

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025



Swartland Municipality
Audited
Annual Financial Statements for
the year ended 30 June 2025



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Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

General Information

Nature of business and principal activities

Swartland Municipality (the municipality) is a category B, medium capacity, local government institution in Malmesbury, Western Cape. The addresses of its registered office and principal place of business are disclosed hereunder and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Constitution.

Swartland Municipality's mandate:

The Municipality is a medium-capacity, category B local authority established in terms of section 151 of the Constitution of the Republic of South Africa.

The principal activities of the Municipality are to:

- * provide democratic and accountable government to the local communities;
- * ensure sustainable service delivery to communities;
- * promote social and economic development;
- * promote a safe and healthy environment; and
- * encourage the involvement of communities and community organisations in the matters of local government.

The Municipality's operations are governed by the Local Government: Municipal Finance Management Act (MFMA) (Act 56 of 2003), Municipal Structures Act (Act 117 of 1998), Municipal Systems Act (Act 32 of 2000) and various other acts and regulations.

Executive Mayor
Deputy Executive Mayor
Speaker

Alderman J H Cleophas
Alderlady J M De Beer
Alderman M Rangasamy

Members of Executive Mayoral Committee

Executive Mayor	Alderman J H Cleophas
Deputy Executive Mayor	Alderlady J M De Beer
Member	Councillor Smit
Member	Alderman T van Essen
Member	Councillor A K Warnick
Member	Councillor D G Bess

Chairperson of Portfolio Committees

Office of the Municipal Manager Administration and Finances	Councillor I S le Minnie
Civil and Electrical Services	Councillor R J Jooste
Development Services	Councillor G Vermeulen
Protection Services	Alderlady M Nel

Members of the Performance Risk and Audit Committee

Chairperson	R Gani
Member	S Jones
Member	M Mdludlu
Member	B Gouws

Auditors

Auditor-General of South Africa

Bankers

Standard Bank of South Africa

Registered office

1 Church Street
MALMESBURY
7300

Swartland Municipality

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General Information

Business address	1 Church Street MALMESBURY 7300	
Postal address	Private Bag X 52 Malmesbury 7299	
Accounting Officer	J J Scholtz	
Chief Financial Officer	M A C Bolton	
Council members of the Swartland Municipality	Bess D G Booyesen A M Cleophas J H De Beer J M Gaika M Jooste R J Le Minnie I S Ngozi M O'Kennedy E C Papier J R Fortuin C Penxa B J	Pieters C Pypers D C Rangasamy M A Smit N Soldaka P E White G E Van Essen T Nel M Vermeulen G Williams A N Warnick A K

Swartland Municipality

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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

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Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and must be given unrestricted access to all financial records and related data.

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.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2026 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

In terms of Section 13G of the Broad-Based Black Economic Empowerment Amendment Act (Act 46 of 2013), read with regulation 12 of the B-BBEE Regulations, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports. Compliance is disclosed in the annual report.

I certify that salaries, allowances and benefits of councillors as disclosed in note 29 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998, and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on pages 6 to 127, which have been prepared on the going concern basis, were approved by the accounting officer on 29 August 2025 and were signed:



J J Scholtz
Accounting Officer

Friday, 29 August 2025

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	2	677 019 944	470 491 311
Receivables from exchange transactions	3 and 5	121 756 132	119 105 779
Receivables from non-exchange transactions	4 and 5	43 848 232	34 292 280
Inventories	7	20 100 710	21 602 623
Other financial assets	12	366 329 014	-
VAT accrual receivables	8.2	24 482 884	24 278 115
VAT control	8.1	11 903 400	9 006 270
		1 265 440 316	678 776 378
Non-Current Assets			
Property, plant and equipment	10	2 517 760 669	2 320 840 795
Investment property	11	23 402 204	24 940 643
Intangible assets		847 751	503 141
Heritage assets		4 120 691	4 120 691
Other financial assets	12	-	333 119 014
		2 546 131 315	2 683 524 284
Total Assets		3 811 571 631	3 362 300 662
Liabilities			
Current Liabilities			
Operating lease liability		319 033	334 731
Payables from exchange transactions	13	111 422 975	95 100 946
Consumer deposits	14	20 857 367	19 659 688
Construction contracts payables	6	7 342 180	-
Unspent conditional grants and receipts	15	21 703 995	30 493 916
Other financial liabilities	16	6 044 339	5 455 716
Long-term employee benefits	17	6 748 000	6 605 000
Provisions	18	9 197 492	8 780 333
VAT accrual payables	8.3	11 730 567	9 429 791
		195 365 948	175 860 121
Non-Current Liabilities			
Other financial liabilities	16	27 291 962	33 358 238
Long-term employee benefits	17	104 234 000	89 675 000
Provisions	18	67 892 552	57 311 777
		199 418 514	180 345 015
Total Liabilities		394 784 462	356 205 136
Net Assets		3 416 787 169	3 006 095 526
Reserves			
Reserves	19	359 394 889	299 421 237
Accumulated surplus	20	3 057 392 280	2 706 674 289
Total Net Assets		3 416 787 169	3 006 095 526

* See Note 53

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	21	714 148 497	630 654 582
Agency services		5 658 345	5 348 435
Construction contracts	6	-	79 520
Interest received	22	99 536 450	88 032 664
Operational revenue	23	29 323 924	29 490 594
Rental of facilities and equipment		1 883 457	1 382 483
Development charges	24	10 208 941	41 767 348
Total revenue from exchange transactions		860 759 614	796 755 626
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	25	200 765 307	163 174 552
Interest received on receivables		2 223 748	1 974 074
Transfer revenue			
Government grants and subsidies	26	378 826 841	271 713 439
Donated property, plant and equipment		-	306 822
Fines, Penalties and Forfeits		36 325 543	38 582 078
Licences and permits (non-exchange)		4 837 753	5 079 411
Public contributions and donations		22 878 547	1 178 090
Vesting of properties and equipment		176 324	921 992
Availability charges	27	11 580 603	11 093 950
Total revenue from non-exchange transactions		657 614 666	494 024 408
Total revenue		1 518 374 280	1 290 780 034
Expenditure			
Employee related costs	28	346 367 896	316 536 834
Remuneration of councillors	29	12 597 587	12 004 775
Bad debts written off	4	19 366 692	34 705 031
Bulk purchases - Electricity		410 594 639	344 554 611
Contracted services	30	64 955 958	69 008 625
Depreciation and amortisation	31	103 052 099	103 283 357
Finance costs	32	10 464 303	12 830 517
Grants and subsidies paid	33	3 786 341	4 724 279
Operational cost	34	46 350 681	42 971 455
Other materials	35	57 874 190	53 319 903
Total expenditure		1 075 410 386	993 939 387
Operating surplus		442 963 894	296 840 647
Gains on sale of fixed assets		1 213 620	1 828 939
Gains on sale of land		312 434	211 625
Reversal / (impairment) of assets and receivables	36	(23 006 595)	(18 990 976)
Inventory losses: Water losses	7	(7 431 649)	(6 301 059)
Loss on disposal of assets	37	(3 360 063)	(10 486 669)
		(32 272 253)	(33 738 140)
Surplus for the year		410 691 641	263 102 507

* See Note 53

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Capital Replacement Reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	259 260 281	2 484 960 586	2 744 220 867
Adjustments			
Correction of errors	-	(1 227 848)	(1 227 848)
Balance at 01 July 2023 as restated*	259 260 281	2 483 732 738	2 742 993 019
Changes in net assets			
Transfer to Capital Replacement Reserve	164 784 984	(164 784 984)	-
Property, plant and equipment purchased	(124 624 028)	124 624 028	-
Net income (losses) recognised directly in net assets	40 160 956	(40 160 956)	-
Surplus for the year	-	263 102 507	263 102 507
Total recognised income and expenses for the year	40 160 956	222 941 551	263 102 507
Total changes	40 160 956	222 941 551	263 102 507
Restated* Balance at 01 July 2024	299 421 237	2 706 674 291	3 006 095 528
Changes in net assets			
Transfer to Capital Replacement Reserve	139 738 646	(139 738 646)	-
Property, plant and equipment purchased	(79 764 994)	79 764 994	-
Net income (losses) recognised directly in net assets	59 973 652	(59 973 652)	-
Surplus for the year	-	410 691 641	410 691 641
Total recognised income and expenses for the year	59 973 652	350 717 989	410 691 641
Total changes	59 973 652	350 717 989	410 691 641
Balance at 30 June 2025	359 394 889	3 057 392 280	3 416 787 169
Note(s)	19	20	

Accumulated Surplus has been restated to correctly classify amounts held by the municipality. Refer to Note 53 "Restatement of prior year" for details of the restatements.

* See Note 53

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Cash flow statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from government grants and other grants		388 841 838	304 758 955
Interest income		67 107 181	55 994 685
Cash receipts from services and rate payers		966 671 926	797 478 558
		<u>1 422 620 945</u>	<u>1 158 232 198</u>
Payments			
Finance costs		(3 871 447)	(6 896 832)
Cash paid to suppliers and employees		(937 232 217)	(842 627 234)
		<u>(941 103 664)</u>	<u>(849 524 066)</u>
Net cash flows from operating activities	38	<u>481 517 281</u>	<u>308 708 132</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	38	(270 274 617)	(210 025 571)
Proceeds from sale of property, plant and equipment		1 213 622	1 828 939
Purchase of other intangible assets		(450 000)	-
Long-term Investment		-	(300 000 000)
Net cash flows from investing activities		<u>(269 510 995)</u>	<u>(508 196 632)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(5 477 653)	(52 037 024)
Net cash flows from financing activities		<u>(5 477 653)</u>	<u>(52 037 024)</u>
Net increase/(decrease) in cash and cash equivalents		<u>206 528 633</u>	<u>(251 525 524)</u>
Cash and cash equivalents at the beginning of the year		470 491 311	722 016 835
Cash and cash equivalents at the end of the year	2	<u>677 019 944</u>	<u>470 491 311</u>

* See Note 53

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges - electricity revenue	472 747 422	-	472 747 422	516 000 743	43 253 321	
Service charges - water revenue	98 216 026	-	98 216 026	95 517 854	(2 698 172)	
Service charges - sanitation revenue	57 625 233	-	57 625 233	63 838 863	6 213 630	39.1
Service charges - refuse revenue	38 063 559	-	38 063 559	38 791 037	727 478	
Rendering of services	14 129 365	-	14 129 365	27 447 714	13 318 349	39.2
Rental from Fixed Assets	1 929 774	-	1 929 774	1 883 457	(46 317)	
Interest from Current and Non Current Assets	91 790 361	-	91 790 361	95 898 921	4 108 560	
Interest earned from receivables	4 114 765	-	4 114 765	4 078 102	(36 663)	
Agency services	6 787 076	-	6 787 076	5 658 345	(1 128 731)	39.3
Operational Revenue	9 640 358	-	9 640 358	12 085 148	2 444 790	39.4
Total revenue	795 043 939	-	795 043 939	861 200 184	66 156 245	

Revenue from non-exchange transactions

Taxation revenue

Property rates	201 371 451	-	201 371 451	200 765 307	(606 144)	
Licences and Permits (Non-exchange)	5 467 036	-	5 467 036	4 837 755	(629 281)	39.6
Interest	1 670 788	-	1 670 788	1 783 175	112 387	

Transfer revenue

Transfers & subsidies - Operational	188 763 654	-	188 763 654	169 670 270	(19 093 384)	39.2
Transfers & Subsidies - Capital Monetary allocations (National/Provincial and District)	247 277 010	-	247 277 010	232 035 118	(15 241 892)	
Fines Penalties & Forfeits	31 213 041	-	31 213 041	36 325 543	5 112 502	39.5
Operational revenue/Availability	11 323 645	-	11 323 645	11 580 602	256 957	
Gains	2 929 640	-	2 929 640	1 702 378	(1 227 262)	39.7

Total revenue from non-exchange transactions	690 016 265	-	690 016 265	658 700 148	(31 316 117)	
Total revenue	1 485 060 204	-	1 485 060 204	1 519 900 332	34 840 128	

Expenditure

Employee related costs	(344 723 149)	(27 367)	(344 750 516)	(339 021 425)	5 729 091	
Remuneration of councillors	(13 273 105)	3 000	(13 270 105)	(12 597 587)	672 518	
Depreciation and asset impairment	(125 315 806)	-	(125 315 806)	(103 496 742)	21 819 064	39.9
Finance charges	(10 568 552)	-	(10 568 552)	(9 902 725)	665 827	
Debt impairment	(12 021 217)	-	(12 021 217)	(22 561 953)	(10 540 736)	39.8
Irrecoverable debts written off	(43 829 132)	-	(43 829 132)	(19 366 692)	24 462 440	39.13
Bulk purchases - electricity	(405 920 257)	-	(405 920 257)	(410 594 639)	(4 674 382)	
Contracted services	(83 319 139)	(747 994)	(84 067 133)	(66 353 797)	17 713 336	39.11

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Transfers and subsidies	(4 263 764)	-	(4 263 764)	(3 486 341)	777 423	39.12
Inventory consumed	(67 887 507)	180 362	(67 707 145)	(57 826 218)	9 880 927	39.10
Operational costs	(65 346 300)	591 999	(64 754 301)	(47 569 353)	17 184 948	
Losses on Disposal of Assets	(22 792 634)	-	(22 792 634)	(3 360 063)	19 432 571	39.14
Losses	(11 710 215)	-	(11 710 215)	(13 071 159)	(1 360 944)	39.15
Total expenditure	(1 210 970 777)	-	(1 210 970 777)	(1 109 208 694)	101 762 083	
Actual Amount on Comparable Basis	274 089 427	-	274 089 427	410 691 638	136 602 211	

Swartland Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Cash	529 629 071	-	529 629 071	677 019 913	147 390 842	39.21
Trade and other receivables from exchange transactions	104 984 234	-	104 984 234	111 498 475	6 514 241	
Receivables from non-exchange	45 794 022	-	45 794 022	42 452 589	(3 341 433)	
Current portion of long-term receivables	(287 217)	-	(287 217)	(268 134)	19 083	
Inventory	38 030 357	-	38 030 357	20 100 714	(17 929 643)	39.16
VAT	32 467 458	-	32 467 458	138 428 048	105 960 590	39.17
Other current assets	1 058 452	-	1 058 452	1 614 683	556 231	39.18
	751 676 377	-	751 676 377	990 846 288	239 169 911	

Non-Current Assets

Investment property	24 326 728	-	24 326 728	23 402 205	(924 523)	
Property, plant and equipment	2 499 280 232	-	2 499 280 232	2 517 760 672	18 480 440	
Intangible	378 256	-	378 256	847 752	469 496	39.20
Heritage assets	4 120 691	-	4 120 691	4 120 690	(1)	
Investments	333 119 014	-	333 119 014	366 329 014	33 210 000	39.19
	2 861 224 921	-	2 861 224 921	2 912 460 333	51 235 412	

Total Assets

3 612 901 298	-	3 612 901 298	3 903 306 621	290 405 323	
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Liabilities

Current Liabilities

Borrowing	6 044 339	-	6 044 339	6 044 339	-	
Consumer deposits	20 159 689	-	20 159 689	20 857 367	697 678	
Trade payables from exchange transactions	67 129 956	-	67 129 956	93 000 785	25 870 829	39.22
Trade and other payables from (non-exchange)	8 098 642	-	8 098 642	29 046 174	20 947 532	39.23
VAT	7 293 477	-	7 293 477	113 772 330	106 478 853	39.24
Provisions	23 387 559	-	23 387 559	24 379 956	992 397	
	132 113 662	-	132 113 662	287 100 951	154 987 289	

Non-Current Liabilities

Financial liabilities	27 313 899	-	27 313 899	27 291 960	(21 939)	
Provisions	76 738 557	-	76 738 557	81 973 552	5 234 995	
Other non-current liabilities	91 099 548	-	91 099 548	90 153 000	(946 548)	
	195 152 004	-	195 152 004	199 418 512	4 266 508	

Total Liabilities

327 265 666	-	327 265 666	486 519 463	159 253 797	
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Net Assets

3 285 635 632	-	3 285 635 632	3 416 787 158	131 151 526	
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Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Net Assets

Reserves

Reserves	370 346 331	-	370 346 331	359 394 889	(10 951 442)	
Accumulated surplus	2 915 289 301	-	2 915 289 301	3 057 392 269	142 102 968	
Total Net Assets	3 285 635 632	-	3 285 635 632	3 416 787 158	131 151 526	

Swartland Municipality

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Cash receipts from rate payers, government and other	1 127 388 437	-	1 127 388 437	966 671 926	(160 716 511)	39.25
Grants	414 696 127	-	414 696 127	388 841 838	(25 854 289)	
Interest	91 790 361	-	91 790 361	67 107 181	(24 683 180)	39.26
	1 633 874 925	-	1 633 874 925	1 422 620 945	(211 253 980)	
Payments						
Finance charges	(3 888 772)	-	(3 888 772)	(3 871 446)	17 326	
Cash paid to suppliers and employee	(1 197 175 018)	-	(1 197 175 018)	(938 429 896)	258 745 122	39.27
	(1 201 063 790)	-	(1 201 063 790)	(942 301 342)	258 762 448	
Net cash flows from operating activities	432 811 135	-	432 811 135	480 319 603	47 508 468	
Cash flows from investing activities						
Proceeds on disposal of property, plant and equipment	2 929 640	-	2 929 640	1 213 620	(1 716 020)	39.28
Capital assets (Payments)	(371 647 299)	-	(371 647 299)	(270 724 617)	100 922 682	39.29
Net cash flows from investing activities	(368 717 659)	-	(368 717 659)	(269 510 997)	99 206 662	
Cash flows from financing activities						
Repayment of borrowing	(5 455 716)	-	(5 455 716)	(5 477 652)	(21 936)	
Increase (decrease) in consumer deposits	500 000	-	500 000	1 197 678	697 678	39.30
Net cash flows from financing activities	(4 955 716)	-	(4 955 716)	(4 279 974)	675 742	
Net increase/(decrease) in cash and cash equivalents	59 137 760	-	59 137 760	206 528 632	147 390 872	
Cash and cash equivalents at the beginning of the year	470 491 311	-	470 491 311	470 491 311	-	
Cash and cash equivalents at the end of the year	529 629 071	-	529 629 071	677 019 943	147 390 872	

Budget variances are discussed in Note 39.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

Figures in Rand	Note(s)	2025	2024
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1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Changes in accounting policies, changes in estimates and errors

Accounting Policies have been consistently applied, except where otherwise indicated. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

Standards that are not yet effective are included in policy 1.2 below.

1.2 Standards, amendments to standards and interpretations issued but not yet effective

The ASB Directive 5, paragraph 8, sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors. The following standards were considered:

- Amendments to GRAP 104: Financial Instruments (effective date 1 April 2025)
- Guideline on the Application of Materiality to Financial Statements (no effective date)
- Guideline on Accounting for Landfill sites (effective date 1 April 2023)
- GRAP 1: Presentation of Financial Statements (amendments related to going concern) (no effective date)

GRAP standards that were issued but are not yet effective, have not been early adopted by the municipality.

The amendments to GRAP 104: Financial Instruments will result in significant changes in classification and impairment considerations. In terms of classification, the definitions of each designation has been enhanced which might result in changes in financial instruments at amortised cost. The impairment considerations will also be affected whereby impairment requires an expected future credit loss, rather than the current approach whereby historical data is currently the primary source for impairment methods. Some other changes are also expected and will be presented once more detailed analysis becomes available from consultations with various GRAP stakeholders.

The amendments to GRAP 1: Presentation of Financial Statements will not have any impact on Swartland municipality given the municipal assessment of going concern.

As such, no new standards, interpretation or other pronouncements were introduced during the period under review having a significant impact on the financial statements.

At this stage, management cannot determine the exact impact that the revised standard for Financial Instruments would entail. The major change in the standard is the application of expected credit losses in terms of revenue that will be reported. In terms of the revised standard, an estimation would need to be made as to which portion of revenue would not be collectable and this amount would reduce the revenue reported in Statement of Financial Performance. The amendments will therefore also affect the Receivables as well as Provision for Impairment and actual Bad Debts Written Off and Impairment Losses on Assets and Receivables as reported in the Statement of Financial Position and Statement of Financial Performance respectively. The Cashflow Statement and Statement of Net Assets as well as Budget Comparison Statements are expected to remain unaffected.

Financial instruments impairment under 104 (2019): given initial estimates no major changes in the recognition and classification of financial instruments are expected. Models have been run to compare the impairment under the previous standard compared to the new version of GRAP 104. Initial estimates resolve that a slightly higher impairment is likely given the incorporation of forecasted external indicators such as growth rates and inflation. These external factors were not included in the existing in the existing policy as per 1.5 and 1.6.

Accounting Policies

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

In assessing whether the going concern assumption is appropriate, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and the preliminary budget for the ensuing years.

1.4 Materiality

Management has applied its judgement in terms of assessing all matters in the annual financial statements with reference to materiality. Items are reported based on aggregation and in some instances, the aggregation would result in some standards of GRAP not being applied as the items affected by these standards were assessed as not being material. Items of dissimilar nature may be aggregated provided that these items are not material and that the aggregation is based on management's procedures to allow the discharge of accountability (when the same manager is responsible for items that meets the requirement of more than one accounting standard).

Both the qualitative and quantitative characteristics of an item are considered when applying materiality. Care is taken to ensure that these annual financial statements provide users with the most suitable information in order to evaluate the performance of the municipality.

Management has applied its judgement in terms of materiality and has determined a trivial threshold of R100 000. This threshold will be used to evaluate variances such as differences in the budget comparison and movements on the impairment of Statutory Receivables. This threshold does not imply that all totals of R100 000 or less would automatically be excluded from the annual financial statements. It merely determines a cut-off value where no further disclosures or corrections would be made. Items where the balance is less than R100 000 would first need to be evaluated in terms of the origin of such an amount. If a balance is less than R100 000, but significant debits and credits are set-off in order to arrive at such a net balance, such balance should still be disclosed due to the significance of the individual items that comprise such a balance.

Prior period errors are only corrected when these are found to be material. All immaterial prior period errors are corrected in the current year and the previously reported figures will not be corrected.

Materiality is reviewed annually and only when an error in prior year's judgement is identified based on information that existed at the time of publication of the annual financial statements, would prior period immaterial errors be rolled forward and reassessed in the current year based on the revised materiality considerations.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. 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 in the future could differ from these estimates which may be material to the annual financial statements. 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 future periods as well, the revision will be recognised when the estimate is revised.

The following are the critical judgements, apart from those involving 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 the annual financial statements.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Financial Instruments and Statutory Receivables

The classification of Financial Assets and Liabilities as well as Statutory Receivables require judgement. The accounting policy 1.6 on Financial Instruments: Classification as well as the accounting policy 1.7 on Statutory Receivables: Definitions describes the factors considered in applying management's judgement.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial Instruments and GRAP 108: Statutory Receivables.

Receivables are considered past due when payment is not received by the due date. If a debtor receives a statement, all amounts in the 30 days and older columns are those considered past due in terms of the municipal by-laws.

A detailed assessment was done in order to determine whether grant related items: Unspent Grants and Construction Contracts, should be classified as a Financial Instrument or not. The facts and circumstances for municipalities may differ, resulting in different conclusions as to whether unspent grants and construction contracts should be considered a financial instrument. For Swartland Municipality, the majority of revenue is recognised based on the terms agreed rather than the underlying legislation which supports the grant. The majority of grant related funds are firstly based on a contract/arrangement falling within GRAP 104 and in these arrangements reference would be made to the relevant legislated requirements.

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. The recoverability of receivables is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The impairment allowance is calculated using the effective interest rate (prime +1%). The total increase in estimation of the impairment of Receivables from Exchange Transactions and that of Receivables from Non-exchange Transactions are disclosed in Notes 3, 4 and 5 to the Annual Financial Statements.

Impairment of Statutory receivables

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such a receivable. Debtors are grouped into appropriate aggregated grouping levels when insufficient information is available to assess individual debtors. Aggregation is based on best practice and receivables are assessed on historic information available. Thereafter the past due (accounts in arrears, i.e. not current), but not impaired debtors are subjected to a further impairment test taking into account the effect of time resulting in a discounting of debtors being included as a further factor for impairment of statutory receivables. Outstanding receivables that are past due are charged interest at prime +1%. This is considered the appropriate discount rate as it is market based.

Significant movements on impairments are defined as those movements that exceeds 10% of the gross balance of the relevant statutory receivable type at year end or R100 000, whichever is the greatest. Qualitative factors are considered with reference to exceptions to the normal process for identification of impairment losses. This implies disclosing losses incurred due to circumstances that are unique to the specified period or unique to the municipality in comparison to other municipalities with a similar capacity.

Impairment and useful lives: Write down of Property, Plant and Equipment, Investment property, Intangible assets, Heritage assets and Inventories

As described in the accounting policies 1.12 and 1.13 for these asset types the municipality depreciates / amortises its property, plant and equipment, intangible assets and investment property 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 useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements, the type of asset and required return on assets in order to determine the optimum useful life expectation, where appropriate.

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.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

The accounting policies 1.15 and 1.16 on Impairment of assets and accounting policy 1.9 on Inventory - Subsequent measurement 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 and write down of Inventories to Net Realisable Values (NRV). 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 lower of Cost and Net Realisable Value.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of Cash generating Assets and GRAP 26: Impairment of non-Cash generating Assets. In particular, the calculation of the recoverable service amount for Property, plant and equipment, intangible assets and the Net Realisable Value (NRV) for inventories (in terms of GRAP 12) involves significant judgment by management.

Estimated impairments during the year to Inventory, Property, Plant and Equipment, Investment Property, Intangible Assets and Heritage Assets are disclosed in Note 36 to the annual financial statements, as applicable.

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Management judgement is required when recognising and measuring provisions and when measuring provision, contingent liabilities and contingent assets as set out in notes 18 and 42. Accounting policies pertaining to contingent assets and liabilities are disclosed under policy 1.19.

Staff leave and bonuses

The liability for leave pay is based on the total accrued leave days at year end and is shown as a Payable from exchange transactions in the Statement of Financial Position. The municipality recognises the accrual of a guaranteed 13th cheque benefit only when the municipality has a present legal or contractual obligation to make such payment and a reliable estimate can be made. The estimation is based on the current expected cost at the time of meeting the recognition criteria.

Leave and the guaranteed 13th cheque liabilities are estimates. However the nature of the balance is an accrual of unused benefits arising from past service and therefore this is classified as a payable from exchange transactions (excluded from the financial instruments).

Environmental Rehabilitation Provision

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's accounting policy (1.18), taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises.

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 national bonds were used to calculate the effect of the time value of money.

In terms of the Minimum Requirements for Waste Disposal by Landfill a period of up to 30 years post-closure monitoring is recommended. This 30 year period is a recommendation and the Minister of the Department of Water and Sanitation needs to instruct the municipality as to what the exact period of post-closure monitoring would be. This instruction would be communicated in terms of each site's license conditions. The period could be shortened or prolonged, depending on specific conditions that will only become known while the actual rehabilitation activities are planned and undertaken. The extent of the monitoring (frequency of monitoring) and the costs involved (whether external experts are required or whether the monitoring be done in-house) can also not yet be determined. No communication has been received from the Department of Water Affairs and Sanitation defining the responsibilities of the municipality regarding the post-closure of any landfill site on the licenses of each site. Therefore, the post closure monitoring and inspection costs of landfill sites are regarded to not exist at the reporting date.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Long-term employee benefits

As described in the accounting policy on Employee Benefits (1.17), the municipality obtains actuarial valuations of its defined benefit plan liabilities. The long-term nature of these benefits results in significant judgements regarding the timing and value of the outflow of economic benefits. 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 Note 17 to the annual financial statements.

Management regards the total movement on the liability as the increase/decrease in expenditure for the current year. A detailed explanation of the individual expense drivers is provided in Note 17 to the annual financial statements. Where an actuarial gain is realised, the nature of the gain will be assessed with reference to the market conditions. If the gain arises from a change in estimate (i.e. key underlying assumptions are being applied in a significantly different manner than the previous reporting period), the change in estimate will be isolated from the change in market conditions and recorded separately as a gain/(loss) rather than to reduce the expense by the movement of the liability.

Revenue recognition

The Accounting Policy 1.21 on Revenue from Exchange Transactions and Accounting Policy 1.22 on Revenue from Non-exchange Transactions describe the conditions under which revenue will be recorded by the management of the municipality.

Water inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, where the level indicates the depth of the water in the reservoir, which is then converted into volumes based on the total capacity of the relevant 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.

1.6 Financial instruments

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement. The municipality only recognises a Financial Instrument when it becomes a party to the contractual provisions of the instrument.

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Effective interest rate method

Outstanding receivables that are past due are charged interest at prime +1% in terms of the municipal by-laws. This is considered the appropriate effective interest rate as it is market based. For all other instruments, the contractual rate is compared to the market rate. If the rate is considered reasonable in comparison to the prevailing market rates (i.e. the rate is linked to a market rate such as the prime or repo rate), the contractual rate is considered an appropriate effective interest rate. Where a contractual rate deviates significantly from the market rate, the debtors' rate (prime + 1%) will be used as an effective interest rate.

Fair value method and assumptions

The fair values of Financial Instruments are determined as follows:

- The fair values of quoted investments are based on current bid prices; and
- If the market for a Financial Asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Accounting Policies

1.6 Financial instruments (continued)

Classification

A Financial Asset is any asset that is cash, a contractual right to receive cash or another financial asset from another entity.

In accordance with GRAP 104 the Financial Assets and Financial Liabilities of the municipality are classified as follows into the three categories allowed by this standard:

- *Financial assets (or financial liabilities) at amortised cost* are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. Financial assets (or financial liabilities) at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. After initial recognition financial assets are measured at amortised cost, using the effective interest rate method less an allowance for impairment.

Included under the major classes of financial instruments below, are line items that are separately disclosed in the notes that do not meet the definition of a financial instrument (such as Prepaid expenses, Payments made in advance etc.). The balances are clearly identifiable by the naming of the line items. Such items are excluded from the balances disclosed in Notes 47 and 48. In rare instances, aggregation within a line item of a note might contain both financial instruments and balances that do not meet the definition of a financial instrument. In these cases the individual line items would be assessed with reference to its materiality. Where immaterial, non-financial instruments would be included in the aggregated line items that would normally meet the definition of a financial instrument. This disclosure aggregation was specifically selected to ensure comprehensive classification.

The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Cash and cash equivalents (see exception below)	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Construction contracts and payables	Financial asset measured at amortised cost

Cash and cash equivalents include cash on hand (including petty cash) and cash with banks. Cash equivalents are both short-term highly liquid investments, readily convertible into known amounts of cash, and fixed term deposits that are held with registered banking institutions that are not subject to any significant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, cash with banks and call deposits held with banks.

Receivables from non-exchange transactions comprise Statutory receivables and Financial instruments. Refer to Note 4 for the classification of the balances.

In accordance with GRAP 104 the Financial Assets of the municipality are all classified as financial assets at amortised cost, except for cash floats and petty cash, which are classified as financial assets at fair value.

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

There are three main categories of Financial Liabilities, the classification determining how they are measured. Financial Liabilities may be measured at:

- Financial Liabilities measured at Fair Value;
- Financial Liabilities measured at Amortised Cost; or

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost
Construction contracts payables	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at fair value

Accounting Policies

1.6 Financial instruments (continued)

In accordance with GRAP 104 the Financial Liabilities of the municipality are all classified as financial liabilities at amortised cost, except for Consumer deposits, which are classified as financial liabilities at fair value.

Impairment and uncollectibility of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each reporting date (also refer to 1.5). 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 in accordance with GRAP 104.

An allowance for impairment of receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance 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. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as recoverable.

Annual impairment testing is conducted on all receivable balances. The effects of the annual impairment testing are accounted for against the Provision for Bad Debts Allowance. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance against the Reversal of Impairment Loss/(Impairment Loss) on Receivables. Accounts identified and written-off during the year is recognised against Bad Debts Written Off in the Statement of Financial Performance.

Derecognition

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

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

1.7 Statutory receivables

Definitions and measurement principles

Statutory Receivables are those receivables (settlement in cash or another financial asset) that arise from legislation as opposed to contractual deliverables. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments (1.6).

Statutory receivables are classified and recognised as exchange or non-exchange in accordance with the relevant standards on revenue and essentially based on whether there is a supply of goods and services in exchange for economic benefits of similar value.

Initial Measurement

Statutory receivables are measured at their transaction amount in accordance with the relevant standards on revenue based on the classification between exchange and non-exchange (refer accounting policies 1.21 and 1.22 respectively).

Subsequent measurement

Statutory Receivables are measured at cost, plus accrued interest, less any impairment recognised and amounts derecognised.

Interest is calculated using the nominal interest rate as stipulated in legislation and municipal by-laws.

Impairment losses

Accounting Policies

1.7 Statutory receivables (continued)

Impairment is assessed on an annual basis based on objective evidence regarding expected recoverability.

Consumers are assessed based on groupings, risk profiles and payment history profiles.

Government accounts are not provided for as such accounts are regarded as recoverable.

If there is an indication that a statutory receivable may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable shall be reduced directly or through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance.

Refer to the Significant Judgements (refer accounting policy 1.5) for the calculation in respect of the impairment of Statutory Receivables.

Derecognition

Statutory receivables are derecognised when the asset is extinguished, settled or through transferring of all significant risks and rewards to a third party.

Extinguishing the asset would usually be in terms of legislation or other similar means.

The difference between the consideration received and amount derecognised shall be recognised in the surplus or deficit of the period of transfer.

1.8 Construction contracts and payables

Construction contracts are those contracts entered between the municipality and a customer (or third party) whereby the municipality delivers a constructed asset in terms of an agreement with such party. The construction can be done by the municipality or through the use of a sub-contractor. The benefit of the constructed item (or group of items) must be received by such party and not the municipality.

Revenue from such contracts shall comprise the agreed value in terms of the contract plus any agreed variations to such contract on the conditions that these variations will result in an inflow of economic resources that can be measured reliably (refer accounting policy 1.21). If variations doesn't result in cash flow & revenue.

Contract costs are costs that directly relate to the contract as well as costs that are attributable to the execution of the construction work and any additional costs as agreed between the municipality and the party obtaining the final goods. Attributable costs are only assigned to the contract costs if these can be assigned on a systematic and rational basis.

All of these contracts of the municipality are fixed price contracts. Revenue and costs are therefore recognised with reference to the stage of completion provided that the conditions for contract revenue and contract costs will flow to the entity and the contract costs can clearly be identified and measured reliably.

An expected deficit on a construction contract shall be recognised as an expense immediately based on the stage of completion. Future losses are only accounted for when these losses are incurred in terms of the stage of completion. This implies that only the proportional loss of a contract would be recognised based on the percentage of completion.

As the percentage or stage of completion is an estimate at year-end, any subsequent changes to the estimate would be accounted for as a change in estimate in terms of the relevant municipal accounting policy.

Classification of Transactions

Various transactions arise from the Housing Arrangements. Some fall within the ambit of GRAP 11: Construction Contracts, others with GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-exchange Transactions. The information below briefly outlines how transactions are recognised:

- Expenditure pertaining to the planning and civil services of a project is considered to be Grants and subsidies in terms of GRAP 23: Revenue from Non-exchange transactions.
- Expenditure on the stand (also known as top structure expenditure) include the physical building, NHRBC fees and other expenses that are directly related to construction of houses that will be transferred to the beneficiary is accounted for as construction contract revenue and construction of low cost housing (contracted service expenses).

Accounting Policies

1.8 Construction contracts and payables (continued)

- Land parcels purchased by means of receipts from the Provincial Department are assessed in terms of IGRAP 18: Recognition and Derecognition of Land. The portions of the expenditure that will remain under the control of the municipality is capitalised as Property, Plant and Equipment when the future use is determinable. When such future use cannot be determined, such land will be accounted for as Investment Property based on the municipal policy pertaining to such land. The portion of land expenditure that will be transferred to the beneficiaries are expensed once the contract is signed. The expense and receipts pertaining to land transactions are included under either Operational cost, Loss on disposal of assets and Sale of land or Gains on sale of fixed assets respectively.

1.9 Inventories

Inventories comprise of 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.

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.

The term ordinary course of operations refers to activities that occur on a frequent basis on terms that are comparable to those of other municipalities. Once-off or occasional transactions are therefore not considered in the ordinary course of operations (such as the sale of a financial instrument).

Subsequent measurement

Consumable stores, raw materials, work-in-progress

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value (net amount that an entity expects to realise from the sale on inventory in the ordinary course of business). In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge or for consumption in the production process of goods to be distributed at no charge or for a nominal charge, they are measured at the lower of cost and current replacement cost.

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, cannot be measured reliably as there is no cost attached to the water, and it 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 and purified effluent are therefore valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

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

Unsold properties

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis.

Other arrangements

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Most inventories are distributed at no charge or for a nominal charge rather than sold. Net realisable value is therefore measured in terms of Current Replacement Cost. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

Accounting Policies

1.10 Leases

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rents are expensed in the period in which they are incurred.

The Municipality as Lessee

Operating leases are those leases that do not fall within the scope of a finance lease receivable. Operating lease rentals are recognised as an expense in the statement of financial performance on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The Municipality as Lessor

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as revenue and the contractual payments received are recognised as an operating lease asset or liability.

Determining whether an Arrangement contains a Lease

At inception of an arrangement, the municipality determines whether such an arrangement is, or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the municipality the right to control the use of the underlying asset.

1.11 Value-added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the VAT Act No.89 of 1991.

VAT in the records of the municipality comprises main categories of VAT, namely the VAT Control (VAT declared at year-end to SARS and not yet paid or received), a VAT input accrual (VAT on expenditure incurred, but not yet paid) and VAT output accrual (VAT revenue accrued or invoiced, but not yet paid as well as the VAT on impairment of receivables).

As each VAT transaction is individually exclusive, management has elected to not offset the separate VAT categories. As all VAT transactions will eventually fall due to or by the same juristic person, all balances are presented in the same note to the AFS to permit comparison of our total VAT balance with that of the private sector. The VAT classification is as follows:

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Accounting Policies

1.11 Value-added Tax (VAT) (continued)

VAT Type	Description	Classification
VAT Control	Balance due by/(to) SARS	Statutory receivable or Payable (GRAP 19)
VAT Output Accrual	VAT accrued on outstanding debtors (only payable once the debtor pays its outstanding amounts)	Payable
VAT Input Accrual	VAT on Trade Payables not yet paid (only claimable once payment is made to the creditors (i.e. will move to Control account within 30 days from year-end)	Receivable (GRAP 19)
VAT on provision for impairment of bad debt (accrual)	VAT that could potentially be claimed if the debt is written off	Receivable (GRAP 19)

VAT accruals are estimated values of amounts that could fall due to SARS when debt is paid or written off. As the municipality does not have control over the timing and value of inflows, the accruals pertaining to debtors are subject to variability. Accruals pertaining to trade payables are likely to be converted to a statutory receivable (VAT Control) within 30 days of statement in terms of the municipal policies.

1.12 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for service delivery in terms of the mandated functions of the municipality and are expected to be used during more than one period.

Property, plant and equipment is recognised and measured in terms of GRAP 17: Property, plant and equipment at cost less accumulated depreciation and accumulated impairments.

Repairs and maintenance

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 40).

Accounting Policies**1.12 Property, plant and equipment (continued)****Depreciation**

Depreciation only commences when the asset is available for use, unless stated otherwise.

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost up to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. 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 shall be depreciated separately. The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year-end:

Item	Depreciation method	Average useful life
Buildings	Straight-line	10 - 60 years
Infrastructure	Straight-line	
• Electricity		10 - 50 years
• Landfill sites		10 - 50 years
• Sewerage		10 - 100 years
• Stormwater		50 years
• Roads and paving		10 - 100 years
• Water		10 - 100 years
Community	Straight-line	10 - 60 years
Movable assets	Straight-line	
• Furniture and fittings		5 - 20 years
• Machinery and equipment		5 - 15 years
• Machinery and equipment exception: Large Skip Bins		30 years
• Office equipment		3 - 10 years
• Specialised vehicles		5 - 20 years
• Vehicles		5 - 10 years

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate. The residual values and useful lives is deemed to be appropriate unless an event has occurred or conditions of use have changed, which may have an effect on the residual values and remaining useful lives of these assets.

Incomplete Construction Work

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.

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.

Land

The municipality assesses at each reporting date if there is an indication of impairment.

Land is recognised and derecognised based on evidence of control. Control over land is evidenced by legal ownership and/or the ability to direct access to the land and to restrict or deny the access of others to land.

In assessing the control criteria, any binding arrangements over properties will be considered. Binding agreements can be in written form, a verbal agreement or the result of best practice.

Accounting Policies

1.12 Property, plant and equipment (continued)

The loss of control will result in the derecognition of the property, despite legal title, while assets over which the municipality does not hold the legal title may be recognised as an asset if control over the property has been established.

Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. Disposals can be voluntary or involuntary of nature.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

1.13 Investment property

Initial recognition

Investment property comprises fixed property (land or a building, or part of a building, or both land and buildings) 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:

- Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations which council intends to sell at a beneficial time in the future.
- Land held for a currently undetermined future use.
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases (market rental does not need to be charged).
- A building that is currently vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties
- Property that is being constructed or developed for future use as investment property.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment or Inventory as appropriate:

- Property held for sale in the ordinary course of operations or in the process of construction or development for such sale. This property is treated as inventory.
- Property being constructed or developed on behalf of the Provincial Government: Housing Department.
- Owner-occupied property which is defined as property which is held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes as per definition criteria of GRAP 17 which includes all council buildings used for administration purposes
- Property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) are also regarded to be owner-occupied property.
- Property that is leased to another entity under a finance lease.
- Property held by council for strategic purposes or to meet service delivery objectives rather than to earn rental or for capital appreciation.
- Where council has properties that are used both for administrative and commercial purposes and part of the properties cannot be sold separately these properties will not be classified as investment properties.

Repairs and maintenance

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the financial statements (see note 40).

Accounting Policies

1.13 Investment property (continued)

Subsequent measurement - Cost model

Investment property is measured using the cost model. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20 - 30 years. 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. The municipality assesses at each reporting date if there is an indication of impairment or whether the residual values and useful lives needs to be adjusted as a change in estimate.

Derecognition

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

Transfers

Transfers to, or from, investment property shall be made when, and only when, there is evidence of a change in use.

1.14 Living and non-living resources

Living resources are defined as any living animal or plant that undergoes biological changes naturally. The municipality has evidenced control over the living resource by means of one or more of the following:

- Our ability to intervene in the physical condition of the resource;
- Our ability to restrict the movement of the resource through fences and other security measures; and
- Our ability to decide how the resource is used.

Only those resources where management implements actions in order to use and protect the use of the living resource will such be recognised.

Management considers its intervention in physical condition of living resources as critical for the recognition as an asset. In this regard, detailed plans should be in place in order to stimulate the growth and monitor the ageing of the resource. Ad hoc, unplanned activities such as the occasional (non-routine) watering of plants and trimming of trees do not constitute intervention and as such town beautification would not meet the recognition criteria. No living resources were identified as controlled by the municipality. Therefore the considerations as to recognition and measurement is not considered relevant.

As an eventuality, management will acquire city beautification from time to time. In order to fulfil the municipality's mandate (for example maintenance of community parks, supply electricity) it would be required from time to time to do maintenance of trees and plants. The purpose however is not the manage or extent the physical condition, in order to obtain future economic benefits or services from the trees, but to preserve the area (for e.g. to prevent veld fires) or promote the area for tourism. Therefore, management does not control the trees and plants as a living resource, that requires separate recognition.

Non-living resources are those resources that occur naturally and have not been extracted. Minerals, oil, water and land are examples hereof. Non-Living resources are only disclosed when:

- Management intervenes in the processes as part of the municipal mandate in order to deliver goods or services. This intervention must be before the point before extraction while the resource is still in its natural state.
- Intervention must be preceded by either extraction or utilisation of the resource.

Management only identified water resources as no other natural resources are prevalent within our jurisdiction.

Water contained in reservoirs and pipes are considered to be extracted and is therefore accounted for as Inventory in terms of GRAP 12.

1.15 Impairment of cash-generating 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.

It is expected that some assets may have a dual-purpose. A dual-purpose asset is only classified as cash-generating (profit assets) if the purpose to create a profit clearly stands out and the service delivery aspect is incidental. If the purpose is not clear, the assets are presumed to be non-cash-generating (service assets).

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

The designation may be done on an asset or group of assets, where a group of assets is a unit of assets operating together. In the designation process assets are first designated using a group of assets and any remaining assets are then designated on an individual asset basis. An asset could comprise a group of assets that are part of a system or network.

Assets are reviewed annually for indicators that these needs to be impaired. Only once an impairment indicator for assets is identified will the recoverable service amount be measured. Therefore, if no adverse indicators are prevalent, management would not assess the recoverable service amount.

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

The recoverable service amount is the higher of the asset's value in use or its fair value less cost to sell.

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

The following are examples of impairment indicators used by management:

- During routine physical inspection of the asset there was evidence of permanent physical damage (or obsolescence).
- The asset is not being used, or access to the asset is restricted, due to structural damage.
- The asset is not able to perform at the planned or required level and as a result is not meeting service delivery targets.
- During routine physical inspection of the asset it was identified that the asset deteriorated faster than expected, or was subject to damage, which will result in replacement or non-routine maintenance earlier than expected.
- Due to technological advances or environmental requirement, the asset may need to be taken out of service.

Physical damage would trigger an impairment test when it results in a permanent or significant decline in the service potential of the asset. Judgement is needed to determine whether the decline is permanent or significant. In certain circumstances evidence may be available to demonstrate that the impairment will be temporary. In such circumstances, no impairment loss will be recognised.

Where the recoverable amount is less than the carrying amount, the carrying amount will be reduced to the recoverable service amount by way of an impairment loss. The impairment loss will be recognised as an expense as part of the gains and losses disclosed in the Statement of Financial Performance.

1.16 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets. Refer to the policy 1.15 for the impairment indicators.

The recoverable value is the higher of the asset's value in use or its fair value less cost to sell.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. A temporary decline does not have to be accounted for as an impairment, but only if it is probable that the decline is temporary in nature.

The recoverable amount is assessed by either the Depreciated Replacement Cost, Restoration Cost or Service units approach. The selection of the approach is based on the circumstances as per management judgement of each impairment indicator of each asset.

Assets are reviewed annually for indicators that these needs to be impaired. Only once an impairment indicator for an asset or group of assets is identified will the recoverable service amount be measured. Therefore, if no adverse indicators are prevalent, management would not assess the recoverable service amount.

Where the recoverable amount is less than the carrying amount, the carrying amount will be reduced to the recoverable service amount by way of an impairment loss. The impairment loss will be recognised as an expense as part of the gains and losses disclosed in the Statement of Financial Performance.

Accounting Policies

1.17 Employee benefits

Short-term employee benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The municipality has opted to treat its provision for leave pay and for the 13th Cheque as an accrual.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days on the total remuneration package of the employee at year end and is shown as an accrual in the Statement of Financial Position.

Long-term employee

Long-term employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Long-term employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees. The municipality has no such informal arrangements.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Long Service Awards

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 actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance (also refer significant judgements 1.5).

Post-retirement benefits

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

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 the Statement of Financial Performance 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined Benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Accounting Policies

1.17 Employee benefits (continued)

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.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses, reduced by 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 every year by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in the Statement of Financial Performance (also refer significant judgements 1.5) as an expense.

1.18 Provisions

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

The best estimate of the expenditure required to settle the present obligation is the amount that an 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 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.

When the outflow of economic benefits or service potential is no longer probable the provision will be derecognised.

Decommissioning, restoration and similar liability

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, is accounted for as follows:

The related asset is measured using the cost model:

- Changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- If the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.15 and 1.16.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

Accounting Policies

1.19 Contingent assets, contingent liabilities and commitments

Contingencies are only disclosed in the notes to the Annual Financial Statements.

Contingent Liabilities represent a possible obligation that arises 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. A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle 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.

Commitments are future expenditure to which the municipality has committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance, but are included in the disclosure notes. A distinction is made between capital and current commitments.

Lease commitments as defined per GRAP 13: Leases are disclosed in note 9. Operating commitments are not disclosed as the municipal annual budget is available on the municipal website.

Commitments are disclosed for:

- Items are classified as capital commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources;
- Approved and contracted capital 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; and
- Contracts to purchase, construct or develop assets or for repairs, maintenance or enhancements to assets, that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the Notes to the Annual Financial Statements.

Understanding the classification of amounts due

Payables, provisions and contingencies are distinguished with relation to the certainty of the amount or the likelihood of payment. Payables from exchange are those amounts factually payable within the immediate future. Provisions are those amounts where either the timing of payment or the value of payment is uncertain, but the fact that an amount is due is fairly certain. Provisions are therefore subject to management estimates whereas payables are factual amounts due.

In contrast thereto, contingencies are those amounts due which are fairly uncertain. Uncertainty is determined by management's estimate of the likelihood of the potential payment or with reference to the uncertainty as to the actual amount that cannot be reliably estimated at reporting date. Where an amount can be estimated reliably, but the likelihood of payment or receipt is assessed as remote by management, the matter will be reported as a contingency.

1.20 Net Assets

Included in the net assets of the municipality, are the following statutory funds and reserves, apart from the Accumulated Surplus, that are maintained in terms of specific requirements:

Reserve: Capital Replacement (CRR)

In order to finance the provision of infrastructure and other property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR in terms of delegated powers. The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the investment policy of the Municipality.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR to the accumulated surplus..

Accounting Policies

1.21 Revenue from exchange transactions

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipality's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date, and the transaction costs can be measured reliably.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal right to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to electricity and water are based on consumption. Meters are normally read on a monthly basis and are recognised as revenue when invoiced. Where meters could not be read monthly, provisional estimates of consumption, based on the consumption history, are made monthly. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month or a property is vacant.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property and are levied monthly in arrears.

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

Pre-paid electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. In respect of consumption between the last point of sale and the reporting date, an accrual is made based on the average daily consumption (for the period 1 July to 30 June) of consumers as per an internal system estimation report.

Finance income

Interest earned on investments and outstanding debtors is recognised in the Statement of Financial Performance when the interest is earned.

Accounting Policies

1.21 Revenue from exchange transactions (continued)

Tariff Charges

Revenue arising from the application of the approved tariff policy is recognised when the relevant service is rendered by applying the relevant authorised tariff (e.g. Operational revenue and Development charges).

Income from Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of the principal has been quantified. The income recognised is in terms of the agency agreement.

Sale of goods (including houses)

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

- the municipality has transferred to the purchaser 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- 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 stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is recognised and measured in terms of GRAP 11: Construction Contracts rather than GRAP 9: Revenue from Exchange Transactions.

1.22 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction that meets the definition of an asset, is recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability is recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

Property rates

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Tariff charges

Transferred assets are measured at their fair value as at the date of acquisition.

These charges are recognised in terms of the tariffs determined by legislation (e.g. license fees, etc.) or tariffs approved by council (e.g. availability charges, etc.).

Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

Debt forgiveness

All unclaimed deposits are initially recognised as a liability until 36 months expires, where after all unclaimed deposits, which were deposited into the Municipality's bank account, will be treated as revenue. This policy is in line with prescribed debt principle as enforced by the Prescribed Debt Act. Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are embedded in the fine issued, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Public contributions

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

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.

Assets acquired from non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

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.

Services in-kind

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period. No services in-kind were noted that is significant to the operations of the municipality.

Accounting Policies

1.23 Government grants and receipts

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

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 the Statement of Financial Performance in the period in which these become receivable.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, as the qualifying expenditure is incurred.

1.24 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred.

1.25 Grants and subsidies paid

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 of 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 the statement of financial performance as expenses in the period that the events given raise to the transfer occurred.

1.26 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted or 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 the Statement of Financial Performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense.

The definition of "vote" for Swartland Municipality is set at the Functional area within the respective department based on the operating and capital budget as a combined total as per the MFMA. Functional areas can be identified based on the top level organogram of the municipality (available on the municipal website).

1.27 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. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was incurred and is classified in accordance with the nature of the expense.

1.28 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), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure.

Accounting Policies

1.29 Internal reserves

1.30 Losses

The MFMA requires the disclosure of losses incurred during the year under review. The disclosure is provided in order to comply with the legislative requirements governing Municipalities and Municipal Entities. Disclosure of losses is based on units as required by the MFMA (eg. Audit fees that are disclosed inclusive of VAT).

Accounting for water losses is discussed in the accounting policy for Inventory (1.9).

1.31 Service concession arrangements

Identification

Service concession arrangements of the municipality include the provision of mandated functions on behalf of the municipality by the operator for a specified period of time, for which the operator is compensated for its services over the period of the service concession arrangement.

Initial recognition and measurement

Service concession assets are measured initially at fair value except where the assets are existing assets of the municipality in which case the assets are reclassified at their carrying amounts. Service concession assets will be identified separately.

The service concession liability is recognised and initially measured at:

- the same amount as the service concession asset,
- adjusted by the amount of any other consideration (e.g. cash) from the municipality to the operator, or from the operator to the municipality.

Subsequent measurement and derecognition

After initial recognition, the municipality applies the measurement (including impairment) and derecognition principles to the service concession asset applicable to similar items of Property, Plant and Equipment.

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

The municipality allocates the payments to the operator and account for them according to their substance as a reduction in the service concession liability, a finance charge, and charges for services provided by the operator.

Other liabilities, contingent liabilities, contingent assets and revenues

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

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

Dividing the arrangement

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

Refer to Note 51 for the disclosure of the service concession arrangement assets, liabilities, revenue and expenditure.

Recognition of the performance obligation and the right to receive a significant interest in a service concession asset

Accounting Policies

1.31 Service concession arrangements (continued)

Where the municipality controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the municipality recognises its right to receive the residual interest (i.e. a receivable) in the service concession asset at the commencement of the arrangement. The value of the receivable at the end of the service concession arrangement, reflects the value of the service concession asset as if it were already in the age and in the condition expected at the end of the service concession arrangement.

1.32 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 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 moneys due being recorded in terms of GRAP 104: Financial Instruments.

Identification

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

- Does the third party determine significant terms
- Does the third party receive 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.

Binding arrangement

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. Substance over form is applied. Therefore the exact wording over contracts where the terms agent or acting on behalf are used are considered, but only to the extent that rights and obligations are substantially transferred. Where rights and obligations are not transferred, the transaction is considered a normal supplier/customer relationship and accounted for as such.

Administrative rights, such as those resulting from a collection agency agreement are not considered sufficient grounds for a principal agent relationship. The agent or principal arrangement needs to confer rights and obligations that give the counter party the ability to execute transactions as if it is acting on the other party's behalf. A collection agency only collects revenue and pays such revenue over to the municipality. It has no authority to deviate or alter on any significant terms and therefore is not considered an agent per the definition of the standard.

1.33 Segment reporting

The segments reported is the functional segments as per the Monthly Section 71 Management Reports. The information that will be reported is aligned to the monthly section 71 reports which are reviewed by the executive management. The key factor considered is therefore the manner in which management has chosen to organise the entity around differences in goods and/or services to the public.

None of management's segments were aggregated as each segment contains material goods or services. Activities are already aggregated for purposes of strategic review as outline in the table below.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.33 Segment reporting (continued)

The level of aggregation is summarised in the table below:

Segment	Functions	Revenue	Unique expenditure
Vote 1 - Corporate Services	Property management (rentals, sales), Legal services, Human Resources, Record Management, Public Relations, Communication, Tourism and Libraries	Grants (Library and Other), Sale of Land, Libraries, Rental income	Communication (Operational Costs), Ward Committees
Vote 2 - Civil Services	Roads, Waste Management, Waste Water Management, Water Management, Management of facilities (buildings, parks etc.)	Trading Services (except electricity), various grants (e.g. MIG, Roads etc.)	Water consumed and water losses, Solid Waste
Vote 3 - Council	Councillors, Speakers, Mayor	Allocated	Remuneration of councillors, Grants and subsidies paid
Vote 4 - Electricity Services	Electricity, Information Technology	Electricity, Grants	Electricity bulk purchases
Vote 5 - Financial Services	Budgeting, Credit Control, Supply Chain, Financial Systems and Reporting, Revenue administration, Expenditure Management, Asset Management	Interest received, Property rates, Gains on vesting of properties and equipment, Land Sales	Bad debts, Finance Costs, Impairments for receivables
Vote 6 - Development Services	Community Development (Social services), Human Settlements, Health and Safety, Town Planning, Valuations, Building Inspections	Grants (Housing and other), Construction Contracts, Majority of Operational Revenue (Building Plans, Camping)	Low Cost Housing, Health and Safety
Vote 7 - Municipal Manager	Executive Management, Strategic Services and Internal Audit	Allocated	Majority of expenditure pertains to salaries and depreciation
Vote 8 - Protection Services	Traffic and Law Enforcement, Fire and Emergency Services	Grants, Fines, Licences and Permits	Traffic Fine Management, Bad debts and debt impairment for traffic fines. Most of the COVID-19 related expenditure

Grant revenue is shared by all departments as these are applied for. Certain grants are directly contributable to specific votes, such as Electricity or Library (Corporate) and Housing (Development). Equitable share is however allocated to each department based on the approved budget.

All other expenditure is generic and shared by all departments: Employee Costs, Contracted Services, Operational costs, Other Materials (consumables). The administration of assets occur within Financial Services, but the losses are allocated to each department.

Details of each activity of the municipality is disclosed in the annual performance report.

The municipality manages its operational revenue and expenditure, assets and liabilities geographically as a whole. Only capital expenditure is reviewed based on the location. All other asset and liability management techniques are focused on the asset base as a whole rather than the asset and liability management for a specific area. Service delivery staff are organised in such a manner that service delivery takes place timeously in each town, but it's not a strategic principle to organise assets and liabilities in such a manner that each town is its own small economic/service delivery unit that can operate separately from the rest of the organisation. Segment reporting per geographic area is therefore not deemed relevant.

The segmental report surplus or deficit reviewed by management does not comprise all of the details as required by the standard. Management reviews the performance on an aggregated basis of total revenue and total expenditure. Management's focus is service delivery and ensuring sufficient revenue is available to ensure such. Only overall (municipal total) surplus is considered when allocating resources. The segment surplus, assets and liabilities are not reviewed on a segregated basis and therefore will not be disclosed as it is not considered relevant for purposes of measuring performance.

Accounting Policies

1.33 Segment reporting (continued)

The reporting measurement basis for the management reports is the same as that of the annual financial statements (i.e. SA GRAP). Interdepartmental services charges are already eliminated in the management reports reviewed by executive management and will therefore not be separately disclosed (deemed to not be relevant for decision making).

National Treasury has issued an instruction to municipalities to disclose the segment report in terms of the Government Finance Statistics embedded in MSCOA per the Municipal Budget and Reporting Regulations (MBRR). The disclosure has been provided in the notes as per NT's instruction. However, this information is not the primary information used by management to evaluate the performance of the municipality. The information is however useful to compare municipalities where a different organogram is in place.

1.34 Related parties

A related party is a person or an entity with the ability to control or jointly control the municipality, or exercise significant influence over the municipality, or vice versa, or an entity that is subject to common control.

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

An entity is related to the reporting entity where they are members of the same economic entity or controlled by the same group of individuals or related individuals who exercise significant influence over their operational and financial decision making (such as group, associate or Joint venture).

Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other persons designated by the Municipal Manager as persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

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 such as:

- A person married to or live together in a relationship similar to a marriage.
- People who are separated by no more than two degrees of natural or legal consanguinity or affinity.

1.35 Events after reporting date

Events after the reporting date that are classified as adjusting events are accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the Annual Financial Statements.

When events provide evidence of conditions that existed at year end and these conditions have an impact on the values presented, the event is considered an adjusting event. All other events are considered non-adjusting events.

1.36 Budget information

The annual budget figures are those approved by 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 and needs to comply with the classification as prescribed in the Municipal Budget and Reporting Regulations. Such classification is reconciled to classification in terms of financial reporting framework. The original approved budget covers the period from 1 July 2024 to 30 June 2025. During January each year, following a review of the mid-year performance, the adjustment budget is approved by council. Such adjustment budget or similar subsequent adjustment budget is considered the final budget.

Accounting Policies

1.36 Budget information (continued)

Explanatory comments are provided for overall growth or decline in the budget and motivations for over or under spending on line items. The municipality considers a variance between the actual and budget of more than 10% of the budgeted value as material, provided that such variance exceeds R100 000. All variances less than R100 000 is considered immaterial.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts. This is based on paragraph 2 and 30 of GRAP 24. The presentation is a mirror image of the National Treasury Budget Submission Template and therefore classification of items differ slightly from the face of the Statement of Financial Position and Statement of Financial Performance (for example service consumers and other debtors compared to Receivables from Exchange and Non-Exchange).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Petty cash advances	18 776	19 758
Bank balances	677 001 168	470 471 553
	677 019 944	470 491 311

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings. The management of the municipality is of the opinion that the carrying value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Current Investment Deposits, Bank Balances, Cash and Cash Equivalents was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
Standard Bank of South Africa Limited 372865100	673 703 697	466 445 064	719 086 786	677 001 168	470 471 553	721 999 911
Municipal Traffic Account 372865178	146 467	(17)	190 653	-	-	-
OTM Account 372865119	32 129	4 873	8 568	-	-	-
TMT Fines Account 372865127	11 345	196 939	(251)	-	-	-
ACB 372865151	-	(38)	(38)	-	-	-
Sundries 372865143	-	3 584	-	-	-	-
Total	673 893 638	466 650 405	719 285 718	677 001 168	470 471 553	721 999 911

The Unspent Grants are cash-backed. The municipality complied with the conditions applicable to all grants received to the extent of revenue recognised. No grants were withheld (refer note 15).

The municipality also have the following bank accounts with Standard Bank South Africa Limited which had a zero balance at year end except as indicated below. All accounts balances are cleared to the main account on a daily basis except on weekends.

1) Web Fines Account Number 372865135

For the purposes of the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments.

The increase in Cash and cash equivalents is due to significant underspending of the operational and capital budget as per the budget comparison statement (refer cash flow statement comparison).

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.

Deposits of R 359 394 889 (2024: R 299 421 237) are attributable to the capital replacement reserve (Refer to Note 19).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
3. Receivables from exchange transactions		
Prepaid expenses	4 054 345	4 082 895
Electricity	70 076 108	62 045 146
Water	19 928 364	23 705 770
Sewerage	8 485 295	7 240 514
Refuse Removal	6 804 025	5 705 732
Housing rentals / instalments	117 534	96 136
Other	12 290 461	16 229 586
	121 756 132	119 105 779

30 June 2025	Gross Balances	Collective Allowance for Impairment	Net Balances
Service Receivables			
Electricity	71 034 590	(958 482)	70 076 108
Water	29 157 693	(9 229 329)	19 928 364
Sewerage	12 321 895	(3 836 600)	8 485 295
Refuse Removal	10 396 956	(3 592 931)	6 804 025
Subtotal	122 911 134	(17 617 342)	105 293 792
Other Receivables			
Housing rentals / instalments	133 055	(15 521)	117 534
Other	13 781 470	(1 491 009)	12 290 461
Prepaid expenses	4 054 345	-	4 054 345
	140 880 004	(19 123 872)	121 756 132

30 June 2024	Gross Balances	Collective Allowance for Impairment	Net Balances
Service Receivables			
Electricity	62 918 023	(872 877)	62 045 146
Water	30 948 149	(7 242 379)	23 705 770
Sewerage	10 801 359	(3 560 845)	7 240 514
Refuse Removal	8 762 272	(3 056 540)	5 705 732
Subtotal	113 429 803	(14 732 641)	98 697 162
Other Receivables			
Housing rentals / instalments	103 217	(7 081)	96 136
Other	17 458 994	(1 229 408)	16 229 586
Prepaid expenses	4 082 895	-	4 082 895
	135 074 909	(15 969 130)	119 105 779

Receivables from Exchange Transactions are billed monthly, at the end of the month.

The average credit period for receivables from exchange transactions is 30 days. No interest is charged on receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at prime plus 1 % per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of receivables from exchange transactions.

The norm for debtors days, due to billing in arrears and 30 day payment terms, is therefore 60 days or less.

Other Receivables include outstanding debtors for various other services, e.g. Chemical Oxygen Demand, Treated Waste Water, Bulk Dumping and Sundry Services like Escorting of heavy vehicles, Advertisement costs, Cleaning of stands, etc. The surplus (where applicable) recorded on the water service concession arrangement is also included under this debtor type (refer to Note 51). For 30 June 2025, there was a surplus of R 7 170 886 (2024: R 6 414 180) this is a debtor which needs to be paid by WCDM. Furthermore, a deposit of R5 500 000 to purchase land is held at an attorney as at 30 June 2024 (2025: R -).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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3. Receivables from exchange transactions (continued)

Of the exchange receivables balance at the end of the year, R 4 768 151 (2024: R 4 180 682) (VAT exclusive) is due from Sasko (Pty) Ltd, the municipality's largest customer. There are no other receivables that represent more than 3% of the total balance of Receivables from exchange.

The municipality receives applications for services that it provides. Deposits are required for all electricity and water accounts opened.

Management of the municipality is of the opinion that the carrying value of receivables approximate their amortised values.

No receivables from exchange transactions were pledged as security.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 1 months past due are not considered to be impaired. At 30 June 2025, 21 671 079 (2024: 18 088 527) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

31 - 60 Days	10 675 801	8 958 020
61 - 90 Days	2 287 298	1 999 523
91 - 120 Days	1 816 917	1 502 937
121 - 365 days	6 891 063	5 628 047
	21 671 079	18 088 527

Reconciliation of bad debts written-off: Exchange Transactions

Electricity	376 780	267 311
Refuse Removal	1 239 653	1 052 615
Sewerage	1 612 713	1 459 800
Water	8 765 803	7 912 438
Housing	45 124	28 596
Other Debtors	306 765	274 163
	12 346 838	10 994 923

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable.

The details of the ageing of receivables are disclosed in Note 5.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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3. Receivables from exchange transactions (continued)

Derecognition of financial assets

No Financial Assets have been transferred to other parties during the year.

All Exchange receivables were reviewed and no terms were identified whereby receivable types would meet the definitions of a statutory instrument as defined by this standard.

Most levies charged are based on the municipal tariff by-laws. The origin of the transactions is based on contractual deliverables rather than legislation. The legislation in place therefore supports the value of recognition rather than giving rise to the occurrence of these transactions.

Reconciliation of changes in Allowance Account	2025 Expense	2025 VAT	2025 Total Changes	2024 Expense	2024 VAT	2024 Total Changes
Opening Balance	-	-	15 969 127	-	-	11 896 680
Electricity	74 440	11 166	85 606	386 919	58 038	444 957
Refuse Removal	466 425	69 966	536 391	651 455	97 717	749 172
Sewerage	239 787	35 968	275 755	868 948	130 348	999 296
Water	1 727 781	259 169	1 986 950	1 280 678	192 103	1 472 781
Subtotal	2 508 433	376 269	18 853 829	3 188 000	478 206	15 562 886
Housing	7 339	1 101	8 440	2 164	324	2 488
Other Debtors	228 457	33 143	261 600	351 089	52 664	403 753
	2 744 229	410 513	19 123 869	3 541 253	531 194	15 969 127

4. Receivables from non-exchange transactions

Availability charges	2 941 577	2 735 077
Property Rates	27 080 720	21 959 870
Sundry debtors	468 979	1 132 414
Traffic fines - TMT	13 356 956	8 464 919
	43 848 232	34 292 280

30 June 2025	Gross Balances	Collective Allowance for Impairment	Net Balances
Property Rates	34 591 464	(7 510 744)	27 080 720
Sundry Debtors	468 979	-	468 979
Traffic Fines	65 155 885	(51 798 929)	13 356 956
Availability charges	5 707 788	(2 766 211)	2 941 577
	105 924 116	(62 075 884)	43 848 232

30 June 2024	Gross Balances	Collective Allowance for Impairment	Net Balances
Property Rates	28 428 093	(6 468 223)	21 959 870
Sundry Debtors	1 132 414	-	1 132 414
Traffic Fines	41 781 436	(33 316 517)	8 464 919
Availability charges	5 164 577	(2 429 500)	2 735 077
	76 506 520	(42 214 240)	34 292 280

Sundry Debtors include sundry deposits, unclaimed wages, accruals cash deposits made to Eskom for the supply of electricity and debits outstanding at year-end on normal business transactions entered into by the municipality, in respect of uncleared bank reconciliation items. Grant debtors (ad-hoc balances for multi-year grants) are also included under this debtor type.

Management of the municipality is of the opinion that the carrying value of receivables approximate their amortised values.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
4. Receivables from non-exchange transactions (continued)		
In contrast to prior years, management has increased efforts to minimise fines being written off. Consequently, the gross balance and impairment at year end increased as the payment ratio for fines remained stable from prior years.		
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Property Rates	27 080 720	21 959 870
Sundry debtors	468 979	1 132 414
Traffic Fines - TMT	13 356 956	8 464 919
	40 906 655	31 557 203
Financial instruments from Receivables from non-exchange transactions above (Availability charges)	2 941 577	2 735 077
Total receivables from non-exchange transactions	43 848 232	34 292 280

Statutory receivables general information

Receivable type	Revenue type	Legislation that give rise to the transactions	Rates and Interest charges	Impairment considerations
Property Rates	Non-exchange	Municipal Property Rates Act 6 of 2004	Municipal Tariff Policy, Interest Charged	Individual collection rates, interest charged at discount rate
Traffic Fines	Non-exchange	Administrative Adjudication of Road Traffic Offences Act, 1998	The Act determines rates, no interest is charge	Collection rate of the balance as a whole, thereafter discounting is considered in terms of materiality
Sundry Debtors	Exchange and Non-exchange	Various different acts (aggregate amounts)	Municipal Tariff Policy, Interest Charged	Individual collection rates, interest charged at discount rate
VAT Contol	Not applicable	Value Added Tax Act 89 of 1991	The Act determines rates and interest is charge	No impairment, balance expected to be fully recoverable

Interest or other charges levied/charged

Interest was only charged on outstanding rates accounts. All other statutory receivables were within normal credit terms and therefore no other receivables generated interest income. No other levies were charged.

Outstanding debtors: Rates and Availability Charges	2 223 748	1 974 074
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Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as authorised by a council decision (Currently, Prime plus 1%). This rate is also considered an appropriate discount rate.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

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4. Receivables from non-exchange transactions (continued)

Non-exchange receivables past due but not impaired

Non-exchange receivables which are less than 1 month past due are not considered to be impaired. At 30 June 2025, R26 170 305 (2024: 19 100 544) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	2025 Past Due	2024 Past Due	2025 Impaired	2024 Impaired	2025 Past due not impaired	2024 Past due not impaired
31 - 60 Days	5 214 877	5 129 886	-	-	5 214 877	5 129 886
61 - 90 Days	2 924 388	2 096 668	-	-	2 924 388	2 096 668
91 - 120 Days	3 694 568	1 842 387	-	-	3 694 568	1 842 387
121 - 365 days	26 641 684	28 888 798	(12 305 212)	(18 857 195)	14 336 472	10 031 603
> 365 days	49 770 672	23 357 046	(49 770 672)	(23 357 046)	-	-
	88 246 189	61 314 785	(62 075 884)	(42 214 241)	26 170 305	19 100 544

Factors the entity considered in assessing statutory receivables past due but not impaired

Receivables are assessed in terms of their respective overall payment percentages. Some debtors are therefore past due, but the balances are still expected to be recoverable based on the payment percentages.

Reconciliation of movements for statutory receivables

Reconciliation of bad debts written-off: Non-Exchange Transactions

Rates	2 062 953	1 005 910
Traffic Fines	4 728 921	22 408 685
Availability charges	227 980	295 514
	7 019 854	23 710 109

Reconciliation of changes in Allowance Account

	2025 Expense	2025 VAT	2025 Total Changes	2024 Expense	2024 VAT	2024 Total Changes
Opening Balance	-	-	42 214 241	-	-	35 290 310
Rates	1 042 521	-	1 042 521	857 239	-	857 239
Traffic Fines	18 482 412	-	18 482 412	5 738 170	-	5 738 170
Availability charges	292 792	43 918	336 710	285 670	42 852	328 522
	19 817 725	43 918	62 075 884	6 881 079	42 852	42 214 241
	19 817 725	43 918	62 075 884	6 881 079	42 852	42 214 241

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

Significant impairment losses recognised or reversed

Property Rates: Impairment Recognised: No significant movement from the prior year. In the prior year the estimate was revised to take into account the macro-economic impact of the National Lockdown.

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage. The impairment loss is similar to our expectation, but quantitatively the impairment is significant and therefore disclosed separately.

Swartland Municipality

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Figures in Rand	2025	2024
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4. Receivables from non-exchange transactions (continued)

The credit quality of receivables from non- exchange transactions that are neither past nor due nor impaired can be assessed to historical information about counterparty default rates. 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 receivables.

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based on the history of recoverability of such a receivable. Debtors are grouped into appropriate aggregated grouping levels when insufficient information is available to assess individual debtors. Aggregation is based on best practice and receivables are assessed on historic information available. Thereafter the past due (accounts in arrears, i.e. not current), but not impaired debtors are subjected to a further impairment test taking into account the effect of time resulting in a discounting of debtors being included as a further factor for impairment of statutory receivables.

The Allowance for impairment on Other Debtors (eg. loans and receivables and availability charges) exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were grouped together in the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non- exchange transactions that are neither past nor due nor impaired can be assessed to historical information about counterparty default rates. 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 receivables.

Classification of Bad Debts

Exchange recivables	12 346 838	10 994 923
Consumer debtors	12 346 838	10 994 923
Non-exchange receivables	7 019 854	23 710 109
Property rates	2 062 953	1 005 910
Availability charges	227 980	295 514
Traffic fines	4 728 921	22 408 685
Total bad debts for the year	19 366 692	34 705 032

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5. Consumer debtors disclosure		
Gross balances		
Property Rates	34 591 464	28 428 093
Electricity	71 034 590	62 918 023
Water	29 157 693	30 948 149
Sewerage	12 321 895	10 801 359
Refuse Removal	10 396 956	8 762 272
Housing rentals / instalments	133 055	103 217
Other	13 781 470	17 458 994
Payments made in advance	4 054 345	4 082 895
Sundry Debtors *	468 979	1 132 414
Traffic Fines - TMT *	65 155 885	41 781 436
Availability charges *	5 707 788	5 164 577
	246 804 120	211 581 429
Less: Allowance for impairment		
Property Rates	(7 510 744)	(6 468 223)
Electricity	(958 482)	(872 877)
Water	(9 229 329)	(7 242 379)
Sewerage	(3 836 600)	(3 560 845)
Refuse Removal	(3 592 931)	(3 056 540)
Housing rentals / instalments	(15 521)	(7 081)
Other	(1 491 009)	(1 229 408)
Traffic Fines - TMT *	(51 798 929)	(33 316 517)
Availability charges *	(2 766 211)	(2 429 500)
	(81 199 756)	(58 183 370)
Net balance		
Property Rates	27 080 720	21 959 870
Electricity	70 076 108	62 045 146
Water	19 928 364	23 705 770
Sewerage	8 485 295	7 240 514
Refuse Removal	6 804 025	5 705 732
Housing rentals / instalments	117 534	96 136
Other	12 290 461	16 229 586
Payments made in advance	4 054 345	4 082 895
Sundry Debtors *	468 979	1 132 414
Traffic Fines - TMT *	13 356 956	8 464 919
Availability charges	2 941 577	2 735 077
	165 604 364	153 398 059
Rates		
Current (0 -30 days)	16 151 454	12 468 539
31 - 60 days	2 480 684	1 979 669
61 - 90 days	397 947	283 808
91 - 120 days	181 459	153 264
121 - 365 days	7 584 785	6 706 779
> 365 days	7 795 135	6 836 034
Less: Allowance for impairment	(7 510 744)	(6 468 223)
	27 080 720	21 959 870

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5. Consumer debtors disclosure (continued)		
Electricity		
Current (0 -30 days)	64 755 340	57 729 811
31 - 60 days	4 244 052	3 765 751
61 - 90 days	177 767	112 015
91 - 120 days	65 923	91 367
121 - 365 days	395 473	439 408
> 365 days	1 396 035	779 671
Less: Allowance for impairment	(958 482)	(872 877)
	70 076 108	62 045 146
Water		
Current (0 -30 days)	12 620 100	17 252 494
31 - 60 days	3 259 638	2 532 179
61 - 90 days	1 194 400	1 127 809
91 - 120 days	990 861	765 484
121 - 365 days	5 296 484	4 552 187
> 365 days	5 796 210	4 717 996
Less: Allowance for impairment	(9 229 329)	(7 242 379)
	19 928 364	23 705 770
Sewerage		
Current (0 -30 days)	4 353 282	4 038 994
31 - 60 days	1 605 464	1 332 742
61 - 90 days	450 015	368 556
91 - 120 days	367 824	313 375
121 - 365 days	3 059 504	3 065 522
> 365 days	2 485 806	1 682 170
Less: Allowance for impairment	(3 836 600)	(3 560 845)
	8 485 295	7 240 514
Refuse		
Current (0 -30 days)	3 517 670	3 149 313
31 - 60 days	1 236 343	978 348
61 - 90 days	370 328	297 036
91 - 120 days	317 337	256 034
121 - 365 days	2 541 130	2 318 346
> 365 days	2 414 148	1 763 195
Less: Allowance for impairment	(3 592 931)	(3 056 540)
	6 804 025	5 705 732
Housing		
Current (0 -30 days)	60 777	35 099
31 - 60 days	23 550	20 688
61 - 90 days	3 473	4 304
91 - 120 days	2 276	1 962
121 - 365 days	19 692	18 245
> 365 days	23 287	22 919
Less: Allowance for impairment	(15 521)	(7 081)
	117 534	96 136

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5. Consumer debtors disclosure (continued)		
Other Exchange Debtors*		
Current (0 -30 days)	14 777 886	18 811 540
31 - 60 days	306 755	328 312
61 - 90 days	91 314	89 802
91 - 120 days	72 696	74 716
121 - 365 days	975 898	1 088 586
> 365 days	1 611 266	1 148 933
Less: Allowance for impairment	(1 491 009)	(1 229 408)
	16 344 806	20 312 481
Other Non-exchange Debtors		
Current (0 -30 days)	1 526 472	2 723 195
31 - 60 days	2 734 192	3 150 217
61 - 90 days	2 526 442	1 812 860
91 - 120 days	3 513 109	1 689 123
121 - 365 days	19 056 899	22 182 020
> 365 days	41 975 538	16 521 011
Less: Allowance for impairment	(54 565 140)	(35 746 017)
	16 767 512	12 332 409
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	72 361 518	73 594 313
31 - 60 days	12 952 245	11 167 780
61 - 90 days	4 859 755	3 959 041
91 - 120 days	5 409 282	3 258 287
121 - 365 days	36 901 913	37 690 667
> 365 days	60 925 420	31 707 580
Subtotal	193 410 133	161 377 668
Less: Allowance for impairment	(50 082 679)	(56 779 899)
	143 327 454	104 597 769
Industrial/ commercial		
Current (0 -30 days)	36 173 476	28 590 167
31 - 60 days	2 534 838	2 796 347
61 - 90 days	229 880	95 759
91 - 120 days	56 734	53 936
121 - 365 days	750 825	836 006
> 365 days	972 154	1 018 720
Subtotal	40 717 907	33 390 935
Less: Allowance for impairment	(756 781)	(1 403 471)
	39 961 126	31 987 464
National and provincial government		
Current (0 -30 days)	9 227 985	13 252 388
31 - 60 days	403 594	123 779
61 - 90 days	122 051	41 392
91 - 120 days	45 470	33 102
121 - 365 days	1 277 126	1 844 419
> 365 days	1 599 851	1 517 747
	12 676 077	16 812 827

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
5. Consumer debtors disclosure (continued)		
Total		
Current (0 -30 days)	117 762 979	115 436 868
31 - 60 days	15 890 677	14 087 906
61 - 90 days	5 211 686	4 096 191
91 - 120 days	5 511 486	3 345 325
121 - 365 days	38 929 864	40 371 092
> 365 days	63 497 426	34 244 047
Subtotal	246 804 118	211 581 429
Less: Allowance for impairment	(50 839 460)	(58 183 370)
	195 964 658	153 398 059

6. Construction contracts and payables

Contracts in progress at statement of financial position date

Construction contracts and receivables/(payables)	(7 342 180)	-
Reconciliation of construction contracts balance		
Opening Balance	-	(79 520)
Receipts for the year	(7 342 180)	-
Deliverables met (Revenue recognised)	-	79 520
	(7 342 180)	-

Housing Arrangements

Construction contract revenue is dependent on the infrastructure installation and needs to be reviewed with reference to each housing project's grant revenue as disclosed in Note 26.

Contract revenue is fixed based on the arrangement with the Provincial Department of Housing. Revenue is determined in terms of the stage of completion which is determined by the progress payments claimed by the sub-contractors received at year end. Contracts with the Provincial Department and its beneficiaries are not subject to any retention.

30 June 2025

Opening Balance (due to)/from customers	Darling (2 509 895)	Sibanye (4 832 285)
	(2 509 895)	(4 832 285)

30 June 2024

Opening Balance (due to)/from customers	De Hoop (79 520)
Transfer from Assets	79 520
	-

7. Inventories

Consumable stores	12 784 421	14 442 840
Stationery	362 851	285 671
Unsold properties held for resale	6 644 180	6 514 309
Water	309 258	359 803
	20 100 710	21 602 623

The cost of water purchases is subject to the water service concession arrangement (refer to Note 51). The adjusted cost per kilolitre for the year amounted to R6.19 (2024: R 5.87).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
7. Inventories (continued)		
No Inventories have been pledged as collateral for liabilities of the municipality.		
The cost of inventories recognised as expense and included in Other Materials (refer to Note 35).		
Water for distribution		
Opening balance	359 803	382 269
System input volume	37 798 824	33 540 669
Authorised consumption	(30 417 720)	(27 262 076)
Water losses	(7 431 649)	(6 301 059)
Closing balance	309 258	359 803

8. VAT receivable

VAT balances per classification

VAT Control (8.2)	11 903 400	9 006 270
VAT accrual receivables - VAT input (8.1)	24 482 884	24 278 115
VAT accrual payables (8.3)	(11 730 567)	(9 429 791)
Vat Output	(14 635 694)	(11 880 486)
VAT on provision for bad debts	2 905 127	2 450 695
Total for VAT balances (Indirect taxes)	24 655 717	23 854 594

For statutory receivable information regarding VAT refer to Note 4.

The VAT control represents balances currently due by/(to) SARS.

VAT input represents accrued expenditure not yet paid. As such, the VAT will be claimed in the following month.

VAT output represents VAT on outstanding debtors. VAT on outstanding debtors will only be declared once the debt is recovered. Given the municipal recovery of debt, most of the balance due will be declared to SARS in the following month.

VAT on provision for bad debts represents the VAT that can be claimed once the debt is written off.

For the restatement of comparative figures refer to Note 53.

9. Non-living resources

Management only identified water resources as no other natural resources are prevalent within our jurisdiction.

The supply from Paardenberg Dam is to supplement the supply to Malmesbury, Abbotsdale, Kalbaskraal, Riverlands and Chatsworth from the Municipality's own local source. Three boreholes at Riverlands are also used as supplementary sources as needed.

No liabilities or contingent liabilities arise due to the custodianship of the Perdeberg Dam. No resources were given up that resulted in compensation from third parties. The service concession arrangement is disclosed in note 51.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	95 101 873	(14 375 756)	80 726 117	95 603 810	(14 402 501)	81 201 309
Movable assets	162 951 986	(75 623 591)	87 328 395	151 561 168	(70 707 816)	80 853 352
Infrastructure	4 255 548 488	(2 072 961 674)	2 182 586 814	3 998 090 135	(1 993 101 714)	2 004 988 421
Community	295 157 425	(164 138 685)	131 018 740	269 318 952	(152 625 113)	116 693 839
Other assets	158 840 602	(122 739 999)	36 100 603	158 001 698	(120 897 824)	37 103 874
Total	4 967 600 374	(2 449 839 705)	2 517 760 669	4 672 575 763	(2 351 734 968)	2 320 840 795

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers received	Depreciation	Impairment loss	Total
Land	81 201 309	31 000	(4 627)	(382 565)	-	(119 000)	80 726 117
Movable assets	80 853 352	16 105 746	(841 681)	-	(8 789 022)	-	87 328 395
Infrastructure	2 004 988 421	265 731 896	(2 587 174)	(40 813)	(85 179 874)	(325 642)	2 182 586 814
Community	116 693 839	19 560 017	(14 278)	1 656 011	(6 876 849)	-	131 018 740
Other assets	37 103 874	838 904	-	-	(1 842 175)	-	36 100 603
Total	2 320 840 795	302 267 563	(3 447 760)	1 232 633	(102 687 920)	(444 642)	2 517 760 669

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	87 351 972	830 000	(1 462 040)	49 227	-	-	(5 567 850)	81 201 309
Movable assets	74 051 935	17 843 944	(2 351 103)	-	-	(8 691 424)	-	80 853 352
Infrastructure	1 910 769 174	190 964 886	(6 278 168)	164 967	(6 395 117)	(85 055 234)	817 913	2 004 988 421
Community	100 918 385	24 546 307	(59 656)	2 222 572	-	(7 076 374)	(3 857 395)	116 693 839
Other assets	42 658 472	3 924 467	-	(7 504 619)	-	(1 962 894)	(11 552)	37 103 874
	2 215 749 938	238 109 604	(10 150 967)	(5 067 853)	(6 395 117)	(102 785 926)	(8 618 884)	2 320 840 795

Reconciliation of Work-in-Progress 2025

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	120 714 502	17 979 137	3 869 031	142 562 670
Additions/capital expenditure	258 943 410	20 324 255	18 900 401	298 168 066
Transferred to completed items	(256 766 490)	(36 900 939)	(22 175 287)	(315 842 716)
	122 891 422	1 402 453	594 145	124 888 020

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	227 756 117	864 960	506 922	229 127 999
Additions/capital expenditure	157 263 574	19 775 310	3 759 989	180 798 873
Transferred to completed items	(264 305 189)	(2 661 133)	(397 880)	(267 364 202)
	120 714 502	17 979 137	3 869 031	142 562 670

The description: Other Assets relates to the traditional line for Buildings.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

10. Property, plant and equipment (continued)

No Property, Plant and Equipment were retired from active use and held for disposal during the financial year. Compensation in the amount of R 356 732 (2024: R 138 750), included in Operating Surplus, was received from the municipality's insurers for Property, Plant and Equipment lost during the year. None of the above assets are pledged as security.

As per Note 36, Impairment losses on Property, Plant and Equipment to the amount of R 444 642 (2024: R 8 618 884) have been recognised in the operating surplus and are included in Impairment Losses in the Statement of Financial Performance.

The estimation of the useful lives of assets is a matter of judgement based on the municipality's experience with similar assets.

Expenditure to repair and maintain assets is disclosed in Note 40.

No projects with expenditure have been halted or delayed significantly.

Included in the total for Property, Plant and Equipment are assets that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. For details of the service concession arrangement refer to Note 51.

Contractual commitments for the acquisition of Property, plant and equipment are disclosed in Note 41.

For the reclassification between infrastructure and other assets refer to Note 53.

For more detail on property, plant and equipment refer to the table below for movable assets as well as Appendix B.

Class, Sub-class	Cost				Accumulated Depreciation and Impairment					Book Value
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation	Impairment	Disposals	Closing balance	
Computer Equipment	17 911 316	1 193 139	1 039 903	18 064 551	12 252 826	1 741 300	-	1 028 399	12 965 726	5 098 825
Furniture and Office Equi	11 602 661	1 191 916	713 964	12 080 614	8 078 331	739 805	-	686 118	8 132 018	3 948 596
Machinery and Equipmen	38 749 207	3 593 261	1 279 554	41 062 913	22 077 148	2 565 474	-	1 126 865	23 515 757	17 547 156
Transport Assets	83 297 985	10 127 430	1 681 508	91 743 907	28 299 511	3 742 444	-	1 031 866	31 010 089	60 733 818
Total	151 561 169	16 105 745	4 714 929	162 951 985	70 707 816	8 789 023	-	3 873 248	75 623 591	87 328 395

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

11. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	49 072 201	(25 669 997)	23 402 204	54 941 609	(30 000 966)	24 940 643

Reconciliation of investment property - 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Investment property	24 940 643	56 472	(62 675)	(1 273 447)	(258 789)	23 402 204

Reconciliation of investment property - 2024

	Opening balance	Disposals	Transfers	Impairments	Depreciation	Total
Investment property	23 339 121	(347 418)	2 343 738	(625)	(394 173)	24 940 643

The municipality's Investment Properties are accounted for according to the cost model and therefore no fair value has been determined.

As per Note 36, impairment losses to the value of R - (2024: R 625) have been recognised on Investment Property of the municipality at the reporting date. No construction projects were entered into for Investment Property during the year.

Expenditure to repair and maintain assets is disclosed in Note 40.

All of the municipality's Investment Properties are held under freehold interests and none had been pledged as security for any liabilities of the municipality. There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal. There are no contractual obligations on Investment Property.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
12. Other financial assets		
At amortised cost		
Long term investment	366 329 014	333 119 014
The investment held with ABSA Bank will mature on 29 June 2026 and accumulates interest at an effective rate of 11.07%. Interest is payable at maturity. Also refer note 53.		
Non-current assets		
At amortised cost	-	333 119 014
Current assets		
At amortised cost	366 329 014	-
13. Payables from exchange transactions		
Trade payables	46 388 409	38 033 039
Payments received in advanced	2 860 371	2 643 045
Retentions	16 591 141	12 844 892
Other payables	16 815 970	13 281 453
Staff leave	19 019 582	19 246 174
Other deposits	1 313 038	1 283 192
13th cheque accrual	8 434 464	7 769 151
	111 422 975	95 100 946

No interest is charged for the first 30 days from the date of receipt of the statement. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe. The carrying value of trade and other payables approximates its fair value. Retentions are usually payable after a period of 12 months.

The municipality did not default on any payment of its Creditors. No terms for payment have been re-negotiated by the municipality. Discounting of trade and other payables on initial recognition is not deemed necessary.

14. Consumer deposits

Electricity and Water	20 857 367	19 659 688
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Guarantees amounting to R 2 485 074 (2024: R 975 490) are held in lieu of Electricity and Water Deposits.

Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the Council can utilise the deposit as payment for the outstanding account. No interest is paid on consumer deposits held.

The carrying value of consumer deposits approximates their fair value.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
15. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Community Development Workers	4 012	1 311
Thusong Centre: Refurbishment	15 437	-
Covid-19 - Food Parcels and Financial Support	-	75 000
Municipal Disaster Response Grant: General	-	350 000
Emergency Fire Kits	2 037	2 120
Fire Damaged Houses	760 922	-
WC Financial Management Capability Grant: Internal Audit	-	418 031
WC Financial Management Capability Grant: Student Bursaries	-	176 807
WC Department of Education - Schools Allocation	308 354	23 000 000
Housing: Darling	-	447 179
Housing: Malmesbury De Hoop	-	363 379
Municipal Disaster Response Grant: Riverlands	7 443 610	-
Education, Training and Development Practices (Seta)	399 067	-
Municipal Accreditation and Capacity Building	83 096	89 089
Sport Development	1 566	-
Swartland Business Hive (Entrepreneurial Hub)	9 500	40 000
International Youth Camp	187 098	-
Housing Project - Silvertown	12 489 296	5 500 000
Contribution: Grade 1 project	-	31 000
	21 703 995	30 493 916

The Unspent Grants are cash-backed. The municipality complied with the conditions applicable to all grants received to the extent of revenue recognised. No grants were withheld.

Included above are funds received from private institutions such as, WC Department of Education, which are not unspent grants, but rather unspent in terms of the agreement with such funder.

See Note 26 for reconciliation of grants by other spheres of government and for Public Contributions (Other Receipts).

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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16. Other financial liabilities

At amortised cost

Annuity loans	33 336 301	38 813 954
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Summary of arrangements

Annuity Loans are repaid over periods varying from ten to twenty years (2024: ten to twenty years), and at interest rates varying from 8.61% to 10.96% (2024: 8.61% to 10.96%). Annuity Loans are not secured.

Refer to Appendix A for more detail on long-term liabilities.

Non-current liabilities

At amortised cost	27 291 962	33 358 238
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Current liabilities

At amortised cost	6 044 339	5 455 716
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17. Long-term Employee Benefits

The amounts recognised in the statement of financial position are as follows:

Carrying value

	95 054 000	81 423 000
Long Term: Post-Employment Health Care Benefit Liability	90 153 000	76 928 000
Current Portion: Post-Employment Health Care Benefit Liability	4 901 000	4 495 000
	15 928 000	14 857 000
Long Term: Long Service Awards	14 081 000	12 747 000
Current portion: Long Service Awards	1 847 000	2 110 000
	110 982 000	96 280 000
Non-current liabilities	104 234 000	89 675 000
Current liabilities	6 748 000	6 605 000
	110 982 000	96 280 000

Post-Employment Health Care Benefit Liability

The Municipality provides certain post-retirement medical benefits by funding the medical aid contributions of qualifying retired members of the Municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The most recent actuarial valuations of the present value of the unfunded defined benefit obligation were carried out as at 30 June 2025 by ARCH Actuarial Consulting, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other post retirement or long service benefits are provided by the municipality.

In-service members	337	341
In-service (non)-members	305	306
Continuation members	80	72
	722	719

The municipality estimates that 10% (2024: 10%) of employees currently not in a position to afford medical aid, may be able to join a scheme before retirement. The potential joining rate was determined based on municipal history in conjunction with national data reviewed by the actuaries.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
17. Long-term Employee Benefits (continued)		
Employees appointed before 1 April 2025 will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement, subject to at least ten years of service.		
The liability in respect of past service has been estimated to be as follows:		
In-service members	37 829 000	35 016 000
In-service (non)-members	3 943 000	3 289 000
Continuation members	53 282 000	43 118 000
	95 054 000	81 423 000

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Keyhealth
- LA Health
- Samwumed
- Sizwe Hosmed

The future service cost for the ensuing year is established to be R 3 247 000 , whereas the interest-cost for the next year is estimated to be R 10 272 000 (2024: R 2 753 000 and R 9 667 000 respectively).

Key risks pertaining to the defined benefit plan:

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

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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17. Long-term Employee Benefits (continued)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	81 423 000	74 582 000
Benefits paid	(4 428 510)	(3 814 543)
Net expense recognised in the statement of financial performance	18 059 510	10 655 543
	95 054 000	81 423 000

Net expense recognised in the statement of financial performance

Current service cost	2 753 000	2 548 000
Interest cost	9 667 000	9 051 000
Actuarial (gains) losses	5 639 510	(943 457)
	18 059 510	10 655 543

Calculation of actuarial gains and losses

Financial Assumptions

Basis changes: Decrease / (increase) in net discount rate	1 959 000	(1 323 000)
Subsidy inflationary increases higher than assumed	2 034 000	343 000
Actual benefits vested, lower/greater than expected	(66 490)	62 543

Demographic assumptions

Changes to membership profile different from assumed	1 713 000	(26 000)
	5 639 510	(943 457)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	11.1 %	12.2 %
Expected rate of health care cost inflation rate	6.8 %	7.7 %
Net effective discount rate	4.0 %	4.2 %
Expected CPI inflation rate	5.0 %	6.2 %
Average retirement age	62	62

Reasons for the Movement in the Liability:

The average in-service member liability has increased by 9% 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
- an increase in the average past service
- an increase in the average post-employment subsidy and
- a decrease in the net discount rate

The total in-service non-member liability has increased by 20% due to similar reasons as those described for in-service members, and because there was virtually no change to the number of in-service non-members since the last valuation.

The total continuation member liability has increased by 24% due to an increase in the average subsidy, a decrease in the average age and discount rate, combined with an increase in the number of continuation members.

Sensitivity analysis and movements for the year

The below table summarises significant sensitivity effects on the amounts recognised in surplus or deficit.

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand 2025 2024

17. Long-term Employee Benefits (continued)

	Changes in overall assumptions	One percentage point increase	One percentage point decrease
30 June 2025			
Key assumptions			
Effect on the aggregate of the service cost and interest cost	12 420 000	-	-
Effect on defined benefit obligation	95 054 000	-	-
Health care inflation rate			
Effect on the aggregate of the service cost and interest cost	-	14 400 000	10 814 000
Effect on defined benefit obligation	-	108 329 000	84 111 000
Discount rate			
Effect on the aggregate of the service cost and interest cost	-	11 609 000	13 403 000
Effect on defined benefit obligation	-	84 582 000	107 890 000
Post-employment mortality			
Effect on the aggregate of the service cost and interest cost	-	12 074 000	12 765 000
Effect on defined benefit obligation	-	92 348 000	97 747 000
Average retirement age (1 year later)			
Effect on the aggregate of the service cost and interest cost	13 091 000	-	-
Effect on defined benefit obligation	99 414 000	-	-
Membership continuation (10% longer)			
Effect on the aggregate of the service cost and interest cost	11 435 000	-	-
Effect on defined benefit obligation	89 485 000	-	-

Maturity analysis of the Post-employment medical aid subsidy:

	2025
Within 1 year	5 167 000
Within 2-5 years	25 514 000
Within 6-10 years	47 720 000
Within 11-20 years	187 569 000
Within 11-20 years	819 894 000
Beyond 40 years	942 237 000

The municipality expects to make a contribution of R 5 167 000 (2024: R 4 495 000) to the defined benefit plans during the next financial year.

Refer to Note 52 "Multi-Employer Retirement Benefit Information" to the Annual Financial Statements for more information regarding the municipality's other retirement funds that are Provincially and Nationally administered.

Long Service Awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality (which includes their uninterrupted service with the former local authorities amalgamated in December 2000 to become Swartland Municipality). The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2025 may become entitled to in future, based on an actuarial valuation performed at that date.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2025 by JC Weiss from ARCH Actuarial Consulting, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end 95, (2024: 62) employees received Long-service Awards.

Eligible employees at the beginning of the year	647	641
New entrants	9	12
Members that exited	(4)	(6)

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
17. Long-term Employee Benefits (continued)		
Eligible employees at the end of the year	652	647

The future service cost for the ensuing year is established to be R 1 257 000 whereas the interest-cost for the next year is estimated to be R 1 496 000 (2024: R 1 183 000 and R 1 561 000 respectively).

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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17. Long-term Employee Benefits (continued)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	14 857 000	13 308 000
Benefits paid	(2 440 969)	(1 203 946)
Net expense recognised in the statement of financial performance	3 511 969	2 752 946
	15 928 000	14 857 000

Net expense recognised in the statement of financial performance

Current service cost	1 183 000	1 112 000
Interest cost	1 561 000	1 459 000
Actuarial (gains) losses	767 969	181 946
	3 511 969	2 752 946

Calculation of actuarial gains and losses

Financial assumptions

Basis changes: Increase in net discount rate	(85 000)	(79 000)
----------------------------------------------	----------	----------

Experience:

Earnings increases higher than assumed	84 000	120 000
Changes to employee profile different from assumed	438 000	101 000
Actual benefits vesting, greater than expected	330 969	39 943
	767 969	181 943

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10.0 %	11.3 %
Expected rate of salary increases	5.0 %	6.4 %
Net effective discount rate	4.8 %	4.6 %
Average retirement age	62	62

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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17. Long-term Employee Benefits (continued)

Sensitivity analysis and movement for the year

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed general earnings inflation rates would have the following effects:

	One percentage point decrease	One percentage point increase	One percentage point decrease
30 June 2025			
Key Assumptions			
Effect on the aggregate of the service cost and interest cost	2 744 000	-	-
Effect on defined benefit obligation	15 928 000	-	-
General earnings Inflation rate			
Effect on the aggregate of the service cost and interest cost	-	2 937 000	2 570 000
Effect on defined benefit obligation	-	16 867 000	15 074 000
Discount rate	-		
Effect on the aggregate of the service cost and interest cost	-	2 709 000	2 782 000
Effect on defined benefit obligation	-	15 058 000	16 899 000
Average retirement age (2 years later)	-		
Effect on the aggregate of the service cost and interest cost	-	3 104 000	2 310 000
Effect on defined benefit obligation	-	18 183 000	13 309 000
Rates of termination of service (x two)	-		
Effect on the aggregate of the service cost and interest cost	-	2 167 000	3 160 000
Effect on defined benefit obligation	-	13 313 000	17 718 000

Maturity analysis of the Long service award (expected benefits vesting):

	2025
Within 1 year	1 977 000
Within 2-5 years	9 812 000
Within 6-10 years	14 089 000
Within 11-20 years	28 001 000
Within 21-40 years	24 055 000

The municipality expects the benefits to vest in the ensuing year of R 1 977 000 (2024: R 2 110 000).

18. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions / (Reversal) during the year	Change in discount factor	Total
Landfill Site	57 311 777	4 549 496	6 031 279	67 892 552
SARS Library Grant	8 780 333	(144 419)	561 578	9 197 492
	66 092 110	4 405 077	6 592 857	77 090 044

Reconciliation of provisions - 2024

	Opening Balance	Additions / (Reversal) during the year	Change in discount factor	Total
Landfill Site	58 486 876	(6 613 603)	5 438 504	57 311 777
SARS Library Grant	8 192 545	92 607	495 181	8 780 333
	66 679 421	(6 520 996)	5 933 685	66 092 110

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
18. Provisions (continued)		
Non-current liabilities	67 892 552	57 311 777
Current liabilities	9 197 492	8 780 333
	77 090 044	66 092 110

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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18. Provisions (continued)

Legal Proceedings:

SARS Library Grant

For more information on the matter refer to Note 42.

Environmental rehabilitation provision

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R67 892 552 (2024: R57 311 776) 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 rates below as per similar Government Bond periods and the average Consumer Price Index from June to May.

Sites 2025	Proposed Rehabilitation Date	Size (Square Meters)	Current Costs per Square	2025 Provision	2024 Provision
Darling	2039/2040	32 717	1 054	15 237 560	12 185 533
Highlands	2036/2037	96 456	208	10 757 623	8 499 413
Koringberg	2028/2029	4 500	1 925	7 646 194	6 878 396
Moorreesburg	2034/2035	28 100	821	14 351 486	12 254 779
Riebeek Kasteel	2031/2032	22 118	949	15 945 876	13 999 702
Yzerfontein	2032/2033	27 400	202	3 953 813	3 493 953
		211 291	5 159	67 892 552	57 311 776

Each year, the landfill sites are reviewed in terms of size, available capacity and other environmental factors. Each of the factors have an impact on the valuation at year-end. The following key factors were considered:

Sites	Years until rehabilitation 2025	Years until rehabilitation 2024	Discount rate 2025	Discount rate 2024
Darling	15	16	10.72 %	11.70 %
Highlands	12	14	10.46 %	11.36 %
Koringberg	4	5	8.17 %	8.94 %
Moorreesburg	10	11	9.95 %	10.61 %
Riebeek Kasteel	7	8	9.05 %	9.71 %
Yzerfontein	8	9	9.35 %	9.96 %

Swartland Municipality

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Figures in Rand 2025 2024

18. Provisions (continued)

Sites	Size 2025 (Square Meters)	Size 2024 (Square Meters)	Rate per Square Meter 2025	Rate per Square Meter 2024	% Change in rate/square meter
Darling	32 717	32 717	1 054	998	5.67 %
Highlands	96 456	96 456	208	200	4.27 %
Koringberg	4 500	4 500	1 925	1 835	4.90 %
Moorreesburg	28 100	28 100	821	771	6.54 %
Riebeek Kasteel	22 118	22 118	949	897	5.82 %
Yzerfontein	27 400	27 400	202	193	4.81 %
	211 291	211 291	5 159	4 894	-

Sites	Opening Balance	Interest Expense	Market related adjustments (capitalised)	Total
Darling	12 185 533	1 475 235	1 576 792	15 237 560
Highlands	8 499 413	1 018 251	1 239 960	10 757 624
Koringberg	6 878 396	577 821	189 977	7 646 194
Moorreesburg	12 254 779	1 298 747	797 959	14 351 485
Riebeek Kasteel	13 999 702	1 323 179	622 995	15 945 876
Yzerfontein	3 493 953	338 045	121 815	3 953 813
	57 311 776	6 031 278	4 549 498	67 892 552

19. Reserves: Capital Replacement

The Capital Replacement Reserve is a reserve to finance future capital expenditure, is fully funded and invested in Financial Instruments.

Balance at the beginning of the year	299 421 237	259 260 281
Contribution from accumulated surplus	134 593 980	123 017 635
Capital contributions received	5 144 665	41 767 349
Funding capital projects	(79 764 993)	(124 624 028)
	359 394 889	299 421 237

20. Accumulated surplus

Accumulated surplus generated from operations	3 057 392 280	2 706 674 289
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Accumulated Surplus has been restated to correctly classify amounts held by the municipality. Refer to Note 53 "Correction of Error" for details of the restatements.

21. Service charges

Sale of electricity	516 000 743	443 249 370
Sale of water	95 517 854	92 981 779
Sewerage and sanitation charges	63 838 863	60 460 874
Refuse removal	38 791 037	33 962 559
	714 148 497	630 654 582

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
22. Interest received		
Interest revenue		
Interest earned - Investments	50 522 671	41 694 396
Bank account	12 116 649	9 950 665
Outstanding debtors: Exchange receivables	3 637 529	3 268 589
Other financial assets	33 210 000	33 119 014
Interest earned - Land sales	49 601	-
	99 536 450	88 032 664
23. Operational revenue		
Sale of goods and rendering of services		
Advertisements	418 118	364 777
Application Fees for Land Usage	208 222	200 135
Building Plan Approval	3 854 765	3 613 332
Bulk Waste Dumping	1 432 231	1 702 383
Camping Fees	4 112 063	3 703 373
Cemetery and Burial	1 011 690	901 942
Cleaning and Removal	698 818	726 827
Clearance Certificates (Rates)	547 886	534 974
Library Services Rendered	12 152 941	12 161 393
Encroachment Fees	700	590
Entrance Fees	678 217	745 276
Escort Fees	166 182	107 739
Housing (Boarding Services) - Staff	128 887	126 160
Occupation Certificates	438 387	420 902
Photocopies and Faxes	145 839	135 617
Removal of Restrictions	355 495	367 707
Sewerage Blockages	491 996	408 284
Rendering of Fire Services	4 846	14
Sub-division and Consolidation Fees	153 682	234 551
Tender Documents	63 441	72 793
Town Planning and Servitudes	24 422	31 639
Valuation Services	175 114	156 242
Other operational revenue		
Administrative Handling Fees	61 538	70 430
Application: Service Connections	480 179	532 791
Breakages and Losses Recovered	67 437	58 944
Bad debts recovered	239 128	358 675
Housing Selling Schemes	707	-
Sundry income and cash surpluses	86 690	48 643
Insurance Refund	199 556	423 665
Merchandising, Jobbing and Contracts	94 745	144 526
Other Fees	3 800	2 911
Registration Fees - Road and Transport	281 752	267 360
Transaction Handling Fees	305 842	129 946
Debt Forgiveness	238 608	736 053
	29 323 924	29 490 594

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
24. Development charges		
Development charges received (cash)		
Parking Areas	112 772	54 185
Water	1 521 843	2 785 079
Sanitation	1 612 908	2 865 584
Stormwater	850 236	1 386 758
Electricity	1 046 907	1 768 178
Development charges received through asset donations		
Water	-	9 117 018
Sanitation	-	578 318
Stormwater	-	1 529 395
Electricity	5 064 275	17 613 494
Roads	-	4 069 339
	10 208 941	41 767 348

25. Property rates

Rates received

Residential	122 644 255	95 944 707
Commercial	18 150 499	15 077 119
State	11 331 251	10 759 532
Vacant land	14 503 358	8 908 804
Farm Properties: Agricultural Purposes	24 668 174	24 200 810
Industrial	10 836 871	9 231 312
Rural: Business	1 626 053	1 955 059
Less: Revenue forgone	(2 995 154)	(2 902 791)
	200 765 307	163 174 552

Valuation of properties

Rates Category	Rate 2025	Rate 2024	Valuation 2025 (R'000)	Valuation 2024 (R'000)
Residential	0.005360	0.005956	24 393 470	17 208 324
Commercial	0.008769	0.008769	2 228 020	2 130 608
State	0.008769	0.008769	1 999 904	1 679 912
Vacant land	0.008022	0.008022	2 134 911	1 281 708
Farm properties: Agricultural purposes	0.001340	0.001489	15 016 053	13 552 747
Industrial	0.008769	0.008769	1 138 400	962 705
			46 910 758	36 816 004

A statutory rebate of 75% was granted on agricultural land. A statutory rebate of R 15 000 on the value of the property is granted to residential property owners. A further R 300 000 discount on the market value of the property, over and above the aforementioned R 15 000 is granted on the value of the property for residents 60 years and older on condition that they occupy the premises. Some additional relief was provided to qualifying consumers in order to assist families in need.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
26. Government grants and subsidies		
Unconditional grants		
Equitable Share	153 764 000	143 235 000
Conditional grants		
Community Development: Workers	33 988	36 689
Community Safety: K9 Unit	4 172 000	3 345 000
Education, Training and Development Practices (Seta)	1 115 668	2 075 717
Emergency Fire Kit	414 554	281 980
WC Municipal Energy Resilience Grant	-	680 000
Extended Public Works Programme	1 593 000	1 830 000
Municipal Disaster Relief Grant - Riverlands	1 797 390	-
WC Financial Management Capability Grant: Student Bursaries	-	84 613
Municipal Disaster Response Grant - General	350 000	-
Fire Services Capacity Building	-	926 000
Housing Project: Darling	18 831 284	2 850 000
Housing Project: Malmesbury De Hoop	76 604 508	48 047 638
Housing Project: Kalbaskraal - Socio Economic Facility	744 891	-
Housing Project: Sibanye-Moorreesburg	56 661 434	3 200 000
Housing Project: Kalbaskraal-Land	2 050 231	-
Integrated National Electrification Programme	22 818 000	23 658 000
Library service	43 478	50 000
Local Government Financial Management Grant	1 600 000	1 550 000
Municipal Accreditation and Capacity Building	165 904	155 911
Law Enforcement Reaction Unit Grant	5 712 000	5 509 000
Municipal Infrastructure Grant	29 302 000	23 055 000
Municipal Energy Resilience Grant	-	8 506 517
Housing Project: Silvertown	249 514	-
Proclaimed Roads Subsidies	170 000	170 000
Non-motorised Transport Grant	-	500 000
Regional Socio-Economic Project (RSEP)	-	500 000
Service Delivery and Capacity Building Grant	-	500 000
Sports Development Grant	498 434	966 374
Thusong Centre: Refurbishment	134 563	-
	225 062 841	128 478 439
	378 826 841	271 713 439

No funds destined for the municipality in terms of the annual Division of Revenue Act were delayed, withheld or withdrawn.

The municipality complied with the grant terms including the requirements of section 214(1) of the Constitution.

Equitable Share

In terms of the Constitution, this grant is used amongst other to subsidise the provision of basic services to indigent community members.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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26. Government grants and subsidies (continued)

Community Development: Workers

Balance unspent at beginning of year	1 311	2 501
Current-year receipts	38 000	38 000
Conditions met - transferred to revenue	(33 988)	(36 689)
Repaid to funder	(1 311)	(2 501)
	4 012	1 311

Conditions still to be met - remain liabilities (see note 15).

Funds made available for sundry expenditure and stationery for workers, under the control of the Municipality but remunerated by PAWC.

Community Safety: K9 Units

Current-year receipts	4 172 000	3 345 000
Conditions met - transferred to revenue	(4 172 000)	(3 345 000)
	-	-

Funds are for the establishment of a dog unit for detecting drugs.

COVID 19 - Food Parcels and Financial Support (Public contribution)

Balance unspent at beginning of year	75 000	75 000
Conditions met - transferred to revenue	(15 000)	-
Re-payment	(60 000)	-
	-	75 000

Conditions still to be met - remain liabilities (see note 15).

Special government allocations received in order to assist those in need following the Covid-19 national lockdown. The balance remaining is expected to be refunded to the public during the 2024/25 financial year.

Non-motorised Transport Grant

Current-year receipts	-	500 000
Conditions met - transferred to revenue	-	(500 000)
	-	-

Funds are utilised to build and improve the municipal pavement network.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
26. Government grants and subsidies (continued)		
Education, Training and Development Practices (Seta)		
Balance unspent at beginning of year	-	138 559
Current-year receipts	1 722 510	1 729 383
Conditions met - transferred to revenue	(1 115 668)	(2 075 717)
Transfer from receivables from non-exchange	(207 775)	207 775
	399 067	-

Conditions still to be met - remain liabilities (see note 15).

Training of officials as well as unemployed persons utilised on projects under control of the Municipality.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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26. Government grants and subsidies (continued)

WC Municipal Energy Resilience Grant

Current-year receipts	-	680 000
Conditions met - transferred to revenue	-	(680 000)
	-	-

The grant funded the Electricity Cost of Supply Study.

Extended Public Works Programme

Current-year receipts	1 593 000	1 830 000
Conditions met - transferred to revenue	(1 593 000)	(1 830 000)
	-	-

The grant is to enable the Municipality to create jobs.

Thusong Centre: Refurbishment

Current-year receipts	150 000	-
Conditions met - transferred to revenue	(134 563)	-
	15 437	-

Conditions still to be met - remain liabilities (see note 15).

The grant is to enable the Municipality to create jobs.

Municipal Disaster Relief Grant - Riverlands

Current-year receipts	9 241 000	-
Conditions met - transferred to revenue	(1 797 390)	-
	7 443 610	-

Conditions still to be met - remain liabilities (see note 15).

The funds are for maintenance and replacement of roads and storm-water infrastructure following severe floods.

Municipal energy resilience grant

Current-year receipts	-	8 506 517
Conditions met - transferred to revenue	-	(8 506 517)
	-	-

Conditions still to be met - remain liabilities (see note 15).

The grant is for the Municipality to investigate and implement alternative energy solutions.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
26. Government grants and subsidies (continued)		
WC Financial Management Capability Grant: Student Bursaries		
Balance unspent at beginning of year	176 807	161 420
Current-year receipts	-	100 000
Conditions met - transferred to revenue	-	(84 613)
Repaid to funder	(176 807)	-
	-	176 807

Conditions still to be met - remain liabilities (see note 15).

Municipal bursary programme that enable municipalities to attract top performing learners and learners with potential to succeed in Higher Education Institutions (HEI) in the areas such as finance, economics, accounting, supply chain management, internal audit, risk management, infrastructure, etc.

WC Financial Management Capability Grant: Internal Audit

Balance unspent at beginning of year	418 031	418 031
Repaid to funder	(418 031)	-
	-	418 031

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to implement a systematic and formalised process to identify, assess, manage and monitor risks by acquiring, configuring and utilising a Risk Management electronic system.

Municipal Disaster Response Grant: General

Current-year receipts	-	350 000
Conditions met transferred to revenue	(350 000)	-
	-	350 000

Conditions still to be met - remain liabilities (see note 15).

Funding was received for infrastructure damages due to the impact of floods that occurred in December 2023 to January 2024 (Washed away Gravel Roads in Chatsworth, Kalbaskraal, Riebeek Wes/Kasteel and Moorsburg).

Housing Project: Kalbaskraal -Socio Economic Facility

Current-year receipts	744 891	-
Conditions met - transferred to revenue	(744 891)	-
	-	-

Funds provided to enable the establish an economic hub in the area.

Emergency Fire Kits

Balance unspent at beginning of year	2 120	-
Current-year receipts	416 591	284 100
Conditions met - transferred to revenue	(414 554)	(281 980)
Repaid to funder	(2 120)	-
	2 037	2 120

Conditions still to be met - remain liabilities (see note 15).

Financial assistance from the Department of Infrastructure for the provision of enhanced emergency kits and relocation costs.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
26. Government grants and subsidies (continued)		
Housing Project: Darling		
Balance unspent at beginning of year	447 179	-
Current-year receipts	18 384 105	3 297 179
Conditions met - transferred to revenue	(18 831 284)	(2 850 000)
Construction contracts receipts	2 509 895	-
Construction contracts balance at year end	(2 509 895)	-
	-	447 179

Conditions still to be met - remain liabilities (see note 15).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 6, 23 and 50.

Housing Project: Malmesbury De Hoop

Balance unspent at beginning of year	363 379	-
Current-year receipts	76 604 508	48 411 017
Construction contracts - Collections	(76 604 508)	(48 047 638)
Construction contracts - transfer of asset	(363 379)	79 520
	-	(79 520)
	-	363 379

Conditions still to be met - remain liabilities (see note 15).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Construction contracts, Operational Revenue and disclosure pertaining to Agents are disclosed in Notes 6, 23 and 50.

Fire damaged houses

Current-year receipts	760 922	-
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Conditions still to be met - remain liabilities (see note 15).

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Housing Project: Sibanye-Moorreesburg

Current-year receipts	56 661 434	3 200 000
Conditions met - transferred to revenue	(56 661 434)	(3 200 000)
Construction contracts receipts	4 832 285	-
Construction contracts balance at year end	(4 832 285)	-
	-	-

Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.

Swartland Municipality

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Figures in Rand	2025	2024
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26. Government grants and subsidies (continued)

Integrated National Electrification Programme

Current-year receipts	22 818 000	23 658 000
Conditions met operating - transferred to revenue	(22 401 642)	(23 658 000)
Conditions met Capital - transferred to revenue	(416 358)	-
	-	-

Funds made available for the electrical network to the proposed area where low cost houses are build and the electrification of these houses.

Library service

Current-year receipts	12 052 000	12 304 000
Provision for VAT	144 419	(92 607)
Exchange revenue: Library Services Rendered	(12 152 941)	(12 161 393)
Conditions met Capital - transferred to revenue	(43 478)	(50 000)
	-	-

Grant provided for the partial funding of the operational and capital costs of libraries in the area under the jurisdiction of the Swartland Municipality.

Kindly refer to Note 23 for the Revenue.

Local Government Financial Management Grant

Current-year receipts	1 600 000	1 550 000
Conditions met - transferred to revenue	(1 600 000)	(1 550 000)
	-	-

The purpose of the grant is to enable the Municipality to modernise and improve its financial management activities entailing, among others, capacity building, the implementation of municipal finance management legislation and regulating policies and compliance with generally accepted municipal accounting practices.

Municipal Accreditation and Capacity Building

Balance unspent at beginning of year	89 089	58 350
Current-year receipts	249 000	245 000
Conditions met - transferred to revenue	(165 904)	(155 911)
Repaid to funder	(89 089)	(58 350)
	83 096	89 089

Conditions still to be met - remain liabilities (see note 15).

Funds received for the remuneration of an intern for the Department of Community Services.

Municipal Infrastructure Grant

Current-year receipts	29 302 000	23 055 000
Conditions met - transferred to revenue	(29 302 000)	(23 055 000)
	-	-

Funds utilised for the upgrading of existing infrastructure in its area of jurisdiction and/or the erection / construction of new amenities required for service delivery and the development of sport.

Swartland Municipality

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26. Government grants and subsidies (continued)		
Proclaimed Roads Subsidies		
Current-year receipts	170 000	170 000
Conditions met - transferred to revenue	(170 000)	(170 000)
	-	-
Expenditure incurred by the Municipality in connection with the maintenance of proclaimed main roads falling under the jurisdiction of the Municipality, in accordance with a budget approved by the PAWC, which costs are partly recoverable from the Administration.		
Regional Socio-Economic Project (RSEP)		
Current-year receipts	-	500 000
Conditions met - transferred to revenue	-	(500 000)
	-	-
Funds received from PAWC for the social upliftment in lower income areas to improve living conditions and combat crime.		
Law Enforcement Reaction Unit Grant		
Current-year receipts	5 712 000	5 509 000
Conditions met - transferred to revenue	(5 712 000)	(5 509 000)
	-	-
Funds received from PAWC for establishment of a law enforcement reaction unit.		
Sports Development Grant		
Current-year receipts	500 000	966 374
Conditions met - transferred to revenue	(498 434)	(966 374)
	1 566	-
Conditions still to be met - remain liabilities (see note 15).		
Funds received for the enhancement of existing sports grounds.		
Housing Project: Kalbaskraal - Land		
Current-year receipts	2 050 231	-
Conditions met - transferred to revenue	(2 050 231)	-
	-	-
Funds utilised for the purchase of land for a housing project.		
Fire service delivery		
Current-year receipts	-	926 000
Conditions met - transferred to revenue	-	(926 000)
	-	-
Funding received in order to build a new fire truck.		

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26. Government grants and subsidies (continued)

Service delivery and capacity building

Current-year receipts	-	500 000
Conditions met - transferred to revenue	-	(500 000)
	-	-

Housing Project - Silvertown

Conditional grants received	5 500 000	5 500 000
Current-year receipts	7 238 810	-
Conditions met transferred to revenue	(249 514)	-
	12 489 296	5 500 000

Conditions still to be met - remain liabilities (see note 15).

Funds provided to enable the Municipality to finance the purchase of land.

Swartland Business Hive Entrepreneurial Hub: (Public contribution)

Balance unspent at beginning of year	40 000	-
Current-year receipts	40 000	40 000
Conditions met - transferred to revenue	(70 500)	-
	9 500	40 000

Conditions still to be met - remain liabilities (see note 15).

Public and provincial contributions (donations) for the establishment and enhancement of entrepreneurs.

This is considered a public contribution rather than a grant as the funding source is not the Division of Revenue Act.

Standard Contribution: Top Achievers Award (Public Contribution)

Current-year receipts	60 000	-
Conditions met - transferred to revenue	(60 000)	-
	-	-

Funds received Standard Bank to recognise Top Academic Achievers at local schools.

Swartland Water Week: (Public contribution)

Current-year receipts	-	6 000
Conditions met - transferred to revenue	-	(6 000)
	-	-

A private funder made a contribution to the prizes issued during the school visits to educate learners and their families to save water.

This is considered a public contribution rather than a grant.

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26. Government grants and subsidies (continued)

International youth camp: (Public contribution)

Current-year receipts	200 000	-
Conditions met - transferred to revenue	(12 902)	-
	187 098	-

Conditions still to be met - remain liabilities (see note 15).

Funding was received for the sponsorship of a youth event.

This is considered a public contribution rather than a grant.

SANRAL (Public contribution)

Current-year receipts	558 393	613 698
Conditions met - transferred to revenue	-	(1 172 091)
transferred to/(from) debtors (Sundry Receivables - Non-exchange receivables)	(558 393)	558 393
	-	-

SANRAL made a contribution to the upgrading of sidewalks within the municipal jurisdiction.

This is considered a public contribution rather than a grant as the funding source is not the Division of Revenue Act.

Grade 1 Project (Public contribution)

Balance unspent at beginning of year	31 000	31 000
Conditions met - transferred to revenue	(31 000)	-
	-	31 000

Funds received in lieu of Social development for grade 1 learners.

Conditions still to be met - remain liabilities (see note 15).

WC Department of Education - Allocation for municipal services linked to new school (Public Contribution)

Balance unspent at beginning of year	23 000 000	-
Current-year receipts	-	23 000 000
Conditions met - transferred to revenue	(22 691 646)	-
	308 354	23 000 000

Conditions still to be met - remain liabilities (see note 15).

Funds made available for the development costs associated with municipal services to enable the building of a new school in Malmesbury.

Swartland Municipality

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26. Government grants and subsidies (continued)

Reconciliation of grant allocation expenditure (conditions met - transferred to revenue) per vote (MFMA s123(c))

Vote 1 - Corporate Services	1 171 248	2 210 331
Vote 2 - Civil Services	32 662 724	35 027 891
Vote 4 - Electricity Services	23 846 858	24 338 000
Vote 5 - Financial Services	1 620 259	1 550 000
Vote 6 - Development Services	155 463 198	54 869 757
Vote 8 - Protection Services	10 298 554	10 561 980
	225 062 841	128 557 959

The above revenue were recognised as follows:

Construction contracts	-	79 520
Government grants and subsidies	225 062 841	128 478 439
	225 062 841	128 557 959

27. Availability charges

Electricity	3 988 314	3 712 233
Water	1 724 032	1 744 141
Refuse	3 364 061	3 177 139
Sewerage and sanitation charges	2 504 196	2 460 437
	11 580 603	11 093 950

28. Employee related costs

Employee related costs - Salaries and Wages	201 023 605	185 153 132
Employee related costs - Contributions for UIF, pensions, medical aids and other contributions	57 529 595	53 744 909
Bonuses: 13th cheque	15 535 755	14 704 455
Contribution to leave gratuity	1 397 460	3 001 938
Housing benefits and allowances	1 319 035	1 316 892
Overtime payments	20 621 056	19 349 446
Performance bonus	1 790 628	1 155 088
Travel, motor car, accommodation and other allowances	25 579 283	24 702 485
Contribution to provision for post-retirement medical aid benefits	18 059 510	10 655 543
Contribution to long-service provision	3 511 969	2 752 946
	346 367 896	316 536 834

Remuneration of Municipal Manager

Annual Remuneration	1 634 283	1 591 125
Car Allowance	177 612	272 826
Cellphone Allowance	43 200	42 800
Contributions to UIF, Medical and Pension Funds	417 793	418 611
Performance Bonuses	301 679	176 909
	2 574 567	2 502 271

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28. Employee related costs (continued)

Remuneration of Chief Finance Officer

Annual Remuneration	1 475 822	1 379 918
Car Allowance	72 000	72 000
Cellphone Allowance	43 200	42 800
Contributions to UIF, Medical and Pension Funds	392 638	368 144
Leave Pay	73 448	70 285
Performance Bonuses	254 774	158 142
	2 311 882	2 091 289

Remuneration of Director: Corporate Services

Annual Remuneration	1 509 693	1 421 972
Car Allowance	60 180	60 180
Cellphone Allowance	43 200	42 800
Contributions to UIF, Medical and Pension Funds	366 792	340 686
Long service bonus	261 256	-
Performance Bonuses	247 692	158 142
	2 488 813	2 023 780

Remuneration of Director: Civil Engineering Services

Annual Remuneration	1 455 564	1 359 896
Car Allowance	96 000	96 000
Cellphone Allowance	43 200	42 800
Contributions to UIF, Medical and Pension Funds	372 042	348 709
Leave Pay	74 550	70 285
Performance Bonuses	245 642	158 142
	2 286 998	2 075 832

Remuneration of Director: Electrical Engineering Services

Annual Remuneration	1 953 954	1 161 258
Car Allowance	60 000	60 000
Cellphone Allowance	43 200	42 800
Contributions to UIF, Medical and Pension Funds	438 285	237 195
Performance Bonuses	251 606	187 468
	2 747 045	1 688 721

During the current financial period a consultative request for a waiver from the Minister of Cooperative Governance and Traditional Affairs in respect of the total annual remuneration package payable to the Director: Electrical Engineering Services in terms of the Upper Limits Notice, subject to first seeking concurrence by the Western Cape MEC for local government was concluded. The request was approved and in February 2025 the Director received back pay from inception of his contract in August 2022. Had the new salary agreement been in place since the commencement of employment, the emoluments disclosed would have been R 2 183 492 (2024: R 2 008 955) all inclusive. The back pay amounted to R 802 512.

Remuneration of Director: Development Services

Annual Remuneration	1 424 460	1 328 389
Car Allowance	120 000	120 000
Cellphone Allowance	43 200	42 800
Contributions to UIF, Medical and Pension Funds	382 646	357 305
Performance Bonuses	249 370	158 142
	2 219 676	2 006 636

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28. Employee related costs (continued)

Remuneration of Director: Protection Services

Annual Remuneration	1 321 036	1 228 005
Bonuses: 13th cheque	74 796	74 796
Car Allowance	228 000	228 000
Cellphone Allowance	43 200	42 800
Contributions to UIF, Medical and Pension Funds	347 365	333 204
Leave Pay	256 097	70 285
Long service bonus	151 477	-
Performance Bonus	239 865	158 142
	2 661 836	2 135 232

Aggregate remuneration to management

Annual Remuneration	10 774 811	9 470 563
Bonuses: 13th cheque	74 796	74 796
Car Allowance	813 792	909 006
Cellphone Allowance	302 400	299 600
Contributions to UIF, Medical, Group Life and Pension	2 717 562	2 403 853
Leave Pay	404 094	210 856
Long service bonus	412 732	-
Performance Bonus	1 790 628	1 155 088
	17 290 815	14 523 762

Director have the option to apportion their package by structuring a non-pensionable 13th cheque from the annual remuneration to receive a 13th cheque.

29. Remuneration of councillors

Executive Mayor	889 987	843 046
Deputy Executive Mayor	762 953	731 967
Mayoral Committee Members	2 436 970	2 314 658
Speaker	548 886	519 333
Councillors	4 872 708	4 535 725
Councillors' - travelling allowances	810 603	810 603
Councillors' - cellular and telephone	1 081 092	1 121 691
Councillors' - pension contribution	976 327	924 738
Councillors' - medical aid contribution	218 061	203 014
	12 597 587	12 004 775

In-kind benefits

The Councillors occupying the positions of Executive Mayor, Deputy Executive Mayor, Speaker and Executive Mayoral Committee Members of the Municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the Municipality in order to enable them to perform their official duties.

30. Contracted services

Outsourced Services

Actuaries	14 700	-
Alien Vegetation Control	128 700	66 999
Burial services	21 740	-
Business and financial management	196 949	209 954
Catering services	751 739	922 880
Cleaning Services	63 731	116 841
Clearing and Grass cutting services	63 600	44 604

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30. Contracted services (continued)		
Commissions and committees	17 800	34 200
Dumping site	6 527 715	6 989 455
Electrical	493 414	479 547
Human resources	216 264	-
Hygiene services	31 703	83 435
Litter picking and street cleaning	6 899 055	6 418 099
Sewerage	1 193 716	1 364 625
Meter management	29 938	46 816
Mini dumping sites	124 188	143 659
Quality control	196 128	282 883
Professional staff	38 877	42 892
Refuse removal	2 433 053	1 928 932
Research and advisory	2 592 012	2 979 711
Security services	2 695 483	2 483 538
Stage and sound crew	14 200	14 700
Swimming supervision	48 000	45 023
Traffic fine management	3 847 236	4 931 126
Translators, scribes and editors	85 592	88 510
Transport services	315 885	384 559
Consultants and Professional Services		
Business and advisory	330 638	144 000
Audit committee	114 240	60 120
Business and financial management	3 046 607	2 821 538
Civil engineering	1 040 850	1 911 510
Electrical engineering	371 440	1 160 678
Geodetic, control and surveys	660 315	335 815
Human resources	108 386	148 218
Laboratory services	194 446	163 113
Town planner	1 101 656	1 110 114
Valuer and assessors	540 631	976 951
Contractors		
Artists and performers	5 000	4 974
Building	9 900	-
Construction of Low Cost Housing	929 403	91 169
Employee wellness	92 243	27 130
Fire Protection	301 210	493 206
Forestry	268 545	395 679
Gardening Services	57 249	43 522
Graphic Designers	-	8 335
Harbour services	312 000	297 600
Legal costs	1 511 070	1 391 797
Maintenance of Assets	15 485 503	15 633 281
Maintenance of Buildings and Facilities	3 611 298	4 495 906
Maintenance of Equipment	5 116 937	6 394 875
Management of Informal Settlements	-	5 392
Medical Services	35 351	34 785
Organic and Building Refuse Removal	451 400	575 702
Pest control and fumigation	-	33 245
Removal of Sludge	70 742	-
Qualification verification	19 412	19 971
Town Beautification	15 000	16 100
Traffic and Street Lights	113 068	108 961
Transportation for asset break-downs	-	1 950
	64 955 958	69 008 625

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31. Depreciation and amortisation		
Property, plant and equipment	102 687 920	102 785 926
Investment property	258 789	394 173
Intangible assets	105 390	103 258
	103 052 099	103 283 357
32. Finance costs		
Unwinding of interest for provisions	6 031 279	5 438 504
Other financial liabilities	3 871 446	6 896 832
Interest on provision for VAT	561 578	495 181
	10 464 303	12 830 517
33. Grants and subsidies paid		
Non-profit institution		
Bergrivier Canoe Marathon	30 000	30 000
Darling Wildflower Society	57 881	55 177
National Sea Rescue Institute	38 434	36 639
SPCA	359 872	343 062
Yzerfontein Conservancy	87 604	83 512
Museums		
Darling	99 414	94 770
Malmesbury	67 188	64 050
Oude Kerk	67 188	64 050
Wheat Industry	11 198	64 050
Tourism		
Swartland and Coastal Area	-	1 579 500
Social upliftment		
Darling Focus	53 910	51 392
Elkana Childcare	273 894	57 817
HUB R27	7 680	379
Huis van Heerde	477 348	113 437
Jo Dolphin	67 387	64 239
Multi-Purpose Centre: Moorreesburg	80 865	77 088
Night Shelter	53 695	32 121
Old Age Homes	1 630 058	1 502 908
Student Bursaries	300 000	384 613
Top Achievers Award: Grade 12	22 725	25 475
	3 786 341	4 724 279

Due to the need in the Swartland Municipal area for expert services and resources to support effective domestic animal management initiatives and controls, for which the Municipality does not have the resources, it is deemed necessary, from a perspective of serving the community, for the Municipality to contribute financially towards the operational costs of the SPCA.

The National Sea Rescue Institute (NSRI) is a non-profit organisation dedicated to the preservation of all persons at sea. Their members provide their services on a voluntary basis and the organisation is dependent on donations and sponsorship from the public. The NSRI operates a base from Yzerfontein providing a rescue service to the commercial and recreational fishing boats as well as bathers in the vicinity. Financial assistance by the Municipality is intended to enable the organisation to fund some of its operations.

Museums generally do not generate sufficient income from own resources, and are therefore dependent on financial aid from the public and organisations to meet their financial needs and obligations. The Municipality, consequently regards it appropriate to contribute financially to this end.

In the prior year a financial contribution was made by the municipality to support the Swartland Tourism structure/body in a bid to facilitate and market the region as a tourism destination adding to the local economy. Similarly, a contribution is made annually to the Bergriver Canoe Marathon.

Swartland Municipality

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33. Grants and subsidies paid (continued)

The aim of Social Upliftment organisations entails the social upliftment of the poor and disadvantaged section of the community. Financial aid by the Municipality to these organisations, as well as assistance in counselling and advisory services, is intended to enable them to fulfil the said aim.

34. Operational cost

Advertising, publicity and marketing	3 230 757	1 646 024
Assets less than the capitalisation threshold	365 858	276 714
Bank charges, facility and card fees	598 782	1 524 426
Bank charges, fleet card services	1 384 655	1 343 110
Cleaning services: Car valet and washing services	1 950	2 908
Cleaning services: Laundry services	2 637	1 045
Commission: Prepaid electricity	2 087 004	1 725 241
Commission: Third party vendors	667 198	511 957
Communication: Bulk message service	90 443	107 017
Communication: Cellular contract (Subscription and calls)	15 214	19 591
Communication: Licences (Radio and television)	9 146	21 189
Communication: Postage/stamps/franking machines	1 161 172	1 392 541
Communication: Telephone, fax, telegraph and telex	614 775	668 291
Community development and training	701	12 828
Conferences and seminars	4 815	-
Deeds	471 747	58 838
Entertainment: Mayor	24 818	38 122
Entrance fees	66 161	56 143
External audit fees	3 993 952	3 187 459
External computer service	9 466 738	8 611 198
Full time union representative	170 306	136 188
Indigent relief	2 216 476	2 086 541
Insurance	3 323 239	4 494 465
Levies paid - Water resource management charges	-	9 610
Licences: Motor vehicle licence and registrations	899 303	850 723
Licences: Performing arts	67 228	55 366
Operating leases - Machinery, equipment and other	3 018 085	3 232 579
Other	4 393	33 500
Parking fees	91 142	84 375
Printing, publications and books	507 422	379 688
Professional bodies, membership and subscription	3 394 190	3 194 382
Registration fees	118 624	31 127
Remuneration to ward committees	392 394	402 475
Rendering of services	-	-
Resettlement cost	38 155	53 847
Servitudes and land surveys	313 142	76 713
Signage	110 636	120 005
Skills development fund levy	2 803 510	2 577 916
Travel - overseas	12 902	-
Travel and subsistence	926 469	520 867
Uniform and protective clothing	3 445 704	3 193 425
Vehicle tracking	238 838	233 021
	46 350 681	42 971 455

35. Other materials

Consumables	8 242 088	6 076 362
Consumables: Zero rated	13 505 063	15 494 985
Inventory consumed: Water	30 417 720	27 262 076
Materials and supplies	5 709 319	4 486 480
	57 874 190	53 319 903

Swartland Municipality

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36. Reversal / (impairment) of assets and receivables		
Non-current Assets		
Property, plant and equipment	(444 642)	(8 618 884)
Investment property	-	(625)
	(444 642)	(8 619 509)
Current Assets		
Impairment recognised	(25 971 917)	(10 371 467)
Impairment reversed	3 409 964	-
	22 561 953	10 371 467
Total impairment losses recognised (reversed)	(23 006 595)	(18 990 976)

Refer to notes 10 and 11 for the impairment on Property, Plant and Equipment. Impairments are identified by comparing assets in their current condition to external sources (e.g. the valuation roll for land) and replacement costs. The impairments reflect the instances where the replacement cost for assets in a similar condition is lower than the carrying value at year-end.

Refer to notes 3 and 4 for the gross movements on Receivables from Exchange and Non-exchange. Impairment of debt arise due to, amongst other factors, the time value of money.

In line with changes to MSCOA, as of 1 July 2024, the provision for impairment is reversed when the bad debts are written off. In prior years, the reversal was not done and therefore no comparative is presented.

37. Loss on disposal of assets

Carrying value of Property, plant and equipment disposed	3 447 760	10 150 967
Carrying value of Investment properties disposed	62 675	347 418
Carrying value of Intangible assets disposed	-	1
Less disposals to Inventory (non-current to current assets)	(150 372)	(11 717)
	3 360 063	10 486 669

38. Cash generated from operations

Surplus	410 691 641	263 102 507
Adjustments for:		
Depreciation and amortisation	103 052 099	103 283 357
Loss on sale of property, plant and equipment	3 360 062	10 486 669
Gain on sale of assets and liabilities	(1 213 620)	(1 828 939)
Unwinding of interest on landfill site provision	6 031 278	5 438 504
Vesting of properties	(176 324)	(921 992)
Donated property, plant and equipment	(5 064 275)	(33 214 386)
Water losses	7 431 647	6 301 059
Impairment losses on non-current assets	444 642	8 619 509
Accrued interest	(34 653 017)	(34 012 053)
Movement on current provision	417 159	587 788
Changes in working capital:		
Inventories	(5 758 864)	(4 916 079)
Receivables from exchange transactions	(1 732 788)	(27 398 519)
Receivables from non-exchange transactions	(9 555 952)	954 592
Payables from exchange transactions	9 856 260	3 595 471
VAT control and accruals (receivable and payable)	(801 123)	(14 823 862)
Unspent conditional grants and receipts	(9 335 705)	21 529 599
Consumer deposits	1 197 679	1 813 857
Operating leases	(15 698)	111 050
Construction contracts and receivables	7 342 180	-
	481 517 281	308 708 132

Swartland Municipality

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38. Cash generated from operations (continued)		
Property, plant and equipment purchased		
Additions as per note (including transfers)	302 267 562	238 109 604
Non-cash transactins included in profit or loss (e.g. gains on vesting of properties and equipment)	(5 240 599)	(34 136 377)
Movement on accruals of Property plant and equipment	(22 218 510)	5 782 685
Non-cash movement in Provision for landfill sites (changes in market values)	(4 533 836)	269 658
	270 274 617	210 025 570
Payables from exchange transactions		
Movement on balance from the prior year	16 322 033	14 659 676
Payment of employee benefits	14 702 000	(8 358 380)
Unspent Grants repaid	1 050 737	108 749
Movement on accruals of Property, Plant and equipment	(22 218 510)	(5 782 685)
	9 856 260	627 360
Receivables from exchange transactions		
Movement on balance from the prior year	(2 650 354)	(61 381 799)
Public contributions received	(504 952)	(76 000)
Profit on sale of land (cost is netted against gain)	(20 500)	47 227
Accrued interest	1 443 017	34 012 053
	(1 732 789)	(27 398 519)
Receivables from non-exchange		
Movement on balance from prior year	(9 555 952)	396 200
Unspent grants - transferred to debtors	-	558 392
	(9 555 952)	954 592
Inventories		
Movement on balance from the prior year	1 501 913	1 420 489
Water losses	(7 431 649)	(6 301 059)
Additions of land (non-cash)	170 872	(35 509)
	(5 758 864)	(4 916 079)
Unspent conditional grants and receipts		
Movement on balance from the prior year	(8 789 920)	21 133 539
Public contributions	504 952	76 000
Transferred to debtors	-	(558 392)
Unspent grants repaid	(1 050 737)	60 850
	(9 335 705)	20 711 997
Movement on operating leases		
Movement on operating lease liability	(15 698)	111 050

Swartland Municipality

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39. Budget differences

Material differences between budget and actual amounts

Explanation of material variances:

Revenue:

39.1 **Service charges - sanitation revenue:** The increased sewerage due to the expansion of commercial client is more than expected

39.2 **Rendering of services and Transfers & subsidies - Operational:** The library service was originally budgeted for as a grant.

39.3 **Agency services:** Collections were lower than expected

39.4 **Operational revenue (exchange):** Development charges (non-cash) were more than expected

39.5 **Fines, penalties and forfeits:** Fines from Provincial Fines were more than budgeted

39.6 **Licences and permits:** Less licences issued than expected

39.7 **Gains:** Land sales was lower than expected

Expenditure:

39.8 **Debt impairment:** Due to a reduction in the write-offs, the impairment of fines were more than expected

39.9 **Depreciation and amortisation:** Capital projects completed later in the year due to the municipality shifting focus to respond to the Riverlands disaster

39.10 **Inventory consumed:** The municipality received a credit note for water, resulting in a budget surplus

39.11 **Contracted services:** Various savings on the use of consultants

39.12 **Transfers and subsidies:** Due to NT guideline on grants-in-aid less transfers were made

39.13 **Irrecoverable debts written off:** Due to a reduction in the write-offs, the impairment of fines were more than expected

39.14 **Losses on Disposal of Assets:** More new assets were created (in comparison to replacement) than expected

39.15 **Losses:** The actuarial loss on PEMA was higher than initially expected.

Assets

39.16 **Inventory:** Lower inventory at year-end than previous years

39.17 **VAT:** In total the MSCOA VAT budget was R25 m and the actual is R24 m which is very comparable

39.18 **Other current assets:** Control accounts with balances, whereas the budget is based on control accounts being cleared

39.19 **Investments:** The interest accrual was budgeted for as cash

39.20 **Intangible:** The addition was not expected during budget stage

39.21 **Cash & cash equivalents:** The increase is as a result of underspending of the operating and capital budget

Liabilities:

39.22 **Trade and other payables from exchange transactions:** Higher capital accruals than expected

39.23 **Trade and other payables from non-exchange:** The municipality does not budget for unspent grants except when funds are received after the January adjustment budget

39.24 **VAT:** In total, the VAT budget was R25 m and the actual is R24 m which is very comparable

Cash flow from operating activities

39.25 **Cash receipts from rate payers, government and other:** Other revenue expected inflows of R288 million but only realised R104 million.

39.26 **Interest:** The interest rate remained higher than expected and the R33m accrual was budgeted for as a cash receipt

39.27 **Cash paid to suppliers and employee:** Significant savings noted on operational expenditure for the year

Cash flow from investing activities

39.28 **Proceeds on disposal of PPE:** Less cash was generated from the sale of land than expected

39.29 **Capital assets:** Capital projects were not all completed in time for the year-end as a result of resources being allocated to respond to the Riverlands floods. Accruals at year-end was also more than expected

Cash flow from financing activities

39.30 **Increase (decrease) in consumer deposits:** Consumer deposits increased more than expected

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39. Budget differences (continued)

Differences between budget and actual amounts basis of preparation and presentation

The National Treasury Budget Prescripts classifies items differently from the prescripts of GRAP. Significant classifications are shown below. For example, the Current portion of non-current provisions is the Operating lease liability and the Other non-current liabilities refers to the Long Term: Post-Employment Health Care Benefit Liability (R 76 928 000) as disclosed under Note 17.

For ease of reference, the electricity charges were reconciled below. The same principle would apply for all service charges.

Statement of Financial Performance

Operational revenue (exchange)

Operational revenue	29 323 924
Sale of goods and rendering of services	(17 238 774)
Rounding	(2)
	12 085 148

Interest earned - outstanding debtors

Interest received	99 536 450
Outstanding debtors: Exchange receivables	(3 637 529)
	95 898 921

Transfers and subsidies

Government grants & subsidies	378 826 841
Public contribution	22 879 047
Public contribution (refer to Capital Transfers)	(22 835 048)
Capital grants (refer to Capital Transfers)	(209 200 070)
	169 670 770

Gains

Gains on sale of fixed asset	1 213 620
Gain on sale of land	312 434
Vesting of properties and equipment	176 324
	1 702 378

Employee related costs

Employee related costs	346 367 896
Workmans compensation	(1 706 962)
Actuarial gains and losses	(5 639 510)
	339 021 424

Debt impairment

(Reversal)/Impairment of assets and receivables	(444 642)
Impairment of assets	23 006 595
	22 561 953

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39. Budget differences (continued)		
Inventory consumed		
Other materials	57 874 190	
Reclassification for GRAP	(47 971)	
	57 826 219	
Contracted services		
Contracted Services	64 955 958	
Reclassification for GRAP	1 397 839	
	66 353 797	
Other expenditure		
Operational costs	46 350 681	
Reclassification for GRAP	(1 049 868)	
SARS interest	561 578	
Workmans compensation (considered other expenditure by NT)	1 706 962	
	47 569 353	
Losses		
Water losses	7 431 649	
Actuarial gains and losses (considered losses by NT)	5 639 510	
	13 071 159	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		
Public contribution	22 835 048	
Capital grants	209 200 070	
	232 035 118	
Other revenue		
Operational revenue	29 323 924	
Less sale of goods (MSCOA)	(17 238 774)	
Rounding	(2)	
	12 085 148	
Sale of goods and rendering of services		
Operational revenue	17 238 774	
Development charges	10 208 940	
	27 447 714	
Interest earned from receivables		
Outstanding debtors: Exchange receivables	3 637 529	
Interest - Availability charges	440 573	
	4 078 102	

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Figures in Rand	2025	2024
39. Budget differences (continued)		
Statement of Financial Position		
Trade and other receivables from exchange transactions		
Balance per AFS	109 465 671	
Reallocation of control accounts and credit balance	2 032 804	
Actual on a comparative basis	111 498 475	
Trade payables from non-exchange transactions		
Balance per AFS	43 848 232	
Reallocation of control accounts and credit balance	(1 395 645)	
Actual on a comparative basis	42 452 587	
Current portion of non-current receivables		
Operating leases	(319 033)	
Reallocation of control accounts and credit balance	50 899	
Actual on a comparative basis	(268 134)	
VAT		
MSCOA input VAT accrual (Asset)	24 482 883	
MSCOA VAT Control (Asset)	113 945 165	
MSCOA VAT Control (Liability)	(102 041 765)	
MSCOA VAT Output (Liability)	(14 635 692)	
MSCOA VAT Provision for bad debt (Liability)	2 905 127	
Combined total	24 655 718	
Other current assets		
Other receivables (exchange receivables)	12 290 462	
Receivables from exchange transactions (non-current)	(10 675 777)	
Actual on comparative basis	1 614 685	
Trade and other payables from exchange transactions		
Reallocation of control accounts and credit balance	(9 987 719)	
13th cheque accrual	(8 434 464)	
Payables from exchange as per AFS	111 422 977	
Actual on comparative basis	93 000 794	
Trade and other payables from non-exchange transactions		
Unspent conditional grants and receipts	21 703 995	
Construction contracts payables	7 342 180	
Actual on comparative basis	29 046 175	
Current provisions		
Current portion provisions	9 197 492	
Current portion of employee benefits	6 748 000	
13th cheque accrual	1	
Actual on comparative basis	15 945 493	
Long term provisions		
Long term provisions	67 892 552	
Long term long service award	14 081 000	
Actual on comparative basis	81 973 552	

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39. Budget differences (continued)

Changes from the approved budget to the final budget

Changes between the original and final adjustments budget are due to budget adjustments that are approved by council. Furthermore, for operational and capital expenditure, some virements were approved based on the municipal delegation of authority. No material budget or significant virements were noted.

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40. Repairs and maintenance expenditure		
Movable assets	10 751 086	9 252 905
Furniture and Office Equipment	24 812	25 098
- Contracted Services	24 812	25 098
Machinery and Equipment	1 309 256	1 307 600
- Contracted Services	1 060 392	1 112 059
- Other materials	248 864	195 541
Transport Assets	9 090 199	7 686 497
- Contracted Services	9 011 873	7 686 497
- Other materials	78 326	-
Computer Equipment	326 819	233 710
- Contracted Services	260 283	182 552
- Operation cost	66 536	51 158
Community Assets	3 587 415	3 110 946
- Contracted Services	3 338 946	3 110 946
- Other materials	248 469	-
Other Assets	1 729 136	3 199 092
- Contracted Services	1 383 596	2 557 700
- Other materials	345 540	641 392
Intangible Assets	5 024 967	4 633 461
- Operation cost	5 024 967	4 633 461
Infrastructure Assets	49 848 469	46 968 982
Electrical Infrastructure	3 530 922	3 583 110
- Contracted Services	329 829	250 029
- Other materials	1 714 859	2 045 858
- Labour	1 486 234	1 287 223
Roads Infrastructure	6 192 398	6 108 028
- Contracted Services	4 666 452	6 108 028
- Other materials	1 525 947	-
Sanitation Infrastructure	5 557 044	5 491 495
- Contracted Services	5 461 469	5 491 495
- Other materials	95 575	-
Solid Waste Disposal Infrastructure	9 538 347	9 737 676
- Contracted Services	7 507 880	7 953 088
- Labour	2 006 211	1 770 815
- Operation cost	24 256	13 773
Storm Water Infrastructure	23 320 294	20 156 864
- Contracted Services	668 383	554 593
- Inventory Consumed	58 536	34 280
- Labour	21 697 690	18 611 227
- Other lease expenditure	302 473	355 991
- Operational costs	593 212	600 773
Water Supply Infrastructure	1 709 463	1 891 809
- Contracted Services	1 011 921	1 891 809
- Inventory Consumed	697 542	-
	70 941 073	67 165 386

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41. Capital commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment - Infrastructure	132 036 393	231 186 631
• Property, plant and equipment - Other assets	-	11 588 393
	132 036 393	242 775 024
Total capital commitments		
Already contracted for but not provided for	132 036 393	242 775 024
Amounts are exclusive of VAT and the amount for infrastructure includes escalation cost.		
Total commitments		
Total commitments		
Authorised capital expenditure	132 036 393	242 775 024
42. Contingencies		
Guarantees in favour of Eskom	30 070 900	70 900
Guarantees in favour of South African Post Office Limited	200 000	200 000
	30 270 900	270 900
Paulus Smit N.O and others	1 283 000	1 283 000
VAT on library grant receipts	758 713	726 822
	2 041 713	2 009 822

Paulus Smit N.O. and others v Swartland Municipality: The case relates to a previous judgment by the High Court (Case No. 11127/2018) delivered on 23 August 2019. The applicant failed to erect the wall, and also to claim payment from the Municipality, but instead issued a summons in the High Court on 22 August 2022, following a notice given on 28 July 2022 i.t.o. section 3 of the Institution of Legal Proceedings against Certain Organs of State Act 4 of 2002 of further legal action contemplated herein, claiming payment by the Municipality of R1 283 000.

The municipality sought the expertise of a tax practitioner regarding the potential Value Added Tax consequences on the Provincial Administration of Western Cape's grant allocation for Libraries which is paid to the municipality. A technical interpretation of the Marshall NO and Others vs Commissioner for the South African Revenue Service (CCT208/17) resulted therein that the municipality could be delivering a service to the Provincial Administration. As such, there is a potential that SARS could expect the municipality to pay VAT over on the grant receipts to date. The municipality has requested the support of the Revenue Augmentation unit of SARS in order to resolve the matter. At the time of the annual financial statements, SARS has not yet appointed a representative to resolve the matter.

As such, the municipality has estimated that potential VAT penalties that could arise from a VAT audit. A provision was recognised for the receipts with interest that is expected to be incurred and contingent liability has been disclosed for the penalties, both limited to receipts dating back five (5) years as this period is quoted in the Tax Administration Act.

Bank guarantees provided to Eskom for the supply of electricity to the Municipality for distribution amongst consumers. The guarantee was increased during 2024/25 in order to increase the supply to the municipality.

A bank guarantee has been obtained from Standard Bank and issued to the SA Post Office which serves as security in respect of the payment for the monthly delivery of the municipal accounts.

Contingent asset

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42. Contingencies (continued)

Swartland Municipality vs The National Energy Regulator of South Africa: Application in the high court of South Africa (Gauteng Division) for the judicial review of 2023/24 tariff approvals by the electricity regulator. The matter was still ongoing at 30 June 2025.

The municipality is also involved in various individual building & land use matters, eviction applications, etc.

43. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised	33 336 301	38 813 954
Used to finance property, plant and equipment	(33 336 301)	(38 813 954)
Short-term portion of long-term liabilities	6 044 339	5 455 716
	6 044 339	5 455 716

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act (Act 56 of 2003). Sufficient cash is available for the annual repayment of capital and interest until the redemption date.

44. Non-cash investing and financing activities

The Municipality was engaged in exchange transactions of non-monetary assets during the year. Various municipal properties were exchanged for similar assets acquired from the registered owners.

45. In-kind donations and assistance

The municipality received services in-kind under voluntary or non-voluntary schemes which included free training, workshops and technical assistance from government departments and entities. These services in-kind have not been recognised as they were assessed not to be significant to the municipality's operations and/or basic service delivery objectives and are not measurable.

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46. Related parties

Relationships

Accounting Officer

Refer to Accounting officers' report

Other spheres of government and municipalities

Councillors

Refer to general information

Members of key management

Refer to note 28

Municipal services rendered to related parties

The rates, service and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses had been recognised in respect of amounts owed by related parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Section 57 Personnel (managers directly accountable to the Municipal Manager). No expense has been recognised in the period for the provision for doubtful debts in respect of the amounts owed by related parties.

Services rendered to key management personnel occurred within normal supplier and customer relationships on terms and conditions no more or less favourable than those which the municipality is reasonable to expect to have adopted if dealing with the individual persons in the same circumstances. These terms and conditions are within the normal operating parameters established by the municipality's legal mandate.

No councillor was in arrears for more than 90 days.

Related Party Loans

Loans to Councillors and senior management employees are no longer permitted since 1 July 2004.

Purchases from Related Parties

No purchases were made from related parties that are considered to not be at arms-length. In terms of the municipal accounting policy, transactions and balances that are at arms-length will not be separately disclosed.

The water service concession arrangement would not have been entered into with any party other than a related party. The details of the water service concession arrangement are included in Note 51.

Compensation of key personnel

The compensation of key management personnel is set out in Notes 28 and 29.

Swartland Municipality

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47. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At fair value	At amortised cost	Total
Cash and cash equivalents	18 776	677 001 168	677 019 944
Receivables from exchange transactions	-	117 701 787	117 701 787
Receivables from non-exchange transactions	-	2 941 577	2 941 577
Other Financial Assets	-	366 329 014	366 329 014
	18 776	1 163 973 546	1 163 992 322

Financial liabilities

	At fair value	At amortised cost	Total
Payables from exchange transactions	-	81 108 559	81 108 559
Consumer deposits	20 857 367	-	20 857 367
Unspent conditional grants and receipts	-	21 703 995	21 703 995
Other financial liabilities	-	33 336 301	33 336 301
Construction contracts	-	7 342 180	7 342 180
	20 857 367	143 491 035	164 348 402

2024

Financial assets

	At fair value	At amortised cost	Total
Cash and cash equivalents	19 758	470 471 553	470 491 311
Receivables from exchange transactions	-	115 022 884	115 022 884
Receivables from non-exchange transactions	-	2 735 077	2 735 077
Other Financial Assets	-	333 311 904	333 311 904
	19 758	921 541 418	921 561 176

Financial liabilities

	At fair value	At amortised cost	Total
Payables from exchange transactions	-	65 442 573	65 442 573
Consumer deposits	19 659 688	-	19 659 688
Unspent conditional grants and receipts	-	30 493 915	30 493 915
Other financial liabilities	-	38 813 953	38 813 953
	19 659 688	134 750 441	154 410 129

48. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks. The main categories of risk that the municipality is exposed to is credit risk (pertaining to debtors), interest rate risks for investments and liquidity risk as it pertains to the long-term cashflow of the municipality.

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48. Risk management (continued)

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits, implement controls and monitor adherence.

Due to the large non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity. Compliance with policies and procedures is reviewed by internal auditors on a continuous basis, and by external auditors annually. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports quarterly to the municipality's Performance Risk and Audit Committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk

Liquidity risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation. A maturity analysis for financial liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed below.

Consumer Deposits (*) are disclosed at the value that could be repayable in the following year. It is unlikely that the full balance would become payable as consumer accounts are expected to remain similar year to year. By implication, if the consumer deposit is paid, a similar receipt from a different customer would be expected. The balance is however disclosed in order to indicate a conservative liquidity risk.

Previously, the Other financial liabilities' maturity analysis was disclosed inclusive of interest payable. Upon reconsideration, it was thought more prudent to disclose only the capital portion due as this balance affects the liquidity as at 30 June 2024. The balance at year end is therefore comparable to the maturity analysis. Only the capital is due as at year end, while interest only accrues in the future (future costs not taken into account).

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

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48. Risk management (continued)

At 30 June 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	81 108 559	-	-	-
Consumer deposits	20 857 367	-	-	-
Unspent conditional grants and receipts	21 703 995	-	-	-
Other financial liabilities	9 349 099	9 349 099	20 551 601	4 351 969
Construction contracts	7 342 180	-	-	-
At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	65 442 573	-	-	-
Consumer deposits	19 659 688	-	-	-
Unspent conditional grants and receipts	30 493 915	-	-	-
Other financial liabilities	9 349 099	9 349 099	25 548 731	8 703 937

Credit risk

Credit risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities. Maximum exposure to credit risk is not covered by collateral unless otherwise specified. Each class of financial instrument is disclosed separately.

Potential concentrations of credit risk consist mainly of fixed deposit investments, finance lease debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, it is endeavoured 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 municipality exposure to the credit risk is wide-spread, but a single significant debtor, Sasko (Pty) Ltd can be noted as disclosed in Note 3.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Cash and cash equivalents	677 001 168	470 471 553
Receivables from exchange transactions	117 701 787	115 022 884
Receivables from non-exchange transactions	2 941 577	2 735 077
Other Financial Assets	366 329 014	333 119 014

The municipality is exposed to a number of guarantees issued in favour of the creditors of the municipality. Refer to note 42 for additional details.

The gross balance from receivables has been grouped into risk groupings (Group 1-3). Group 1 are those debtors with a high certainty of timely payment. Risk of non-payment is considered to be low as these receivables maintained a payment rate of more than 70 %. Group 2 are those debtors with a reasonable certainty of timely payment. The risk of non-payment is considered to be moderate as these receivables maintained a payment rate of 50 - 70 % during the year. Group 3 are those debtors for which the risk factors of non-payment are larger as these receivables had a payment rate of below 50 % during the year.

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48. Risk management (continued)

Grouping include property rates debtors (Statutory Receivables) due to council's policy to allocate payments on a hierarchical basis which includes property rates. The debtor as a whole is only presented fairly by including the property rates balances in the grouping as per the table below.

Gross balances of Consumer debtors	2025	2024
Group 1	77 679 678	70 901 176
Group 2	2 741 937	2 113 360
Group 3	47 549 936	39 162 354
	127 971 551	112 176 890

Property rates included above

Group 1	16 838 056	15 179 289
Group 2	980 816	368 394
Group 3	15 846 318	12 168 582
	33 665 190	27 716 265

Financial instruments included above

Group 1	60 841 622	55 721 886
Group 2	1 761 121	1 744 966
Group 3	31 703 618	26 993 773
	94 306 361	84 460 625

Market risk

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, finance lease debtors, consumer debtors, other debtors, and bank and cash balances.

The municipality is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

At 30 June 2025, if interest rates on Rand-denominated borrowings and investments had been 2% higher (200 basis points) with all other variables held constant, surplus for the year would have been 20 482 648 (2024: 16 311 122) higher, mainly as a result of higher interest income.

49. Segment information

General information

The municipal management accounts that are used to review the performance of the municipality are based on National Treasury's Budget schedules as published in the Municipal Budget Reporting Regulations. The management accounts therefore comprise the actual consolidated GRAP results which are presented two different segmental reports: 1) MSCO's Function Segment and the Municipal Standard Classification (Votes 1-8). Monthly management accounts are however only reviewed for purposes of measuring performance in terms of the municipal organogram (Municipal Votes). Therefore only this report has been presented. The monthly municipal management accounts are available on the municipal website. Details of each municipal service has been reported in the annual performance report.

All figures reported in the management accounts are based on the measurement principles of GRAP. Interdepartmental transactions are already eliminated in the published figures order to present the GRAP accounting to management when reviewing performance.

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49. Segment information (continued)

Management does not review segmented profit or loss as segments are reviewed based on the budget expectations for revenue and expenditure rather than the overall net-profit result. As segmented profit is not reviewed, this has not been presented. For the segment report, only total revenue and total expenditure is reviewed. The detailed breakdown of revenue and expenditure per AFS classification is not reviewed on a segment report level in the monthly management meetings. The detailed analysis is reviewed by each individual manager, but these detailed results are not presented as part of the senior management discussions.

Management does not review restated financial performance or capital expenditure. As such the comparative figures were not updated for the restatements of the prior year.

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49. Segment information (continued)

Segment surplus or deficit, assets

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	Vote 1 - Corporate Services	Vote 2 - Civil Services	Vote 3 - Council	Vote 4 - Electricity Services	Vote 5 - Financial Services	Vote 6 - Development Services	Vote 7 - Municipal Manager	Vote 8 - Protection services	Reclassificatio n to correct GRAP line items	Total
49. Segment information (continued)										
2025										
	Vote 1 - Corporate Services	Vote 2 - Civil Services	Vote 3 - Council	Vote 4 - Electricity Services	Vote 5 - Financial Services	Vote 6 - Development Services	Vote 7 - Municipal Manager	Vote 8 - Protection services	Reclassificatio n to correct GRAP line items	Total
Revenue										
Service charges and rates	-	198 147 754	-	516 017 434	200 765 307	-	-	-	(16 691)	914 913 804
Sale of Goods and Rendering of Services	12 297 702	4 346 773	63 441	-	470 751	9 905 057	-	363 989	(27 447 713)	-
Agency services	-	-	-	-	-	-	-	5 658 345	-	5 658 345
Interest Received	-	-	-	-	101 760 198	-	-	-	-	101 760 198
Rental income, licence and permits and operational revenue	572 674	5 407 757	199 556	6 112 273	1 162 267	435 528	-	4 916 304	27 447 714	46 254 073
Fines, penalties and forfeits	19 603	2 791	1 000	58 396	-	173 852	-	36 069 901	-	36 325 543
Transfers and subsidies - Operational	1 128 570	70 395 824	31 000	8 855 406	78 642 128	336 455	-	10 293 789	209 143 668	378 826 840
Non-exchange operational revenue	-	7 592 289	-	3 988 314	16 691	-	-	-	(16 691)	11 580 603
Gains on disposal of Assets	-	97 626	-	78 699	1 526 054	-	-	-	-	1 702 379
Transfers and subsidies - capital (monetary allocations)	43 478	52 711 550	-	23 979 562	-	155 141 862	130 500	15 264	(209 143 669)	22 878 547
Total segment revenue	14 062 027	338 702 364	294 997	559 090 084	384 343 396	165 992 754	130 500	57 317 592	(33 382)	1 519 900 332

Swartland Municipality

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49. Segment information (continued)

	Vote 1 - Corporate Services	Vote 2 - Civil Services	Vote 3 - Council	Vote 4 - Electricity Services	Vote 5 - Financial Services	Vote 6 - Development Services	Vote 7 - Municipal Manager	Vote 8 - Protection services	Reclassificatio n to correct GRAP line items	Total
Expenditure										
Employee related costs	31 945 326	120 139 578	1 302 437	31 964 282	50 030 242	25 698 148	8 725 265	69 216 146	7 346 472	346 367 896
Remuneration of councillors	-	-	12 597 587	-	-	-	-	-	-	12 597 587
Bulk purchases - electricity	-	-	-	410 594 639	-	-	-	-	-	410 594 639
Inventory consumed	592 821	47 795 354	719 516	3 328 791	1 328 688	275 914	42 060	3 743 074	47 971	57 874 189
Debt impairment	-	2 707 702	-	93 523	1 270 978	7 339	-	18 482 412	-	22 561 954
Depreciation and amortisation	995 867	81 865 981	212 741	17 567 809	616 407	309 755	8 567	1 474 974	-	103 052 101
Interest	-	9 540 092	-	358 809	-	-	-	3 825	561 578	10 464 304
Contracted services	4 718 896	43 732 558	365 000	2 496 479	5 038 933	3 477 523	233 064	6 291 343	(1 397 839)	64 955 957
Transfers and subsidies	37 680	-	3 448 661	-	-	-	-	-	300 000	3 786 341
Irrecoverable debts written off	-	11 795 194	-	427 735	2 369 718	45 124	-	4 728 921	-	19 366 692
Operational costs	5 727 487	23 981 960	4 939 121	(4 629 779)	10 890 358	2 112 963	604 699	3 942 545	(1 218 673)	46 350 681
Losses on Disposal of Assets	101 625	2 304 713	-	881 391	13 930	38 629	20	19 755	-	3 360 063
Other Losses	223 474	8 735 614	-	192 718	3 689 495	154 545	92 182	427 773	(5 639 510)	7 876 291
Total segment expenditure	44 343 176	352 598 746	23 585 063	463 276 397	75 248 749	32 119 940	9 705 857	108 330 768	(1) 1 109 208 695	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

49. Segment information (continued)

Assets										
Property, plant and equipment and Intangible assets	454 543	106 750 083	1 327 647	44 284 236	601 466	146 206 657	89 560	3 003 370	-	302 717 562
	Governance & administration	Community & Public Safety	Economic& Environmental Services	Energy Sources	Waste Management	Waste Water Management	Water Management	Other	Reclassification to correct GRAP line items	Total
Revenue										
Service charges and rates	200 765 307	-	-	516 017 434	38 791 037	62 456 383	96 900 334	-	(16 691)	914 913 804
Sale of Goods and Rendering of Services	686 091	18 431 184	5 707 394	-	2 131 049	491 996	-	-	(27 447 714)	-
Agency services	-	-	5 658 345	-	-	-	-	-	-	5 658 345
Interest Received	101 760 198	-	-	-	-	-	-	-	-	101 760 198
Rental income, licence and permits and operational revenue	2 383 072	968 031	5 157 862	6 112 273	18 282	2 493 070	1 669 113	4 657	27 447 714	46 254 074
Fines, penalties and forfeits	1 000	36 100 504	162 852	58 396	-	-	2 791	-	-	36 325 543
Transfers and subsidies - Operational	79 801 698	11 229 644	851 200	8 855 406	19 662 694	33 101 100	16 181 430	-	209 143 669	378 826 841
Non-exchange operational revenue	-	-	-	3 971 622	3 364 061	2 504 196	1 724 032	-	16 691	11 580 602
Gains on disposal of Assets	1 613 526	-	-	78 699	-	-	10 153	-	-	1 702 378
Transfers and subsidies - capital (monetary allocations)	-	160 699 038	18 324 568	23 979 562	15 500 000	5 906 238	7 612 810	-	(209 143 669)	22 878 547
Total segment revenue	387 010 892	227 428 401	35 862 221	559 073 392	79 467 123	106 952 983	124 100 663	4 657	-	1 519 900 332
Entity's revenue										1 519 900 332
	Governance & administration	Community & Public Safety	Economic& Environmental Services	Energy Sources	Waste Management	Waste Water Management	Water Management	Other	Reclassification to correct GRAP line items	Total
Expenditure										
Employee related costs	96 854 655	108 050 692	24 726 777	24 228 390	23 168 248	36 112 428	25 341 755	538 480	7 346 472	346 367 897
Remuneration of councillors	12 597 587	-	-	-	-	-	-	-	-	12 597 587
Bulk purchases - electricity	-	-	-	410 594 639	-	-	-	-	-	410 594 639
Inventory consumed	2 754 908	5 675 946	4 500 511	3 288 309	4 334 414	4 392 588	32 879 542	-	47 971	57 874 189
Debt impairment	1 270 978	18 489 750	-	93 523	567 091	360 705	1 779 906	-	-	22 561 953

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49. Segment information (continued)

Depreciation and amortisation	7 297 708	6 201 229	26 729 383	15 658 203	3 888 355	26 048 216	17 227 074	1 932	-	103 052 100
Interest	369 936	59 819	332 854	358 809	6 031 279	2 713 792	36 237	-	561 578	10 464 304
Contracted services	14 772 123	11 443 621	8 345 646	1 136 930	20 442 893	8 335 842	1 828 742	48 000	(1 397 839)	64 955 958
Transfers and subsidies	3 448 661	-	-	-	-	-	-	37 680	300 000	3 786 341
Irrecoverable debts written off	2 369 718	4 774 045	-	427 735	1 329 171	1 646 279	8 819 744	-	-	19 366 692
Operational costs	28 647 273	5 672 362	1 918 950	4 692 657	1 726 576	2 115 486	1 166 106	1 629 943	(1 218 673)	46 350 680
Losses on Disposal of Assets	90 501	202 182	608 393	876 037	3 425	429 911	1 149 599	15	-	3 360 063
Other Losses	4 134 923	623 481	199 257	161 330	377 104	180 204	7 830 214	9 288	(5 639 509)	7 876 292
Total segment expenditure	174 608 971	161 193 127	67 361 771	461 516 562	61 868 556	82 335 451	98 058 919	2 265 338	-	1 109 208 695

Swartland Municipality

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49. Segment information (continued)

Assets

Property, plant and equipment and Intangible assets	3 914 764	24 804 295	123 691 941	43 060 831	31 564 773	33 490 415	42 190 543	-	302 717 562
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49. Segment information (continued)

2024

	Vote 1 - Corporate Services	Vote 2 - Civil Services	Vote 3 - Council	Vote 4 - Electricity Services	Vote 5 - Financial Services	Vote 6 - Development Services	Vote 7 - Municipal Manager	Vote 8 - Protection services	Reclassificatio n to correct GRAP line items	Total
Revenue										
Service charges and rates	-	187 405 213	-	443 265 414	163 174 552	-	-	-	(16 044)	793 829 135
Sale of Goods and Rendering of Services	12 312 012	4 281 687	72 793	-	439 154	9 274 446	-	352 606	(26 732 698)	-
Agency services	-	-	-	-	-	-	-	5 348 435	-	5 348 435
Interest Received	-	-	-	-	90 006 738	-	-	-	-	90 006 738
Rental income, licence and permits and operational revenue	594 978	23 775 167	79 432	19 384 065	1 910 743	92 368	-	5 150 384	26 732 698	77 719 835
Fines, penalties and forfeits	13 098	(2 900)	1 304	48 257	-	189 819	-	38 332 501	-	38 582 079
Transfers and subsidies - Operational	2 160 329	65 785 320	-	8 018 303	73 661 377	272 120	-	9 603 423	112 292 086	271 792 958
Non-exchange operational revenue	-	7 381 717	-	3 712 233	16 044	-	-	-	(16 044)	11 093 950
Gains on disposal of Assets	-	786 053	-	135 939	2 040 564	-	-	-	-	2 962 556
Transfers and subsidies - capital (monetary allocations)	50 000	34 205 981	-	23 658 000	-	54 597 638	-	958 557	(113 470 176)	-
Transfers and subsidies - capital (in-kind)	-	149 000	-	-	16 500	-	-	141 322	1 178 090	1 484 912
Total segment revenue	15 130 417	323 767 238	153 529	498 222 211	331 265 672	64 426 391	-	59 887 228	(32 088)	1 292 820 598
Entity's revenue										1 292 820 598
	Vote 1 - Corporate Services	Vote 2 - Civil Services	Vote 3 - Council	Vote 4 - Electricity Services	Vote 5 - Financial Services	Vote 6 - Development Services	Vote 7 - Municipal Manager	Vote 8 - Protection services	Reclassificatio n to correct GRAP line items	Total

Expenditure

Swartland Municipality

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49. Segment information (continued)

Employee related costs	30 718 288	111 796 415	1 077 814	29 881 328	44 692 662	23 987 505	7 986 246	65 568 497	828 079	316 536 834
Remuneration of councillors	-	-	12 004 775	-	-	-	-	-	-	12 004 775
Bulk purchases - electricity	-	-	-	344 554 611	-	-	-	-	-	344 554 611
Inventory consumed	557 335	41 971 236	332 302	2 843 258	1 569 052	203 953	19 800	3 414 846	2 408 120	53 319 902
Debt impairment	-	3 011 910	-	461 760	1 157 462	2 164	-	5 738 170	-	10 371 466
Depreciation and amortisation	1 176 631	81 045 462	129 927	17 565 672	500 218	1 287 431	5 727	1 572 289	-	103 283 357
Interest	-	11 909 520	-	420 880	-	-	-	4 936	495 181	12 830 517
Contracted services	4 855 364	47 057 119	632 770	3 629 908	4 645 000	3 055 694	226 250	7 581 126	(2 674 608)	69 008 623
Transfers and subsidies	1 694 491	-	2 729 787	-	-	-	-	-	300 000	4 724 278
Irrecoverable debts written off	-	10 668 807	-	318 871	1 280 073	28 596	-	22 408 685	-	34 705 032
Operational costs	3 892 550	24 920 358	4 878 616	(3 947 165)	9 740 744	1 893 719	242 257	3 650 605	(2 300 230)	42 971 454
Losses on Disposal of Assets	3 413	8 839 345	-	814 580	389 858	28 661	-	410 811	-	10 486 668
Other Losses	307 394	13 843 378	17 274	3 999	(617 234)	509 284	(15 421)	(71 563)	943 457	14 920 568
Total segment expenditure	43 205 466	355 063 550	21 803 265	396 547 702	63 357 835	30 997 007	8 464 859	110 278 402	(1) 1 029 718 085	

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	Vote 1 - Corporate Services	Vote 2 - Civil Services	Vote 3 - Council	Vote 4 - Electricity Services	Vote 5 - Financial Services	Vote 6 - Development Services	Vote 7 - Municipal Manager	Vote 8 - Protection services	Reclassificatio n to correct GRAP line items	Total
49. Segment information (continued)										
Assets										
Property, plant and equipment	237 386	108 415 097	11 061	67 419 582	3 219 840	55 743 129	20 631	3 042 878	-	238 109 604

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49. Segment information (continued)

	Governance & Administration	Community & Public Safety	Economic & Environmental Services	Energy Sources	Waste Management	Waste Water Management	Water Management	Other	Reclassification to correct GRAP line items	Total
Revenue										
Service charges and rates	163 174 552	-	-	443 265 414	33 962 559	59 073 233	94 369 421	-	(16 044)	793 829 135
Sale of Goods and Rendering of Services	674 168	17 734 294	5 486 742	-	2 429 211	408 284	-	-	(26 732 699)	-
Agency services	-	-	5 348 435	-	-	-	-	-	-	5 348 435
Interest Received	90 006 738	-	-	-	1	-	-	-	-	90 006 739
Rental income, licence and permits and operational revenue	2 759 173	786 082	9 448 830	19 384 065	14 172	6 374 718	12 200 980	19 117	26 732 698	77 719 835
Fines, penalties and forfeits	1 304	38 358 052	177 366	48 257	-	-	(2 900)	-	-	38 582 079
Transfers and subsidies - Operational	75 821 706	10 832 762	403 439	8 018 303	18 206 198	30 998 056	15 220 408	-	112 292 086	271 792 958
Non-exchange operational revenue	-	-	-	3 696 188	3 177 139	2 460 437	1 744 141	-	16 044	11 093 949
Gains on disposal of Assets	2 721 564	-	-	135 939	-	-	105 053	-	-	2 962 556
Transfers and subsidies - capital (monetary allocations)	-	65 114 600	16 191 059	23 658 000	-	3 001 773	5 504 744	-	(113 470 176)	-
Transfers and subsidies - capital (in-kind)	165 500	141 322	-	-	-	-	-	-	1 178 090	1 484 912
Total segment revenue	335 324 705	132 967 112	37 055 871	498 206 166	57 789 280	102 316 501	129 141 847	19 117	(1) 1 292 820 598	
Entity's revenue										1 292 820 598
	Governance & Administration	Community & Public Safety	Economic & Environmental Services	Energy Sources	Waste Management	Waste Water Management	Water Management	Other	Reclassification to correct GRAP line items	Total
Expenditure										
Employee related costs	87 581 634	101 885 565	23 773 485	23 447 639	21 233 689	32 449 055	24 571 749	765 938	828 079	316 536 833
Remuneration of councillors	12 004 775	-	-	-	-	-	-	-	-	12 004 775

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49. Segment information (continued)

Bulk purchases - electricity	-	-	-	344 554 611	-	-	-	-	-	344 554 611
Inventory consumed	2 321 022	5 168 199	2 734 356	2 797 227	4 815 058	4 733 742	28 342 178	-	2 408 120	53 319 902
Debt impairment	1 157 462	5 740 335	-	461 760	757 686	916 222	1 338 002	-	-	10 371 467
Depreciation and amortisation	8 166 732	6 951 633	30 895 912	15 777 857	4 089 358	20 366 214	17 035 022	629	-	103 283 357
Interest	436 524	70 590	393 229	420 880	5 438 659	5 512 544	62 909	-	495 181	12 830 516
Contracted services	14 767 756	11 431 733	9 771 643	3 422 356	19 838 047	7 883 222	4 512 614	55 861	(2 674 608)	69 008 624
Transfers and subsidies	2 814 400	-	-	-	-	-	-	1 609 879	300 000	4 724 279
Irrecoverable debts written off	1 280 073	22 437 281	-	318 871	1 152 174	1 544 502	7 972 131	-	-	34 705 032
Operational costs	27 512 278	5 397 093	1 695 568	3 886 081	1 729 101	3 798 764	1 244 117	8 682	(2 300 230)	42 971 454
Losses on Disposal of Assets	2 251 497	571 467	3 591 460	808 139	855 735	1 859 709	548 662	-	-	10 486 669
Other Losses	5 170 683	3 451 363	(25 736)	9 250	(13 360)	(848 061)	6 234 526	(1 554)	943 457	14 920 568
Total segment expenditure	165 464 836	163 105 259	72 829 917	395 904 671	59 896 147	78 215 913	91 861 910	2 439 435	(1) 1 029 718 087	

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

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49. Segment information (continued)

Assets

Property, plant and equipment	8 046 996	24 982 231	88 852 403	66 458 975	3 272 153	20 670 872	25 825 974	-	-	238 109 604
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Swartland Municipality

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50. Accounting by principals and agents

The entity is a party to principal-agent arrangements.

Details of the arrangements are as follows:

Licensing fees collected on behalf of the Provincial Department

The municipality collects licensing fees on behalf of the Provincial Department of Transport and Public Works. 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 are included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any additional expenses on behalf of the Provincial Department as the collection of fees are within the normal operations of the municipality. 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 municipal cashier collection points. No resources are held on behalf of the Provincial Department (other than the receipts). Monies are paid to the department every 5 days (or first business day thereafter).

Other Arrangements

The municipality has entered into arrangements with service providers where they provide services to the public on behalf of the municipality. The nature of these arrangements was assessed and since the municipality collects all revenues in full, the transactions are not considered to be those within the scope of GRAP 109. The types of arrangements considered for this purpose are:

- Traffic fines are issued on our behalf by a service provider. Some collections are also collected via their service level agreements with e-payment service providers.
- Various prepaid electricity vendors sell electricity on our behalf. The software used results in all transactions being recorded in our sub-system. We collect the cash receipts from the vendors daily. Prepaid vendors earn commission on the value of each transaction with a maximum limit in place.

For conditional grant receipts, kindly refer to Note 26.

Commission to Prepaid vendors and expenditure relating to services rendered by the traffic services vendor are disclosed in Note 30.

No other resources are held by these vendors on behalf of the municipality. As no resources are held, except the daily cash-ups, no significant risks have been transferred to these vendors.

Entity as agent

Additional information

Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

Category(ies) of revenue received or to be received on behalf of the principal, are:

Categories

Licensing fees

Additional details

The municipality receives a commission on collection of Licensing Fees on behalf of the Provincial Department of Transport and Public Works. The municipality accounts for its portion as Income from Agency Services and the net amount due to the Provincial Department is transferred to such department.

Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

Swartland Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
50. Accounting by principals and agents (continued)		
Reconciliation of the carrying amount of payables		
Motor Vehicle Licenses		
Opening balance	648	-
Revenue that principal is entitled to	50 538 445	47 773 560
Cash repaid to the principal	(44 880 101)	(42 424 477)
Income from agency service	(5 658 345)	(5 348 435)
	647	648

The amount due to the Department is included under Payables from Exchange Transactions (Other payables) 13.

Prepaid Electricity		
Revenue that principal is entitled to	82 178 724	-
Cash received as the principal	(82 179 858)	-
Sundry receipts	1 134	-
	-	-

The arrangement only commenced during the 24/25 financial year. The appointment involves the online purchase of electricity vouchers.

51. Service Concession Arrangements

In terms of the Municipal Systems Act, Bulk Water service falls under the domain of the District Municipality which would mean that these assets would fall under West Coast District Municipality, however authority was given by way of a Government Gazette notice whereby the Local Municipalities of Bergrivier, Swartland and Saldanha Bay were given Water Service Authority Status with the responsibility for the provision of the Bulk Water Function.

This effectively meant that this function was taken over from the District Municipality. At this stage the assets should in effect have been transferred to the Local Municipalities.

In terms of the Section 78 Study dated August 2005 a decision was made to maintain the status quo, whereby West Coast District Municipality would continue to operate the water function on behalf of the three local municipalities (Swartland, Saldanha bay and Bergrivier), the agreement was for a period of 10 years and the function ultimately remains that of the Local Municipalities. Currently the agreement is cancellable by either of the parties, but it is unlikely that the agreement would be terminated in the foreseeable future. No changes to the arrangement were made during the current or previous financial periods, but minor administrative matters are constantly being addressed (e.g. procurement strategies). No breaches by either of the parties have been identified to date.

In return for operating the Bulk Water service function the District received compensation as follows:

- Monthly Tariff Fee
- Administrative fee equal to 5% of the operating costs

The Local Municipalities are thus in control of the Bulk Water assets, and as a result these assets are, measured and disclosed in our financial records.

The effect of the service concession arrangement in the financial statements of the municipality can be summarised as follows:

Property, plant and equipment		
Infrastructure (Water)	85 043 301	88 693 038
Expenditure relating to service concession arrangement		
Depreciation	3 649 737	3 200 932
Total water purchased from district	37 798 824	33 540 669
Purchased at agreed rate	44 034 377	39 119 956
Adjusted for distribution (gains)/losses	(6 235 553)	(5 579 287)

No revenue is receivable by the municipality in terms of the arrangement. The municipality's water purchases are generated through this arrangement.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

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51. Service Concession Arrangements (continued)

The loans are registered in the name of West Coast District Municipality, but have been entered into solely to finance the purchase or upgrade of the service concession assets. For this purpose, the loans have been apportioned to each municipality within the district in relation to the approximate value of the infrastructure assets purchased by the operator (West Coast District Municipality).

Service Concession Assets

Included in the total for Property, Plant and Equipment are assets that are separately attributable to the service concession arrangement between the municipality and West Coast District Municipality which has assumed the responsibility for the water distribution on behalf of the municipality. The carrying values of these assets are disclosed below:

Infrastructure: Water	85 043 301	88 693 038
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Reconciliation of Carrying Amounts of Service Concession Assets

Opening Balance (Carrying Value)	88 693 038	91 893 970
Additions	-	-
Depreciation	(3 649 737)	(3 200 932)
Total Carrying Amounts of Service Concession Assets	85 043 301	88 693 038

52. Multi-employer retirement benefit information

The personnel of the Swartland Municipality are members of the funds as set out below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below. The Local Authority Retirement Fund, The Consolidated Retirement Fund for Local Government, The National Municipal and Related Services Employee Retirement Fund and The National Fund for Municipal Workers are defined contribution plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio; these assets are not nationally allocated to each of the participating employers
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The rate of contributions is provided below under each fund.

Each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality in respect of the defined contribution plans is to make the specified contributions.

LOCAL AUTHORITY RETIREMENT FUND

The Local Authority Retirement Fund operates as a defined contribution scheme.

The defined contribution scheme is a multi-employer plan and the contribution rate payable is 9,00% by the members and 18,00% by Council. The last valuations performed for the year ended 30 June 2024 (30 June 2023) had an overall funding level of 106.1% (2023: 106.9%) and is in a sound financial position. The next actuarial valuation will be as at 30 June 2025.

CONSOLIDATED RETIREMENT FUND FOR LOCAL GOVERNMENT

The contribution rate paid by the members (9,00% by employees, 7,50% by section 57 employees and 12,00% by councillors) and by Council (18,00% for employees, 19,50% for section 57 employees and 15,00% for councillors) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2024 (30 June 2023) revealed that the fund had a funding level of 117.3 % (120.1%). Certified to be of a sound financial position as at 30 June 2024.

Swartland Municipality

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52. Multi-employer retirement benefit information (continued)

MUNICIPAL WORKERS RETIREMENT FUND

The contribution rate payable is 7,50% by the members 18% by Council. Actuarial valuation on this fund is performed every three years, and the last valuation performed for the year ended 30 June 2020 (30 June 2019) certified that the fund is in a sound financial state. The funding level was 100% at valuating date (2019: 100%).

NATIONAL FUND FOR MUNICIPAL WORKERS

The above mentioned fund is a Defined Contribution Fund and the contribution rate paid by the members is 9,00% and 7,50% by section 57 employees and that of council 18,00% and 19,50% respectively. The latest statutory valuation was done on 30 June 2024. As at 30 June 2024 the results state that the funding level was 100% (2023: 100%).

Employers do not have any liability for any fund's performances or deficits. None of the above mentioned plans are state plans.

53. Restatement of prior year

Presented below are those items contained in the statement of financial performance that have been affected by prior-year adjustments:

Kindly note that the segment report has been restated.

Statement of financial position

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Other financial assets		300 000 000	-	33 119 014	333 119 014
Non-current receivables from exchange transactions		33 119 014	-	(33 119 014)	-
VAT receivable (now control)		23 036 992	-	(14 030 722)	9 006 270
VAT accrual receivable		-	817 602	23 460 513	24 278 115
Payables from exchange transactions		(88 832 667)	(6 268 279)	-	(95 100 946)
VAT accrual payable		-	-	(9 429 791)	(9 429 791)
Surplus for the year		(2 712 124 967)	5 450 678	-	(2 706 674 289)

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Operational revenue		17 329 201	-	12 161 393	29 490 594
Government grants and subsidies		283 874 832	-	(12 161 393)	271 713 439
Bulk Purchases		(340 331 780)	(4 222 831)	-	(344 554 611)

Reclassification of revenue

The library service grant was reclassified to operational services rendered following a best practice review of similar transactions at other municipalities.

Swartland Municipality

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53. Restatement of prior year (continued)

(a) Correction of Non-current assets

During the current year unbundling, it was identified that opening balances of work-in-progress for Housing projects will eventually result in infrastructure assets. As such, the opening balance and prior year additions for Housing projects were reclassified to Infrastructure Assets which is the ultimate assets that will be unbundled once the Housing Projects are finalised.

Other movements refer to transfers, fair value adjustments, depreciation and impairment which remained unchanged.

Increase/(Decrease) in Property, Plant and Equipment

Book value of infrastructure opening balance previously disclosed	1 904 614 227
Transfer of work-in-progress opening balance for other assets	6 154 947
Restated book value of infrastructure opening balance	1 910 769 174
Additions of infrastructure previously disclosed	184 980 443
Transfer of work-in-progress additions for other assets	5 984 443
Restated additions of infrastructure	190 964 886
Other movements for Infrastructure asset previously disclosed	(96 745 639)
Total restated book value of infrastructure	2 004 988 421

Book value of other assets opening balance previously disclosed	48 813 419
Transfer of work-in-progress opening balance for other assets	(6 154 947)
Restated book value of other assets opening balance	42 658 472
Additions of other assets previously disclosed	9 908 910
Transfer of work-in-progress additions for other assets	(5 984 443)
Restated additions of other assets	3 924 467
Other movements for Other assets previously disclosed	(9 479 065)
Total restated book value of other assets	37 103 874

(b) Correction of error - payables

Invoices of Eskom at year-end is paid with a billing ending 25 June for each year. The accrual of the additional 5 days was assessed as qualitatively material given the reporting to NERSA which needs to approve the municipal tariff increases each year.

Increase/(Decrease) in payables

Balance as previously reported	88 832 667
Eskom accrual	6 268 279
	95 100 946

(b) Correction of error - VAT Accrual

During the year under review, the municipality considered the classification of VAT in relation to the GRAP 104 Fact sheet for VAT. Accordingly, to ensure that offsetting is not done, the VAT has been split, namely the VAT control account (money due (to)/from SARS) and the VAT accruals (Receivables and Payables). Also refer the Payables section for the Eskom accrual.

VAT accrual receivables

Eskom accrual	817 602
Reclassification from VAT receivable (now control)	23 460 513
	24 278 115

VAT accrual payables

Reclassification from VAT receivable (now control)	(9 429 791)
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Annual Financial Statements for the year ended 30 June 2025

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53. Restatement of prior year (continued)

(c) Correction of Suppliers with an interest in State

Suppliers with a family member with an interest in state

Total of sub-section in MFMA note previously disclosed

57 340 880

Additional declarations identified

7 881 775

Restated total for sub-section of MFMA note

65 222 655

(e) Adjustment of surplus for the year

The aforementioned adjustments resulted in adjustments to the accumulated surplus for the year as follows:

Statement of Financial Performance

Balance as previously reported

2 444 799 629

Eskom accrual

(1 227 847)

Restated opening balance 1 July 2023

2 443 571 782

Profit for the year previously reported

267 325 338

Eskom accrual

(4 222 831)

2 706 674 289

54. Comparative figures

Certain comparative figures have been reclassified as indicated in Notes 53. These reclassifications were made in order to ensure comparability (consistency) to the current and future periods.

55. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee

3 477 096

3 240 371

Amount paid - current year

(3 477 096)

(3 240 371)

Balance unpaid (included in creditors)

-

Audit fees

Current year fee

4 593 044

3 665 578

Amount paid - current year

(4 593 044)

(3 665 578)

-

VAT

Opening balance

9 006 945

9 274 831

Declared during the year

14 123 891

(12 201 039)

Payments made

9 323 156

23 365 523

Receipts

(20 550 592)

(11 433 045)

11 903 400

9 006 270

VAT output payables and VAT input receivables are shown in note 8.

Kindly note that the comparative figures have been restated to reflect the VAT control account only. Refer to note 53.

All VAT returns have been submitted by the due date throughout the year.

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55. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE, UIF and SDL

Current year fee	58 202 428	51 151 451
Amount paid - current year	(58 202 428)	(51 151 451)
Balance unpaid (included in creditors)	-	-

Pension and Medical Aid Deductions

Current year fee	86 143 069	78 994 435
Amount paid - current year	(86 143 069)	(78 994 435)
Balance unpaid (included in creditors)	-	-

Councillors' arrear consumer accounts

During the financial year under review no Councillor was in arrears with the settlement of their municipal accounts.

Deviations in terms of section 36 of the Municipal Supply Chain Regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager and noted by Council. The incidents were reported to council.

Incident

Deviations above R30 000 due to Emergencies (occurrences: 15 (2024: 23))	1 096 113	2 677 606
Deviations above R30 000 due to Sole Supplier deviations (occurrences: 19 (2024: 6))	1 628 131	677 903
Deviations based on section 2(6) of Supply Chain Policy - Impractical to obtain quotes - special goods/services (occurrences: 164 (2024: 79))	6 676 469	6 098 509
Deviations based on section 2(6) of Supply Chain Policy - Impractical to obtain quotes for repairs and services to specialised equipment or vehicles (occurrences: 715 (2024:470))	7 724 509	5 311 616
Deviations below R30 000 (occurrences: 175 (2024: 398))	1 214 169	3 252 173
	18 339 391	18 017 807

Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Immaterial Electricity and Water Losses were as follows and are not recoverable:

Technical electricity losses

Units purchased	196 359 412	182 168 589
Units sold	(190 079 522)	(171 735 306)
Technical electricity losses	6 279 890	10 433 283
	3,20%	5,73%

Following a review of the Eskom account for 30 June 2025, it was determined that an accrual of the cut-off period between statement date and year-end was appropriate. Accordingly, the comparative purchases were restated to accurately reflect the units purchased inclusive of the accrual at year-end. The units and accrual is not material, but in order to compare year-on-year the prior year was restated. The units accrued at year-end is 525 075 (2024: 631 913).

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55. Additional disclosure in terms of Municipal Finance Management Act (continued)

Water distribution losses and non-revenue water

Kilolitres purchased	6 101 996	5 714 492
Kilolitres sold	(4 700 913)	(4 452 371)
Kilolitres Lost in distribution (kl)	1 401 083	1 262 121
Unbilled / Unmetered Water (kl)	(201 366)	(188 578)
Actual loss in units (kl)	1 199 717	1 073 543
Percentage loss	19,66%	18,78%

Water losses occur due to inter alia evaporation, leakages, the tampering of meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing occurrence, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as it is reported.

Disclosure of awards of more than R2 000 to a person who is a family member of a person in the service of the state in terms of section 45 of the Municipal Supply Chain Regulations:

Service Provider	Relation to Service Provider	Name of Relation in the Employment of the Organ of State	Organ of State	Position of the person in the employment of the Organ of State	Value of Transaction 2025 R	Value of Transaction 2024 R
Neil Lyners and Associates (RF) (OCT Potgieter)	Daughter	A Potgieter	City of Cape Town	Professional Officer	-	4 680 196
WJ Cotter Electrical (J Cotter)	Father in law	T van Essen	Swartland Municipality	Councillor	373 390	538 829
WJ Cotter Electrical (R Crawford)	Father in law	T van Essen	Swartland Municipality	Councillor		
Euraf Agencies CC (P Fourie)	Spouse	R Fourie	Department of Correctional Services	Financial Manager	259 460	171 820
Golden Rewards 1873 cc t/a Futasia Caterers (S De Jager)	Spouse	R De Jager	Department of Education	Teacher	237 045	270 460
Jonathan Wayne Lawrence t/a J Lawrence (J Lawrence)	Son	B Lawrence	Swartland Municipality	General Worker	235 590	228 970
JPCE (J Minnie)	Spouse	J Minnie	City of Cape Town	Manager	1 876 851	3 269 291
Conlog (L Moodley)	Spouse	N Moodley	Department of Health	Director	-	138 000
Zutari (Aurecon South Africa) (KP Nadasen)	Wife	K Nadasen	National Department of Public Works	Director: Key Account Management	7 468 302	3 419 448
Zutari (Aurecon South Africa) (RJ Ahlschlager)	Spouse	HC Ahlschlager	Special Investigating Unit	Legal Representative	-	-
Zutari (Aurecon South Africa) (I Gasant)	Sister	S Seegers	City of Cape Town	Manager: Distributed Computing Operations Manager	-	-
Zutari (Aurecon South Africa) (I Gasant)	Sister	N Allie	SARS	Team member: Debt Collection	-	-
Zutari (Aurecon South Africa) (I Gasant)	Sister	M Gasant	SARS		-	-

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55. Additional disclosure in terms of Municipal Finance Management Act (continued)

Zutari (Aurecon South Africa) (E Marques)	Spouse	M Marques	Department of Internal Affairs	Director	-	-
Zutari (Aurecon South Africa) (J Ndala)	Spouse	TJ Ndala	Gauteng Department of Education	School Principal	-	-
Zutari (Aurecon South Africa) (S Jugwanth)	Mother	U Jugwanth	Department of Sports, Arts and Culture	Deputy Director: Head of Labour Relations for KZN	-	-
Zutari (Aurecon South Africa) (S Jugwanth)	Sibling	N Jugwanth	Department of Water and Sanitation	Chief Engineer Grade A	-	-
Fonnies Enterprises (BA Adonis)	Sister	T Adonis	Statistics SA	Data Capturer	11 360	61 618
Fonnies Enterprises (BA Adonis)	Brother	A Adonis	Metro EMS	Rescue Technician	-	-
Yolanda Petersen - Petersen Tuindienste (Y Petersen)	Spouse	R Petersen	Department of Correctional Services	Correctional Officer	260 568	226 920
Thembele Petrus Dapula t/a T P Dapula Communications (TP Dapula)	Spouse	N Dapula	Department of Higher Education	Deputy Principal	80 150	66 950
Blackbird 49 - Koos Smit (K Smit)	Spouse	M Smit	Swartland Municipality	Clerk	23 150	26 700
Amandla GCF Construction (W Frazenburg)	Sister	U Frazenburg	National Government: Deeds Office Kimberley	Registrar of Deeds	5 542 581	29 660 419
Amandla GCF Construction (W Frazenburg)	Brother	E Frazenburg	Department of Education Western Cape	Teacher	-	-
Amandla GCF Construction (W Frazenburg)	Sister	J Frazenburg	Department of Education Western Cape	Teacher	-	-
Amandla GCF Construction (W Frazenburg)	Brother	B Frazenburg	City of Cape Town: Traffic	Municipal Prosecutor	-	-
Actom (D Lubbe)	Spouse	T Lubbe	Department of Education		2 636 353	1 352 517
Swartland and West Coast Trading (Pty) Ltd (L Marcus)	Spouse	H Marcus	Department of Labour	Supervisor	88 590	160 686
Swartland and West Coast Trading (Pty) Ltd (L Marcus)	Child	K Dietrich	Department of Health	Finance Clerk	-	-
IX Engineers (M Mashegana)	Spouse	R Mashegana	Department of Health	Nurse	537 260	689 242
IQ Vision (J Meyer)	Daughter	MD Norman	Department of Health	Doctor	4 771 541	6 401 006
Johan Bester Ingenieurswerke (A Jordaan)	Spouse	M Jordaan	SAPS	Clerk	-	967 231

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55. Additional disclosure in terms of Municipal Finance Management Act (continued)

Adapt IT (N Mbambo)	Spouse	MS Mbambo	SANRAL	Ops Maintenance Manager	145 678	106 205
Innovative Transport Solutions (L Pretorius)	Son	D Pretorius	CSIR	Engineer	250 308	199 645
Innovative Transport Solutions (C Krogscheepers)	Daughter	M van der Merwe	City of Cape Town	Doctor	-	-
Innovative Transport Solutions (O Rebeiro)	Spouse	N Khena	PRASA	Chief Operating Officer	-	-
Bubbles Household Chemicals (C Pieters)	Spouse	JR Pieters	Swartland Municipality	Chief Engineering Technician	489 192	537 116
Mindspring Computing (R Hendricks)	Spouse	B Hendricks	City of Cape Town	Electrician	78 700	-
Indecon (Pty) Ltd (T Barnard)	Spouse	L Barnard	Department of Education	Teacher	59 922	195 326
Ian Dickie & Co (Pty) Ltd (M Samuels)	Spouse	D Samuels	SAPS	Warrant Officer	26 478	135 677
JVZ Construction (M Matthee)	Spouse	R Matthee	Correctional Services	Security Guard	19 994 740	30 492
Siphakame Skills Development (N Vacu)	Spouse	NS Vacu	Drakenstein Municipality	Economic Growth Officer	325 020	404 628
Meloda Project Management (LE Daniels)	Spouse	MN Daniels	Swartland Municipality	Principal Clerk: Sundries and Housing	-	6 169
Motheo Construction (LT Mashau)	Brother	M Ndhlovu	Department of Statistics	Statistician	-	217 723
Motheo Construction (SJ Mantlhasi)	Sister	B Mantlhasi	North West Department of Cooperative Governance and Traditional Affairs	PA - HR Manager	-	-
Motheo Construction (U Langa)	Mother	DM Langa	Department of Education	Senior Educational Specialist	-	-
Motheo Construction (RC Diphoko)	Father	KE Monareng	SANDF	Warrant Officer	-	-
Motheo Construction (RC Diphoko)	Spouse	M Diphoko	Transnet	Senior Construction Manager	-	-
Motheo Construction (R Madi)	Father	M Madi	Tholomela Municipality	Environmental Manager	-	-
Motheo Construction (V Singh)	Spouse	R Singh	Department of Education	Teacher	-	-
Motheo Construction (FA Matsila)	Sister	N Matsila	National Prosecuting Authority	Senior Administrator officer	-	-
F Bocks Construction (F Bocks)	Spouse	S Bocks	Department of correctional services	Warden	4 914 189	3 164 141
Spill Tech (GZ Goosen)	Spouse	S Goosen	Transnet	Supply Chain Manager	29 998	13 455
Spill Tech (SA Ngema)	Spouse	T Ngema	SARS	Audit Manager	-	-

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55. Additional disclosure in terms of Municipal Finance Management Act (continued)

Bigen (H Aartsma)	Son	R Aartsma	Department of Water and Sanitation Pretoria	Candidate Engineer	1 409 193	2 622 511
CVW Consulting Engineers (SG Noyakaza)	Spouse	A Noyakaza	George Municipality	Snr OHS Officer	575 000	-
Exeo Khokela Engineering Construction (EZ Treu)	Brother	J Treu	Western Cape Education Department	Educator	126 743 126	5 259 265
JC Architectural Design Studio (LJ Swarts)	Sister	CR Swarts	Cape Winelands District Municipality	Admin Clerk	29 613	-
JC Architectural Design Studio (LJ Swarts)	Sister	DH Prinse	Western Cape Education Department	Teacher	-	-
L and J Ability Construction and Renovations (LM Mankopan)	Spouse	J Mankopan	SAPS	Officer	1 800	-
Landfill Consult (SE Dube)	Spouse	M Dube	DIRCO	Director	479 895	-
TMT Services and Supplies (F Du Toit)	Spouse	M Du Toit	City of Cape Town	Sub Councillor	4 559 845	-
New Horizon Business Solutions (MJA Fourie)	Spouse	GV Fourie	Western Cape Education Department	Deputy Principal	10 000	-
Gans Tours (S Ganas)	Spouse	S Ganas	Department of Education	Teacher	15 400	-
Munsoft (Pty) Ltd (N Nondzaba)	Mother	M Nondzaba	Bojanala Platinum District Municipality	Executive Mayor	299 000	-
Zana Manzi Services (AD Luthuli)	Spouse	G Luthuli	Desmond Tutu Child and Youth Care Centre	Head of Institution	91 223	-
Agro-Smart Enterprises (Pty) Ltd (A van Stade)	Spouse	M van Stade	Stellenbosch Municipality	Councillor	52 302	-
					184 982 813	65 222 656

Bigen & Exeo Khokela Engineering are part of the new suppliers that have been added to the related parties list, these two suppliers led to the amendment of the prior year figure by R7 881 775 (refer Note 53).

56. Fruitless and wasteful expenditure

Due to the fiscal governance control environment of the municipality, paired with our commitment to pay creditors within 30-days from statement or invoice, no fruitless expenditure was incurred during the year.

Swartland Municipality

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57. Irregular expenditure

Opening balance as previously reported	13 347 526	-
Opening balance as restated	13 347 526	-
Add: Irregular Expenditure - current	5 004 946	1 606 612
Add: Irregular Expenditure - prior period	4 843 603	12 263 605
Less: Amount written off - current	(5 004 946)	(522 691)
Less: Amount written off - prior period	(18 191 129)	-
Closing balance	-	13 347 526

Current year irregular expenditure

In the prior year audit the Auditor General identified Telkom services as irregular expenditure due to a lack of a formal procurement process, after a thorough analysis council wrote off R 4 803 759 pertaining to 23/24 R 4 259 578 and R 544 181 in the current year. The reason for the write-off was that officials acted in good faith and the municipality received value for money for the services rendered despite procedural shortcomings. The Auditor General also identified fuel purchases as irregular citing fuel filled outside the duly appointed contracted provider, council wrote off R 1 056 354 pertaining to 23/24 R 711 425 and R 344 929 in the current year.

The municipality also identified potential irregular expenditure via its own controls, this include purchases from SPAR during the Riverlands disaster R 35 221 and fuel purchases in Yzerfontein R 5 346, these purchases were written off by council during June 2025.

Lastly, following guidance from National Treasury, all payments in lieu of grants in aid since the inception of the MFMA towards the SPCA was reconsidered to be in breach of the supply chain management regulations. Following an investigation, Council wrote off the R 3 947 869 in irregular expenditure during June 2025.

Prior year expenditure

During the prior year audit, management concurred with the auditor that some deviations listed as emergencies were in fact not due to emergencies, resulting in a breach of the municipal supply management policy. As such the expenditure was considered irregular. Following an investigation by the disciplinary committee, council wrote off the R 506 377 pertaining to the prior year audit.

Furthermore, 7 other cases were investigated for current year expenditure where the requirements of the supply chain management was not followed. Each case was investigated and council wrote off the expenditure after due care was exercised (total of cases (R 30 880)). One of these cases were only written off during August 2024 (R 10 799).

Lastly, following guidance from National Treasury, all payments in lieu of grants in aid since the inception of the MFMA towards our local tourism offices was reconsidered to be in breach of the supply chain management regulations. Management acted in good faith given repealed legal requirements that stated that a local tourism office's revenue should comprise contributions from the local government. Following an investigation, Council wrote off the R 13 336 728 in irregular expenditure during August 2024.

Swartland Municipality

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58. Unauthorised expenditure

Opening balance as previously reported	-	5 556 386
Opening balance as restated	-	5 556 386
Less: Approved/authorised by council	-	(5 556 386)
Closing balance	-	-

Current year Unauthorised Expenditure

No unauthorised expenditure were incurred during the year.

Prior year Unauthorised Expenditure

The Department of Protection Services overspent by an amount of R 5 556 386 (2022: R Nil). The overspent amount is as a result of the traffic fines that appeared before the court to be issued for summons. Only the Department of Justice has through the local courts the authority to issue summons on a fine. However, due to the court rolls being full, the rolls were scrapped without due consideration (non-cash transaction). This resulted in a significant overspent for the department against bad debts. The over-spending could not reasonably have been foreseen at the time of the mid-year budget review as court processes fall outside of the ambit of control.

59. Events after the reporting date

No material events having financial implications requiring disclosure occurred subsequent to 30 June 2025.

60. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of 3 057 392 280 (2024: 2 706 674 289) and that the municipality's total assets exceed its liabilities.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

In assessing whether the going concern assumption is appropriate under the current economic climate, management considered a wide range of factors including the current and expected performance of the municipality, the likelihood of continued government funding and, if necessary, potential sources of replacement funding.

61. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Appendix A: Schedule of External Loans

EXTERNAL LOANS	Redeemable	Balance at 2024/06/30	Received/ Transferred during the period	Interest Capitalised during the period	Redeemed written off during the period	Balance at 2025/06/30
LONG-TERM LOANS						
Development Bank	2029/03/31	17 925 297	0	-9 400	3 349 412	14 566 485
Sanlam	2031/06/30	20 888 657	0	-12 537	2 106 304	18 769 816
Total Long-Term Loans		38 813 954	0	-21 937	5 455 716	33 336 301
TOTAL EXTERNAL LOANS		38 813 954	0	-21 937	5 455 716	33 336 301

Swartland Municipality

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Appendix B: Analysis of Investment Property, Intangible Assets and Heritage Assets

	Cost				Accumulated Depreciation and Impairment					
Class, Sub-class	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation	Impairment	Disposals	Closing balance	Book Value
Heritage Assets	4 120 691	-	-	4 120 691	-	-	-	-	-	4 120 691
Intangible assets	4 661 407	450 000	43 465	5 067 942	4 158 266	105 390	-	43 465	4 220 191	847 751
Investment property	49 134 876	-	63 300	49 071 576	25 410 584	258 789	-	-	25 669 373	23 402 203
Property, plant and equipment	4 678 471 012	302 267 563	13 138 203	4 967 600 372	2 356 398 210	102 687 921	444 642	9 691 068	2 449 839 705	2 517 760 667
Community assets	275 637 580	19 560 017	40 172	295 157 424	157 288 355	6 876 849	-	26 519	164 138 684	131 018 740
Computer Equipment	17 911 316	1 193 139	1 039 903	18 064 551	12 252 826	1 741 300	-	1 028 399	12 965 726	5 098 825
Furniture and Office Equipment	11 602 660	1 191 916	713 964	12 080 613	8 078 331	739 805	-	686 118	8 132 018	3 948 594
Infrastructure assets	3 998 049 322	265 731 896	8 232 730	4 255 548 488	1 993 101 715	85 179 874	325 642	5 645 556	2 072 961 675	2 182 586 813
Electrical infrastructure	743 395 857	42 870 364	3 924 979	782 341 242	325 417 368	14 484 939	160	3 063 823	336 838 644	445 502 597
Roads infrastructure	1 085 224 131	75 325 479	1 419 527	1 159 130 082	587 258 894	21 566 418	-	832 973	607 992 338	551 137 744
Sanitation infrastructure	884 379 684	29 646 443	-	914 026 128	398 937 442	25 648 028	-	-	424 585 470	489 440 658
Solid waste infrastructure	66 251 469	27 539 384	-	93 790 853	34 616 300	2 793 097	297 245	-	37 706 642	56 084 211
Storm-water infrastructure	279 282 086	40 140 960	-	319 423 046	122 331 691	3 797 468	27 377	-	126 156 535	193 266 511
Water supply infrastructure	939 516 095	50 209 267	2 888 224	986 837 138	524 540 020	16 889 925	860	1 748 760	539 682 045	447 155 093
Land	95 221 245	31 000	150 372	95 101 873	14 402 501	-	119 000	145 745	14 375 756	80 726 117
Machinery and Equipment	38 749 207	3 593 261	1 279 554	41 062 913	22 077 148	2 565 474	-	1 126 865	23 515 757	17 547 156
Other assets	158 001 698	838 904	-	158 840 602	120 897 824	1 842 175	-	-	122 739 999	36 100 603
Transport Assets	83 297 985	10 127 430	1 681 508	91 743 907	28 299 511	3 742 444	-	1 031 866	31 010 089	60 733 818
Total	4 736 387 987	302 717 563	13 244 968	5 025 860 581	2 385 967 060	103 052 100	444 642	9 734 533	2 479 729 269	2 546 131 312

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2025

Appendix C: Segmental Analysis of Assets

	Cost				Accumulated Depreciation and Impairment					
Department	Opening balance	Additions	Disposals	Closing balance	Opening balance	Depreciation	Impairment	Disposals	Closing balance	Book Value
Administration Civil	1 274 765	52 117	32 010	1 294 873	683 621	89 330	-	27 876	745 075	549 798
Administration Corporate Servi	14 466 789	30 093	542 305	13 954 577	2 384 711	24 800	-	452 331	1 957 180	11 997 397
Administration Development Services	1 084 980	25 196	5 204	1 104 972	608 080	35 804	-	5 198	638 686	466 286
Administration Financial Services	8 632 501	662 896	983 668	8 311 728	5 293 746	610 079	-	970 241	4 933 584	3 378 144
Administration Municipal Manag	101 409	19 060	11 925	108 544	66 692	7 377	-	11 905	62 164	46 380
Administration Protection Services	30 665	33 709	600	63 774	19 830	6 968	-	596	26 202	37 573
Building Control	97 076	-	-	97 076	77 851	4 375	-	-	82 227	14 849
Caravan Park - Yzerfontein	2 766 524	496 138	139 916	3 122 746	552 271	160 031	-	101 520	610 782	2 511 965
Cemetries	6 342 233	6 598	-	6 348 832	4 871 604	147 801	-	-	5 019 405	1 329 427
Community Development	1 261 537	-	8 615	1 252 922	92 809	59 265	-	8 390	143 685	1 109 238
Council	1 155 468	877 647	-	2 033 115	372 682	212 741	-	-	585 423	1 447 691
Electricity Distribution	770 924 610	39 785 887	4 357 205	806 353 292	336 873 639	15 658 203	160	3 481 168	349 050 834	457 302 459
Fire Fighting	14 122 747	1 938 154	29 421	16 031 480	2 496 321	793 495	-	15 333	3 274 483	12 756 997
Housing	13 591 303	(11 340 429)	-	2 250 874	930 830	37 961	-	-	968 791	1 282 082
Human Resources	52 090	-	2 000	50 090	42 098	1 860	-	1 181	42 777	7 312
Internal Audit	29 127	-	-	29 127	22 815	1 189	-	-	24 004	5 123
IT Services	19 498 581	1 971 406	189 715	21 280 272	12 657 366	1 909 607	-	184 360	14 382 613	6 897 659
Libraries	10 222 354	88 529	146 719	10 164 163	4 790 808	307 982	-	140 840	4 957 950	5 206 213
Licencing and Traffic Services	3 231 141	21 994	118 975	3 134 161	2 122 605	211 674	-	118 556	2 215 724	918 437
Multi Purpose Centres	262 138	744 836	-	1 006 974	173 485	4 748	-	-	178 233	828 741
Municipal Property	416 760 033	2 559 293	508 878	418 810 449	253 719 311	4 387 881	119 000	382 246	257 843 947	160 966 502
Occupational Health and Safety	77 373	-	-	77 373	60 845	3 744	-	-	64 589	12 784
Parks and Recreational Areas	15 759 828	1 186 453	462 586	16 483 694	6 970 905	856 068	-	329 684	7 497 289	8 986 405
Planning and Valuation	89 382	10 070	1 200	98 252	79 796	3 825	-	1 197	82 424	15 828
Policing and Law Enforcement	8 510 833	1 051 245	50 736	9 511 342	4 407 647	462 837	-	45 492	4 824 993	4 686 349
Refuse Removal	87 286 593	30 725 217	43 796	117 968 014	40 976 348	3 888 355	297 245	40 370	45 121 578	72 846 436
Sewerage	888 428 058	35 754 956	1 063 810	923 119 204	404 380 221	26 048 216	-	633 899	429 794 538	493 324 666
Sportgrounds	91 631 170	4 259 380	4 960	95 885 590	44 738 069	2 707 295	-	4 450	47 440 914	48 444 676
Streets and Stormwater	1 381 468 421	130 955 702	1 598 281	1 510 825 841	724 997 111	26 509 508	27 377	990 310	750 543 686	760 282 156
Supply Chain Management	60 282	8 673	1 296	67 659	37 738	6 327	-	792	43 273	24 387
Swimming Pools	8 035 918	12 569 394	440	20 604 873	15 380	4 453	-	440	19 393	20 585 479
Tourism	21 134	-	1 557	19 577	12 079	1 933	-	1 542	12 470	7 107
Town and Community Halls	16 128 794	96 380	12 639	16 212 535	2 365 919	659 292	-	7 700	3 017 511	13 195 025
Unspecified	-	-	-	-	-	-	-	-	-	-
Water Services	952 982 129	48 126 968	2 926 513	998 182 584	528 071 825	17 227 074	860	1 776 914	543 522 844	454 659 740
Grand Total	4 736 387 987	302 717 563	13 244 968	5 025 860 581	2 385 967 060	103 052 100	444 642	9 734 533	2 479 729 269	2 546 131 312

Appendix D: Segmental Statement of Financial Performance

Refer to note 49

Swartland Municipality

Annual Financial Statements for the year ended 30 June 2024

Appendix E: Disclosure of Grants and Subsidies in terms of Section 123 of the MFMA, 56 of 2003

APPENDIX E DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003													
									Transferred to Revenue				
Name of Grant	System code	Balance as at 30 June 2024	Debtors	Receipts Q1	Receipts Q2	Receipts Q3	Receipts Q4	Total Receipts	Operating Expenditure	Capital Expenditure	Paid back to National Revenue Fund	Construction Contracts balance 30 June 2025	Unspent Grants Balance as at 30 June 2025
National Government Grants													
Equitable Share	Equitable Share	0		64 068 000	51 255 000	38 441 000	0	153 764 000	153 764 000		0		-
Expanded Public Works Programme	EPWP	0		399 000	716 000	478 000	0	1 593 000	1 593 000	0	0		-
Finance Management Grant	LG-FMG	0		1 600 000	0	0	0	1 600 000	1 600 000	0	0		-
Integrated National Electrification Grant	INEP	0		7 000 000	10 000 000	5 818 000	-416 358	22 401 642	0	22 401 642	0		-
	INEP-OP	0		0	0	0	416 358	416 358	416 358	0	0		-
Municipal Infrastructure Grant	MIG	0		5 491 000	18 553 000	5 258 000	0	29 302 000	0	29 302 000	0		-
Municipal Disaster Relief Grant - General	MDRG	350 000		0	0	0	0	0	350 000	0	0		-
Municipal Disaster Response Grant: Riverlands	MDRG2	0		0	0	9 241 000	0	9 241 000	0	1 797 390	0		7 443 610
Total National Government Grants		350 000	0	78 558 000	80 524 000	59 236 000	0	218 318 000	157 723 358	53 501 032	0	0	7 443 610
Provincial Government Grants													
Community Development Workers	CDW	1 311		38 000	0	0	0	38 000	33 988	0	-1 311		4 012
Human Settlements	HP-MDH	363 379		17 600 702	31 190 905	27 812 900	0	76 604 508	0	76 604 508	-363 379		-
	HP-MRB	0		10 357 594	34 158 880	12 144 960	0	56 661 434	0	56 661 434	0		-
	HP-DAR	447 179		7 492 430	8 544 706	2 346 969	0	18 384 105	0	18 831 284	0		-
	HP-SILV	5 500 000		2 800 000	4 438 810	0	0	7 238 810	0	249 514	0		12 489 296
	HPK	0		0	2 795 122	0	0	2 795 122	0	2 795 122	0		-
	FDH	0		0	760 922	0	0	760 922	0	0	0		760 922
	HP-DAR-T	0		0	0	2 509 895	2 509 895	0	0	0	0	2 509 895	-
	HP-MRB-T	0		0	0	4 832 285	4 832 285	0	0	0	0	4 832 285	-
Municipal Accreditation and Capacity Building Grant	MACB	89 089		0	249 000	0	0	249 000	165 904	0	-89 089		83 096
Title Deeds Restoration		0		0	0	0	0	0	0	0	0		-
Libraries	LS-OP	0		4 018 000	4 018 000	3 972 522	0	12 008 522	12 008 522	0	0		-
	LS-CAP	0		0	0	43 478	0	43 478	0	43 478	0		-
Proclaimed Roads Subsidy	MMR-OPEX	0		0	0	170 000	0	170 000	170 000	0	0		-
	MMR-C	0		0	0	0	0	0	0	0	0		-
Thusong Grant	TCR	0		0	0	150 000	0	150 000	134 563	0	0		15 437
Establishment of a K9 Unit	K9	-7 443		3 732 000	0	400 000	0	4 132 000	4 124 557	0	0		-
	K9-Cap	7 443		40 000	0	0	0	40 000	0	47 443	0		-
Establishment of a Rural Safety Unit	LE-REU	0		5 712 000	0	0	0	5 712 000	5 712 000	0	0		-
Emergency Fire Kits	EFK	2 120		0	416 591	0	0	416 591	414 554	0	-2 120		2 037
WC Fin Management Capability Grant (Internal Audit)	WC-FMCG	418 031		0	0	0	0	0	0	0	-418 031		-
WC Fin Management Capability Grant (Bursaries)	WC-FMGSG	176 807		0	0	0	0	0	0	0	-176 807		-
Western Cape Education Department	WCED	23 000 000		0	0	0	0	0	0	22 691 646	0		308 354
Sport Development	SD	0		0	0	500 000	0	500 000	0	498 434	0		1 566
		0		0	0	0	0	0	0	0	0		-
Total Provincial Government Grants		29 997 915	0	51 790 726	86 572 937	47 540 829	7 342 180	193 246 672	22 764 088	178 422 864	-1 050 737	7 342 180	13 664 719
Other Grant Providers													
Swartland Business Hive (Entrepreneurial Hub)	CSMBH	40 000		0	40 000	0	0	40 000	0	70 500	0		9 500
Contribution: Grade 1 project	Con SDA	31 000		0	0	0	0	0	31 000	0	0		-
CHIETA	CHIETA	0		454 320	403 200	0	315 900	1 173 420	774 353	0	0		399 067
SETA	SETA	0	-207 775	125 302	81 470	249 399	92 919	549 090	341 315	0	0		-
COVID 19 - Food Parcels and Financial Support	COVID19	75 000		4 000	0	-500	0	3 500	18 500	0	-60 000		-
SANRAL	ConSan	0	-558 393	0	0	0	558 393	558 393	0	0	0		-
Standard Bank	STDB	0		0	0	30 000	30 000	60 000	0	60 000	0		-
Contribution International Youth Camp	ConYouth	0		0	0	69 000	131 000	200 000	12 902	0	0		187 098
Contribution Water Week	ConWat	0		0	0	0	0	0	0	0	0		-
Total Other Grant Providers		146 000	-766 168	583 622	524 670	347 899	1 128 212	2 584 403	1 178 070	130 500	-60 000	0	595 665
Total Grants and Subsidies		30 493 915	-766 168	130 932 348	167 621 607	107 124 728	8 470 392	414 149 075	181 665 516	232 054 395	-1 110 737	7 342 180	21 703 995