Section 75 (2)

The municipality did not update their website with all relevant documentation as required by Section 75(2) of the MFMA.

Non-compliance with MFMA Section 165(2)(b)

The municipality did not adhere to the provisions of section 165(2)(b) of the MFMA that requires an adequately resourced internal audit unit that executes its plan in an effective and timely manner.

Non-compliance with the Municipal systems Act, Section 96 (b)

A credit control and debt collection policy was not fully implemented, as required by section 96(b) of the MSA.

	2025 R	2024 R
51. FINANCIAL RISK MANAGEMENT		
<p>The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.</p>		
(a) Foreign Exchange Currency Risk		
<p>The municipality does not engage in foreign currency transactions.</p>		
(b) Price Risk		
<p>The municipality is not exposed to price risk.</p>		
(c) Interest Rate Risk		
<p>As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.</p>		
<p>The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.</p>		
<p>The municipality did not hedge against any interest rate risks</p>		
<p>The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:</p>		
0.25% (2024: 0.25%) Increase in interest rates	60 721	16 774
1% (2024: 0.25%) Decrease in interest rates	(242 883)	(16 774)

(d) **Credit Risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is 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.

The credit risk of receivables is tested per individual debtor by calculating the payment percentage for the year under review to the levies made. A percentage for non-payment is calculated per individual debtor. this percentage is used for the impairment calculated per individual debtor.

All services are payable within 30 days from invoice date. Refer to note 10 and 11 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 6 for balances included in receivables that were re-negotiated for the period under review.

	2025 %	2025 R
<u>Non-Current Receivables</u>		
Repay Arrangements	100.00%	459 344
<u>Non-exchange receivables</u>		
Other Receivables	31.06%	808 838
Availability fees	68.94%	1 794 922
	100.00%	2 603 760
<u>Exchange Receivables</u>		
Electricity	23.88%	2 690 425
Water	25.90%	2 918 597
Property Rentals	10.42%	1 173 631
Waste Management	19.04%	2 145 387
Waste Water Management	17.78%	2 002 973
Housing Selling Scheme	0.86%	96 766
Other	2.12%	239 369
	100.00%	11 267 149

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 10 and 11 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 2% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2025 %	2025 R
<u>Non-Current Receivables</u>		
Repay Arrangements	0.00%	-
<u>Non-exchange receivables</u>		
Availability fees	18.53%	1 733 884
<u>Exchange Receivables</u>		
Services	81.47%	7 621 382
	100.00%	9 355 266
	100.00%	9 355 266

The provision for bad debts could be allocated between the different categories of receivables as follow:

	2025 %	2025 R
Government	0.00%	-
Industrial	6.12%	572 814
Residential	93.07%	8 707 328
Other	0.80%	75 124
	100.00%	9 355 266
	100.00%	9 355 266

Ageing of amounts past due but not impaired are as follow:

	Exchange Receivables	Non-exchange Receivables
2025		
1 month past due	155 293	12 640
2+ months past due	1 008 025	513 080
	1 163 318	525 720
	1 163 318	525 720
2024		
1 month past due	162 371	18 733
2+ months past due	708 324	170 497
	870 695	189 231
	870 695	189 231

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (Standard Bank, ABSA). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2025	2024
	R	R
Financial assets exposed to credit risk at year end are as follows:		
Non-Current Receivables from Exchange Transactions	459 344	666 643
Non-Current Receivables from Non-Exchange Transactions	2 977	28 117
Receivables from exchange transactions	14 099 885	11 367 259
Receivables from non-exchange transactions	129 952 196	107 359 629
Cash and Cash Equivalents	24 737 310	6 709 574
	<u>169 251 713</u>	<u>126 131 221</u>

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2025				
Long-term Liabilities	218 950	230 101	-	-
Trade and Other Payables from Exchange Transactions	34 085 724		-	-
	<u>34 304 674</u>	<u>230 101</u>	<u>-</u>	<u>-</u>
			Between 5 and 10 years	More than 10 years
2024				
Trade and Other Payables from Exchange Transactions	20 885 761		-	-
	<u>20 885 761</u>	<u>-</u>	<u>-</u>	<u>-</u>

		2025 R	2024 R
52.	FINANCIAL INSTRUMENTS		
	In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:		
52.1	Financial Assets		
	Classification		
	Non-Current Receivables		
	Receivables with repay arrangements: exchange	459 344	666 643
	Receivables with repay arrangements: non-exchange	1 357	3 968
		2025 R	2024 R
	Receivables from Exchange Transactions		
	Electricity	2 690 425	2 591 982
	Water	2 918 597	2 156 559
	Property Rentals	1 173 631	925 289
	Waste Management	2 145 387	1 509 496
	Waste Water Management	2 002 973	1 391 553
	Housing Selling Scheme	96 766	83 072
	Other Arrears	239 369	169 339
		2025 R	2024 R
	Cash and Cash Equivalents		
	Bank Balances	24 191 896	6 198 935
	Call Deposits	545 414	510 639
	Cash-on-hand	3 801	3 801
	Total Financial Assets	36 468 961	16 211 276
		2025 R	2024 R
	Financial Instruments at amortised cost:		
	Non-Current Receivables from Exchange Transactions	459 344	666 643
	Non-Current Receivables from Non-Exchange Transactions	1 357	3 968
	Receivables from Exchange Transactions	2 690 425	2 591 982
	Receivables from Exchange Transactions	2 918 597	2 156 559
	Receivables from Exchange Transactions	1 173 631	925 289
	Receivables from Exchange Transactions	2 145 387	1 509 496
	Receivables from Exchange Transactions	2 002 973	1 391 553
	Receivables from Exchange Transactions	96 766	83 072
	Receivables from Exchange Transactions	239 369	169 339
	Cash and Cash Equivalents	24 191 896	6 198 935
	Cash and Cash Equivalents	545 414	510 639
	Cash and Cash Equivalents	3 801	3 801
	Total Financial Assets	36 468 961	16 211 276

52.2 Financial Liabilities	Classification	2025 R	2024 R
Long-term Liabilities			
The municipality has no long-term liabilities			
Trade and Other Payables from Exchange Transactions			
Trade Payables	Financial Instruments at amortised cost	4 933 687	1 601 058
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	(113 553)	(183 353)
Retentions	Financial Instruments at amortised cost	384 539	2 119 465
Electricity bulk purchases	Financial Instruments at amortised cost	1 434 138	1 295 693
Auditor General	Financial Instruments at amortised cost	19 564 835	9 034 643
Other liabilities			
Consumer deposits	Financial instruments at amortised cost	1 121 057	1 045 670
Unspent Transfers and Subsidies	Financial instruments at amortised cost	4 922 484	1 995 140
		32 247 187	16 908 316
		2025 R	2024 R
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Trade and Other Payables	Trade Payables	4 933 687	1 601 058
Trade and Other Payables	Control, Clearing and Interface Accou	(113 553)	(183 353)
Trade and Other Payables	Retentions	384 539	2 119 465
Trade and Other Payables	Electricity bulk purchases	1 434 138	1 295 693
Trade and Other Payables	Auditor General	19 564 835	9 034 643
Other liabilities	Consumer deposits	1 121 057	1 045 670
Other liabilities	Unspent Transfers and Subsidies	4 922 484	1 995 140
		32 247 187	16 908 316
		2025 R	2024 R
53. STATUTORY RECEIVABLES			
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:			
Taxes			
VAT Receivable		711 310	3 503 354
Receivables from Non-Exchange Transactions			
Rates		4 853 223	4 016 106
Fines		122 495 214	101 676 938
Availability Charges		1 733 884	1 471 434
Total Statutory Receivables (before provision)		129 793 631	110 667 832
Less:	Provision for Debt Impairment	(123 840 182)	(104 359 766)
Total Statutory Receivables (after provision)		5 953 449	6 308 066

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)
Fines	- Criminal Procedures Act
Availability charges	- <i>insert Municipal by-law reference</i>

Statutory receivables are initially measured at transaction value, and subsequently at cost.

	2025 R	2024 R
<u>(Rates): Ageing</u>		
Current (0 - 30 days)	39 519	33 938
31 - 60 Days	25 318	64 024
61 - 90 Days	20 037	52 515
+ 90 Days	4 769 705	3 869 597
Total	4 854 580	4 020 074

	2025 R	2024 R
<u>(Availability charges): Ageing</u>		
Current (0 - 30 days)	16 747	13 569
31 - 60 Days	6 509	9 653
61 - 90 Days	6 164	9 110
+ 90 Days	752 019	626 613
Total	781 440	658 944

	2025 R	2024 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	104 359 766	72 842 013
Contribution to provision	19 502 157	31 685 912
Reversal of provision	(21 741)	(168 160)
Balance at end of year	123 840 182	104 359 766

	2025 R	2024 R
<u>Ageing of amounts past due and impaired:</u>		
1 month past due		
2+ months past due	123 840 182	104 359 766
	123 840 182	104 359 766

	2025 R	2024 R
<u>Ageing of amounts past due but not impaired:</u>		
1 month past due	4 821 131	5 146 433
2+ months past due	1 132 318	1 161 633
	<u>5 953 449</u>	<u>6 308 066</u>

Disclose factors of impairment (thus provide description how determine past due & impaired and past due not impaired)

	2025 R	2024 R
<u>Interest Received from Statutory Receivables</u>		
Receivables from Non-Exchange Transactions	466 349	423 163
	<u>466 349</u>	<u>423 163</u>

Interest is levied at a rate determined by the council on outstanding rates amounts.

Exemptions taken for Statutory Receivables according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.

	2025 R	2024 R
54. PRIVATE PUBLIC PARTNERSHIPS		
Council has not entered into any private public partnerships during the financial year.		
55. PRINCIPAL - AGENT ARRANGEMENTS		
55.1 <u>Principal in Principal-Agent Arrangement (Material)</u>		
<u>Principal arrangement: Syntell</u> Prepaid		
The municipality has a service provider, Syntell who acts as an agent for the municipality with the sale of prepaid electricity and water.		
All payments are received directly by the municipality and the service provider invoices the municipality for commission payable.		
The municipality determines the significant terms and conditions and receives the benefit from electricity sold.		
There are no resources under the custodianship of the agent, nor have they been recognised as such.		
There is no cost implication to the municipality if the arrangement is terminated.		
As no resources of the municipality is held by the service provider, no significant risks has been transferred.	76 183	118 594

Principal arrangement: Provincial Department of Transport and Public Works
Issuing of Traffic fines for various traffic violations

The municipality has an arrangement with the Provincial Department of Transport and Public Works who acts as an agent for the municipality with regards to the issuing of fines for various traffic violations within the Laingsburg Municipality area. There is no charge for the services and all fines issued to third parties are on behalf of the municipality.

Principal arrangement: Traffic services

Issuing of traffic fines

The municipality has a service provider Central Karoo Traffic Systems (Pty) Ltd who acts as an agent for the municipality with the issuing and recovery of camera fines within the Laingsburg Municipality area

All payments are received directly by the municipality and the service provider issue invoices to the municipality for commission payable

The municipality determines the significant terms and conditions and receives the benefit from traffic fines issues.

There are no resources under the custodianship of the agent, nor have they been recognised as such.

As no resources of the municipality is held by the service provider, no significant risks has been transferred.

27 400 26 940

2025 R 2024 R

Compensation paid for agency activities

Commission 103 583 145 534

Total Compensation paid 103 583 145 534

Laingsburg Municipality was paid 12% commission by the Provincial Department of Transport for acting as an agent on its behalf during the financial year.

2025 R 2024 R

55.2 Agent in arrangement

Laingsburg Municipality is the Agent in the Principle/Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any expenses on behalf of the Provincial Department. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and the municipal cashier collection points. No resources are held on behalf of the Provincial Department, other than the receipts.

2025 R 2024 R

Compensation received for agency activities

Commission 214 784 196 641

Total Compensation received 214 784 196 641

<u>Reconciliation of payable</u>	2025 R	2024 R
Opening balance	(51 732)	(39 889)
Amount of expenses incurred behalf of principle	1 506 285	1 373 272
Amount of cash paid on behalf of principle	(1 511 320)	(1 385 115)
Closing balance	(56 766)	(51 732)

56. CONTINGENT LIABILITY AND CONTINGENT ASSET

CONTINGENT LIABILITIES

Claims against Council

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Laingsburg Municipality / Active Phambile Civils

The Applicant brought a High Court application for Condonation in terms of Uniform Rule 27. In this application, the applicant seeks an order in the following terms:

- Condoning its failure to serve and file its third party notice and annexure thereto with the dies induciae prescribed by uniform rule 13
- In the event of any respondent opposing this condonation application, such respondent is to pay the costs of this condonation application

That the only matter in dispute is the amount of R298 240.84 is payable by the defendent by virtue of what is either a payment of Certificate 13 or credit note 13 issued by the Third party

100 000

80 000

The above amount was paid over to the Respondent to the Applicant's attorney to be kept in their trust account in terms of S86 until the matter is resolved

Pleading still need to be filed by the parties in this matter and it is not yet trial-ready. Parties attempted numerous settlement negotiations, but to no avail

Laingsburg Municipality / PJ & QD Lukas

During 2019 the Municipality and the Respondent entered into a written sale agreement for the Respondent to purchase Erf2041 Laingsburg. The written sale agreement did not correctly include all the terms of the sale agreement, in that it fails to include the Suspensive Condition that the Purchasers as the registered owners in all material aspects must cause and effectively transfer their immovable property described as Erf1291 Laingsburg, most commonly known as 47 10Th Avenue Goldnerville Laingsburg.

-

100 000

The Plaintiff has demanded the rectification of the written sale agreement to confirm the common intention of the plaintiff and the purchasers

Parties are in the midst of settlement negotiations and we foresee that this matter will be amicably settled between the parties

	2025	2024
	R	R
<u>Cancom Camfleet (Pty) Ltd</u>		
The Municipality (4th respondent) is cited together with various other local municipalities within the Western Cape Province by the applicants.		
The local municipalities are joined in this applicant, because they are the responsible entities tasked to enforce the national legislation, ie The National Road Traffic Act 93 of 199, of which the Applicants seek to challenge in this applicant.		
	80 000	80 000
The applicants selectively only joined some of the municipalities in the Western Cape excluding 14 others.		
Hearing took place August 2023 in Cape Town High Court and the municipality still await judgment		
<u>Laingsburg Ratepayer's Association</u>		
The Ratepayer's Association submitted a High Court application for the relief of the following:		
(i)		
- A Declaration order for property rates levied by the Municipality for the financial year 2009/2010 to 2022/23 that were unlawfully levied due to non-compliance with the provisions of the Local Government: Municipal Property Rates Act (Act 6 of 2024) in that for the year 2009/2010 to 2014/2015 the Municipality failed to promulgate resolutions levying rates in terms of S14(2).		
	250 000	250 000
- From 2015/2026 to 2022/2023 the Municipality failed to adopt a rates policy in compliance with S3 and S4 of the act		
(ii) The costs of the application for leave to appeal will be costs in the appeal		
The Municipality filed an application for leave to appeal which was granted against the whole of the judgment that was handed down on 08/08/2024		
<u>Laingsburg Landfill site</u>		
The landfill site license expired due to the maximum height exceeding the permit conditions. Thus, the site is currently operated illegally. A new application is yet to be submitted to the Department of Environmental Affairs.		
	-	-
The municipality is exposed to a possible fine, imprisonment or both. This will only be determined once a communication is issued by the Department.		
	-	-
	<hr/> 430 000 <hr/>	<hr/> 510 000 <hr/>

2025
R

2024
R

57. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

Related party relationship

Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality. Related parties include:

-	Members of key management	592	-
	Hendrikse N A & C J C	592	-
-	Councillors	7 792	7 204
	Gouws M & Pf	631	585
	Laban Samuel & Catherine	626	574
	Potgieter L	3 265	4 134
	Theron Aletta	3 284	1 330
	Kleinbooi Ag & At	(15)	
	Botha Johanna	-	580

57.1 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date.

57.2 Compensation of related parties

The compensation of key management personnel and councillors is set out in note 34 & 35 to the Annual Financial Statements.

58. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the high cost of fuel and other essentials coupled with the social-economic profile (high unemployment rate) of Laingsburg communities resulted in a serious risk for Laingsburg Municipality's going concern.

Furthermore the municipality's revenue base is limited and the current situation in the municipal area is not favourable to increase the revenue.

Unless sustainable job creation is achieved, Laingsburg Municipality will not be able to function as a going concern without Government Grants and Subsidies.

59. EVENTS AFTER REPORTING PERIOD

Subsequent to the reporting period, a significant change in the council's leadership occurred with the replacement of the Executive Mayor. This development, while occurring after the financial year-end is noted for its potential impact on future operational and strategic direction. The new leadership is expected to continue upholding sound financial governance and accountability principles. This change will be fully reflected in the governance disclosures of the subsequent financial statements.

**APPENDIX A
LAINGSBURG MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2025**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2024	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2025	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
CAPITALISED LEASE LIABILITY										
Office Equipment				-	-	657 391	(208 340)	449 051	467 617	-
Total capitalised lease Liabilities				-	-	657 391	(208 340)	449 051	467 617	-
TOTAL EXTERNAL LOANS				-	-	657 391	(208 340)	449 051	467 617	-

APPENDIX B
LAINGSBURG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
			Governance and Administration			
-	9 007 163	(9 007 163)	Executive and council	-	9 817 219	(9 817 219)
75 744 324	28 355 697	47 388 627	Finance and administration	62 324 342	36 194 286	26 130 057
-	-	-	Internal audit	-	-	-
			Community and Public Safety			
1 637 627	1 898 035	(260 409)	Community and social services	1 489 755	1 547 422	(57 667)
3 604	1 226 220	(1 222 617)	Sport and recreation	403	1 129 481	(1 129 078)
34 012 381	35 621 428	(1 609 047)	Public safety	28 992 866	22 829 337	6 163 529
10 825	6 490	4 335	Housing	10 763	-	10 763
1 514	4 664	(3 150)	Health	727	24 202	(23 474)
			Economic and Environmental Services			
-	860 029	(860 029)	Planning and development	-	903 456	(903 456)
1 260 296	14 726 054	(13 465 759)	Road transport	1 554 132	15 786 637	(14 232 505)
-	-	-	Environmental protection	-	-	-
			Trading Services			
20 193 187	13 559 083	6 634 104	Energy sources	21 983 622	16 835 612	5 148 010
5 393 648	6 103 477	(709 829)	Water management	5 850 459	7 104 828	(1 254 369)
3 999 627	4 021 631	(22 004)	Waste water management	3 703 715	5 054 037	(1 350 322)
3 864 480	6 212 258	(2 347 778)	Waste management	3 805 794	6 176 761	(2 370 967)
-	417 256	(417 256)	Other	-	428 522	(428 522)
146 121 513	122 019 486	24 102 027	Sub Total	129 716 578	123 831 800	5 884 778
-	-	-	Less Inter-Departmental Charges	-	-	-
146 121 513	122 019 486	24 102 027	Total	129 716 578	123 831 800	5 884 778

**APPENDIX C
LAINGSBURG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025
MUNICIPAL VOTES CLASSIFICATIONS**

2024 Actual Income R	2024 Actual Expenditure R	2024 Surplus/ (Deficit) R		2025 Actual Income R	2025 Actual Expenditure R	2025 Surplus/ (Deficit) R
			Municipal Manager			
-	3 859 923	(3 859 923)	Municipal Manager	-	3 792 429	(3 792 429)
-	5 147 240	(5 147 240)	Mayor and Council	-	6 024 790	(6 024 790)
			Chief Financial Officer			
71 832 040	21 660 084	50 171 956	Budget and Treasury Office	53 989 047	26 148 160	27 840 886
			Director: Administration			
4 039 853	7 097 808	(3 057 955)	Corporate Services	8 603 847	10 474 648	(1 870 801)
-	860 029	(860 029)	Planning and Development	-	903 456	(903 456)
			Director: Community Services			
1 639 141	1 902 700	(263 559)	Community and Social Services	1 490 482	1 571 624	(81 142)
-	-	-	Environmental Protection	-	-	-
3 604	1 241 281	(1 237 678)	Sport and Recreation	403	1 129 481	(1 129 078)
34 012 381	35 621 428	(1 609 047)	Public Safety	28 992 866	22 829 337	6 163 529
10 825	6 490	4 335	Housing	10 763	-	10 763
-	-	-	Health	-	-	-
			Director: Technical Services			
1 260 296	14 726 054	(13 465 759)	Road Transport	1 554 132	15 786 637	(14 232 505)
20 193 187	13 559 083	6 634 104	Electricity	21 983 622	16 835 612	5 148 010
5 393 648	6 103 477	(709 829)	Water	5 850 459	7 104 828	(1 254 369)
3 999 627	4 021 631	(22 004)	Waste Water Management	3 703 715	5 054 037	(1 350 322)
3 736 911	6 212 258	(2 475 347)	Waste Management	3 537 243	6 176 761	(2 639 518)
146 121 513	122 019 486	24 102 027	Sub Total	129 716 578	123 831 800	5 884 778
-	-	-	Less Inter-Departmental Charges	-	-	-
146 121 513	122 019 486	24 102 027	Total	129 716 578	123 831 800	5 884 778

**APPENDIX D
LAINGSBURG MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30
JUNE 2025
GENERAL FINANCE STATISTICS CLASSIFICATION**

	Cost/Revaluation					Accumulated Depreciation/Impairment				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals/ Impairment	Closing Balance	Opening Balance	Depreciation	Disposals/ Impairment	Closing Balance	
Executive and council	2 580 270	1 670	-	(2 338)	2 579 603	1 175 464	74 858	(2 164)	1 248 158	1 331 444
Finance and administration	59 914 706	609 578	-	(4 155 730)	56 368 554	16 335 633	1 498 466	(1 649 769)	16 184 330	40 184 224
Community and social services	25 109 234	250 373	-	(1 001 781)	24 357 826	8 995 409	737 649	(934 736)	8 798 322	15 559 504
Sport and recreation	10 939 978	5 191 758	12 097 930	(100 161)	28 129 504	5 138 422	288 883	(91 721)	5 335 585	22 793 920
Public safety	1 592 549	154 783	-	(122 098)	1 625 234	851 858	124 592	(109 609)	866 840	758 394
Road transport	162 396 652	880 235	917 737	(9 180)	164 185 444	90 879 821	3 528 381	(926)	94 407 277	69 778 167
Energy sources	32 016 555	74 630	5 218 686	-	37 309 870	16 156 228	669 793	-	16 826 021	20 483 849
Water management	108 755 344	1 179 079	1 345 416	-	111 279 839	40 377 722	2 559 759	-	42 937 480	68 342 358
Waste water management	85 044 598	12 521 701	28 302 785	(15)	125 869 068	41 320 683	2 416 559	(15)	43 737 227	82 131 841
Waste management	23 594 407	1 030 257	-	-	24 624 663	12 829 636	1 085 676	-	13 915 312	10 709 352
	511 944 293	21 894 062	47 882 553	(5 391 303)	576 329 605	234 060 876	12 984 617	(2 788 940)	244 256 552	332 073 052

APPENDIX E
LAINGSBURG MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2024	Correction of Error	Restated Balance 30 June 2024	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Vat transferred to revenue	Retention	Balance 30 June 2025	Unspent 30 June 2025 (Creditor)	Unpaid 30 June 2025 (Debtor)
National Government Grants													
Equitable Share	-	-	-	22 685 000	-	-	(22 685 000)	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant (EPWP)	-	-	-	1 209 000	-	-	(1 209 000)	-	-	-	-	-	-
Finance Management Grant (FMG)	-	-	-	1 800 000	-	-	(1 800 000)	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG) - PMU	-	-	-	345 948	-	-	(345 948)	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	-	-	-	6 570 052	-	-	-	(6 570 052)	-	-	-	-	-
Water Services Infrastructure Grant (WSIG)	-	-	-	16 044 000	-	-	-	(16 044 000)	-	-	-	-	-
Total National Government Grants	-	-	-	48 654 000	-	-	(26 039 948)	(22 614 052)	-	-	-	-	-
Provincial Government Grants													
Community Development Workers (CDW)	-	-	-	76 000	-	-	(76 000)	-	-	-	-	-	-
Human Settlements Acceleration Grant	142 158	-	142 158	-	-	-	(142 158)	-	-	-	-	-	-
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructures	-	-	-	197 583	-	-	(197 583)	-	-	-	-	-	-
Western Cape Municipal Interventions Grant	-	-	-	560 000	-	-	-	-	-	-	560 000	560 000	-
WC - Financial Management Support Grant	852 982	-	852 982	-	-	-	-	-	-	-	852 982	852 982	-
WC - Water Resilience Grant (WCWRG)	-	-	-	2 000 000	-	-	-	(1 347 512)	-	-	652 488	652 488	-
Western Cape Municipal Financial Recovery Services Grant	1 000 000	-	1 000 000	-	-	-	-	-	-	-	1 000 000	1 000 000	-
WC - FIRE SERV CAP BUILD	-	-	-	557 000	-	-	-	(224 929)	-	-	332 072	332 072	-
Human Settlements Development Grant (Beneficiaries)	-	-	-	4 323 798	-	-	(3 918 855)	-	-	-	404 943	404 943	-
Community Library Services Grant	-	-	-	1 000 000	-	-	-	-	-	-	1 000 000	1 000 000	-
Total Provincial Government Grants	1 995 140	-	1 995 140	8 714 381	-	-	(4 334 596)	(1 572 441)	-	-	4 802 484	4 802 484	-
District Municipality													
CKDM DLG Funding for HR Internship	-	-	-	100 000	-	-	-	-	-	-	100 000	100 000	-
CKDM WOSA Safety Funding	-	-	-	20 000	-	-	-	-	-	-	20 000	20 000	-
Total District Municipality Grants	-	-	-	120 000	-	-	-	-	-	-	120 000	120 000	-
Other Grant Providers													
SETA	-	-	-	46 174	-	-	(46 174)	-	-	-	-	-	-
Total Other Grant Providers	-	-	-	46 174	-	-	(46 174)	-	-	-	-	-	-
Total Grants	1 995 140	-	1 995 140	57 534 555	-	-	(30 420 718)	(24 186 493)	-	-	4 922 484	4 922 484	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

LAINGSBURG MUNICIPALITY
APPROPRIATION STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2024	Unauthorised expenditure	Variance	Variance (Actual Outcome as % of Original Budget)	Variance (Actual Outcome as % of Final Budget)
		R		R	R	R	R	R	R	R		%
REVENUE												
Exchange		30 965 307	3 990 703	34 956 010	-	-	34 956 010	33 537 232		(1 418 778)	108.31%	95.94%
Service Charges - Electricity	Service Charges	19 977 109	2 965 601	22 942 710			22 942 710					
Service Charges - Water	Availability charges	5 566 368	(1 032 268)	4 534 100			4 534 100					
Service Charges - Waste water management		2 431 732	1 210 168	3 641 900			3 641 900					
Service Charges - Waste management		2 990 098	847 202	3 837 300			3 837 300					
Sales of Goods and Rendering of Services	Sales of Goods and Rendering of Services	365 021	3 426	368 447			368 447	341 288		(27 159)	93.50%	92.63%
Agency Services	Agency Services	234 449	(34 449)	200 000			200 000	214 784		14 784	91.61%	107.39%
Interest earned from receivables	Interest Earned - Exchange Transactions	620 568	279 582	900 150			900 150	1 188 705		288 555	191.55%	132.06%
Interest Earned from current and non-current assets	Interest Earned - External Investments	937 740	452 260	1 390 000			1 390 000	1 617 323		227 323	172.47%	116.35%
Rent on land	Rent on Land	89 092	(62 892)	26 200			26 200	26 650		450	29.91%	101.72%
Rental from Fixed Assets	Rental from Fixed Assets	1 709 864	204 317	1 914 181			1 914 181	1 639 656		(274 525)	95.89%	85.66%
Licences and Permits	Licences and Permits	301 440	(69 590)	231 850			231 850	226 882		(4 968)	75.27%	97.86%
Operational revenue	Operational revenue	44 023	33 847	77 870			77 870	1 536 424		1 458 554	3490.05%	1973.06%
Non-exchange												
Property Rates	Property Rates	5 946 888	(299 278)	5 647 610			5 647 610	5 657 213		9 603	95.13%	100.17%
Surcharges and Taxes	Surcharges and Taxes	3 500 724	(3 500 724)	-			-	-		-	0.00%	
Fines, penalties and forfeits	Fines, Penalties and Forfeits	31 318 236	1 103 764	32 422 000			32 422 000	28 860 283		(3 561 717)	92.15%	89.01%
Transfers and subsidies - operational	Government Grants and Subsidies (Operational only)	29 737 416	719 534	30 456 950			30 456 950	30 420 718		(36 232)	102.30%	99.88%
Interest	Interest Earned - Non-exchange Transactions	294 792	195 208	490 000			490 000	466 349		(23 651)	158.20%	95.17%
Operational revenue	Operational Revenue	326 160	(6 160)	320 000			320 000	318 218		(1 782)	97.56%	99.44%
Gains on disposal of assets	Gains on Sale of Fixed Assets	255 996	1 734 004	1 990 000			1 990 000	-		-	0.00%	0.00%
Total Revenue (excluding capital transfers and contributions)		106 647 716	4 743 552	111 391 268	-	-	111 391 268	106 051 725	-	(3 349 543)	99.44%	95.21%
EXPENDITURE												
Employee Related Costs		35 893 860	237 270	36 131 130			36 131 130	35 455 753		(675 377)	98.78%	98.13%
Remuneration of Councillors		3 605 064	411 270	4 016 334			4 016 334	3 676 673		(339 661)	101.99%	91.54%
Debt Impairment	Reversal of Impairment Loss/(Impairment Loss) on Receivables	25 513 199	2 852 974	28 366 173			28 366 173	21 326 220		(7 039 953)	83.59%	75.18%
Irrecoverable debt written off	Bad Debts Written Off	3 631 911	(2 728 150)	903 761			903 761	1 115 945	212 184	212 184	30.73%	123.48%
Depreciation and Amortisation	Depreciation and Amortisation	5 993 544	7 478 992	13 472 536			13 472 536	12 678 621		(793 915)	211.54%	94.11%
Interest	Finance Costs	1 003 824	1 713 476	2 717 300			2 717 300	4 530 439	1 813 139	1 813 139	451.32%	166.73%
Bulk Purchases - electricity	Bulk Purchases	14 328 021	571 979	14 900 000			14 900 000	14 818 560		(81 440)	103.42%	99.45%
Inventory consumed	Inventory consumed	830 526	766 198	1 596 724			1 596 724	775 203		(821 521)	93.34%	48.55%
Contracted Services	Contracted Services	6 649 477	3 260 973	9 910 450			9 910 450	10 020 964	110 514	110 514	150.70%	101.12%
Transfers and Subsidies	Transfers and Subsidies	1 092	(1 092)	-			-	97 621	97 621	97 621	8939.61%	100.00%
Operational costs	Operational Costs	12 296 759	2 548 672	14 845 431			14 845 431	19 218 082	4 372 651	4 372 651	156.29%	129.45%
	Operational Costs							18 754 727		18 754 727		
	Operating leases							463 355		463 355		
Losses on disposal of assets	Loss on Sale of Fixed Assets	-	-	-			-	422 363	422 363	422 363	100.00%	100.00%
Other losses	Actuarial loss	-	-	-			-	216 995	216 995	216 995	100.00%	100.00%
Total Expenditure		109 747 277	17 112 562	126 859 839	-	-	126 859 839	124 353 439	7 245 467	(2 506 400)	113.31%	-94.17%
Surplus/(Deficit)		(3 099 561)	(12 369 010)	(15 468 571)	-	-	(15 468 571)	(18 301 714)	2 833 143)	(2 833 143)	590.46%	118.32%
Transfers and subsidies - capital (monetary allocations)	Government Grants and Subsidies (Capital only)	23 670 048	4 749 002	28 419 050			28 419 050	24 186 493		(4 232 557)	102.18%	85.11%
Surplus/(Deficit) for the year		20 570 487	12 950 479	33 520 966	-	-	33 520 966	5 884 778	(7 065 707)	(7 065 707)	28.61%	45.44%
CAPITAL EXPENDITURE AND FUND SOURCES												
Total Capital expenditure		22 782 041	5 476 574	28 258 615	-	-	28 258 615	20 863 806	-	(7 394 809)	91.58%	73.83%
Sources of capital funds												
Transfers recognised - capital		22 782 041	5 476 574	28 258 615			28 258 615	20 863 806		(7 394 809)	91.58%	73.83%
Total sources of capital funds		22 782 041	5 476 574	28 258 615	-	-	28 258 615	20 863 806	-	(7 394 809)	91.58%	73.83%
CASHFLOWS												
Net cash from / (used) in operating activities		44 976 230	(12 643 255)	32 332 975			32 332 975	36 141 166		3 808 191	80.36%	111.78%
Net cash from / (used) in investing activities		(29 086 920)	(1 420 488)	(30 507 408)			(30 507 408)	(18 026 414)		12 480 994	61.97%	59.09%
Net cash from / (used) in financing activities		-	-	-			-	(87 015)		(87 015)	0.00%	0.00%
Net increase/(decrease) in cash and cash equivalents at year end		15 889 310	(14 063 743)	1 825 567	-	-	1 825 567	18 027 736	-	16 202 169	113.46%	987.51%
Cash and cash equivalents at the beginning of the year		6 710 474	-	6 710 474			6 710 474	6 713 375		2 901	100.04%	100.04%
Cash and cash equivalents at the end of the year		22 599 784	(14 063 743)	8 536 041	-	-	8 536 041	24 741 111	-	16 205 070	109.47%	289.84%