City of Ekurhuleni Metropolitan Municipality

Consolidated Annual Financial Statements
for the year ended 30 June 2025

General Information

Legal form of entity	City
Legislation governing the entity's operations	Municipal Finance Management Act (Act No. 56 of 2003)
Mayoral committee	
Executive Mayor	Cllr: N Xhakaza
Speaker	Cllr: N Tshivhenga
Chief Whip	Cllr: P Nkunjana
Members of Mayoral Committee	MMC: Finance: Cllr J Dlabathi
	MMC: Community Services: Clr B Thusi
	MMC : Water and Sanitation : Cllr T Msane
	MMC : Enviromental Resources and Waste Management : Cllr L Manamela
	MMC : Community Safety : Cllr S Masuku
	MMC : Development Planning and Real Estate : Cllr B Nkosi
	MMC : Roads and Transport Planning: Cllr A Mngwevu
	MMC : Energy : Cllr M Ngwenya
	MMC : Human Settlements : Cllr K Hollo
	MMC : Corporate and Shared Services : Cllr S Ngodwana
Grading of local authority	The City is a category A grade 6 local authority in terms of item 4 of the Government Notice R1227 of 18 December 2007 published in terms of the Remuneration of Public Office Bearers act, 1998.
Acting City Manager	Dr. TJ Koopedi 011 999 0634 tsholofelo.koopedi@ekurhuleni.gov.za
Group Chief Financial Officer (GCFO)	Mr. K Lerutla 011 999 1310 kagiso.lerutla@ekurhuleni.gov.za
Registered office	Corner of Rose and Cross Streets Germiston 1400
Business address	Corner of Rose and Cross Streets Germiston 1400
Postal address	Private Bag X69 Germiston 1400
Bankers	Standard Bank
Auditors	Auditor-General of South Africa

Index

The reports and statements set out below comprise the consolidated annual financial statements presented to the provincial legislature:

Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts

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 consolidated annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial period and the results of its operations and cash flows for the period then ended.

The consolidated 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 consolidated 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 controls established by the group and place 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 group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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 consolidated 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 group’s cash flow forecast for the year to 30 June 2026 and, in light of this review and the current financial position, he is satisfied that the group has access to adequate resources to continue in operational existence for the foreseeable future.

The accounting officer is responsible for the financial affairs of the group, and he is assisted by the group's Senior management team.

The consolidated annual financial statements set out on page 4 to 116, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2025 and were signed on its behalf by:

City Manager	**Acting Group Chief Financial Officer**
Mr. K Lerutla	**Mr. G Moruri**

Statement of Financial Position as at 30 June 2025

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2025	2024 Restated	2025	2024 Restated
Assets					
Current Assets					
Inventories	11	1,682,311,466	1,696,325,106	1,682,311,466	1,696,325,106
Other Investments	8	158,816,324	145,957,182	147,373,328	136,171,520
Current tax receivable	9	3,051,000	939,692	-	-
Receivables from exchange transactions	12&14	11,124,429,144	9,868,030,365	11,045,356,408	9,721,123,308
Receivables from non-exchange transactions (Statutory)	13&14	2,305,547,108	1,771,448,888	2,305,547,108	1,771,448,888
Cash and cash equivalents	15	1,417,007,277	742,871,721	1,272,314,448	615,825,182
		16,691,162,319	**14,225,572,954**	**16,452,902,758**	**13,940,894,004**
Non-Current Assets					
Investment property	3	701,840,780	747,599,703	500,085,304	501,266,153
Property, plant and equipment	4	63,066,315,716	62,931,921,899	61,039,262,369	60,888,621,010
Intangible assets	5	1,267,090,893	1,335,592,585	1,263,729,143	1,330,917,050
Heritage assets	6	82,007,433	82,007,433	82,007,433	82,007,433
Investments in controlled entities	7	-	-	100	100
Other Investments	8	225,173,226	112,893,886	225,173,226	112,893,886
Long term receivables	10	1,942,965	19,715,909	1,942,965	3,923,169
		65,344,371,013	**65,229,731,415**	**63,112,200,540**	**62,919,628,801**
Total Assets		**82,035,533,332**	**79,455,304,369**	**79,565,103,298**	**76,860,522,805**
Liabilities					
Current Liabilities					
Short term liabilities	16	928,993,265	1,092,502,259	885,112,588	1,050,194,567
Finance lease obligation	17	1,822,469	1,786,253	-	-
Trade and other payables from exchange transactions	20	16,118,429,177	12,988,266,795	17,489,351,836	13,736,220,130
Deposits	21	1,335,960,527	1,207,084,517	1,335,960,527	1,207,084,517
Retirement benefit obligation	18	137,268,398	125,940,647	132,961,398	122,480,596
Unspent conditional grants and receipts	22	2,752,529	10,189,451	2,105,924	9,542,846
Provisions	19	1,116,550,153	1,021,137,253	1,068,035,460	991,197,663
		19,641,776,518	**16,446,907,175**	**20,913,527,733**	**17,116,720,319**
Non-Current Liabilities					
Long term liabilities	16	6,618,477,966	7,448,517,042	6,470,401,043	7,256,029,588
Finance lease obligation	17	1,128,592	2,899,423	-	-
Retirement benefit obligation	18	2,377,984,555	2,033,489,138	2,284,300,555	1,965,280,958
Deferred tax	23	-	3,941,115	-	-
Provisions	19	1,118,765,033	1,087,863,688	1,118,765,033	1,087,863,688
		10,116,356,146	**10,576,710,406**	**9,873,466,631**	**10,309,174,234**
Total Liabilities		**29,758,132,664**	**27,023,617,581**	**30,786,994,364**	**27,425,894,553**
Net Assets		**52,277,400,668**	**52,431,686,788**	**48,778,108,934**	**49,434,628,252**
Accumulated surplus		52,176,490,638	52,347,655,366	48,778,108,934	49,434,628,252
		52,176,490,638	52,347,655,366	48,778,108,934	49,434,628,252
Non-controlling interest		100,910,030	84,031,422	-	-
Total Net Assets		**52,277,400,668**	**52,431,686,788**	**48,778,108,934**	**49,434,628,252**

* See Note 58

Statement of Financial Performance

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2025	2024 Restated	2025	2024 Restated
Revenue					
Revenue from exchange transactions					
Service charges	25	33,020,975,385	30,973,326,606	33,082,122,346	30,879,193,024
Rental of facilities and equipment	26	158,795,288	157,746,308	102,823,566	106,113,758
Interest earned on outstanding debtors	24	1,110,590,152	1,032,701,292	1,061,864,158	1,031,736,167
Income from agency services	60	339,766,334	329,710,220	339,766,334	329,710,220
Construction Contract - HSDG	27	6,109,610	85,170,089	6,109,610	85,170,089
Licences and permits	24	39,860,334	42,896,703	39,860,334	42,896,703
Other income	28	394,947,135	320,946,729	338,356,809	274,658,058
Interest revenue	29	155,639,510	222,860,819	112,620,641	135,879,644
Dividends received	24	69,465	87,869	-	-
Total revenue from exchange transactions		**35,226,753,213**	**33,165,446,635**	**35,083,523,798**	**32,885,357,663**
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	31	8,839,917,599	8,823,217,846	8,839,917,599	8,823,217,846
Property rates - penalties and collection charges	31	268,776,503	316,821,029	268,776,503	316,821,029
Transfer revenue					
Government grants & subsidies	30	10,673,851,339	10,282,015,706	10,670,767,195	10,255,455,533
Public contributions	24	80,594,057	420,881,839	80,594,057	420,881,839
Fines	24	349,628,398	861,824,707	349,628,398	861,824,707
Total revenue from non-exchange transactions		**20,212,767,896**	**20,704,761,127**	**20,209,683,752**	**20,678,200,954**
Total revenue	24	**55,439,521,109**	**53,870,207,762**	**55,293,207,550**	**53,563,558,617**
Expenditure					
Employee related costs	32	(11,301,707,292)	(10,301,661,027)	(10,785,739,579)	(9,840,310,000)
Remuneration of councillors	33	(161,437,351)	(158,376,569)	(161,437,351)	(158,376,569)
Depreciation and amortisation	34	(2,755,073,288)	(2,841,188,570)	(2,646,097,414)	(2,720,840,954)
Impairment and derecognition loss	35	(72,698,332)	(122,391,242)	(18,576,460)	(19,414,681)
Finance costs	36	(1,099,929,785)	(1,471,551,928)	(1,062,102,103)	(1,429,261,792)
Debt Impairment	38	(5,206,457,710)	(6,897,073,401)	(5,093,056,005)	(6,798,252,543)
Collection costs	39	(113,058,841)	(210,315,346)	(113,058,841)	(210,315,346)
Bulk purchases	40	(24,713,016,514)	(21,824,173,069)	(26,106,665,557)	(22,914,763,416)
Contracted services	41	(4,363,814,861)	(2,907,798,038)	(4,363,814,861)	(2,907,798,038)
Grants and subsidies paid	42	(1,009,518,838)	(760,908,360)	(1,126,121,377)	(886,115,451)
General Expenses	43	(4,801,035,527)	(5,509,594,036)	(4,473,057,327)	(5,132,960,432)
Total expenditure		**(55,597,748,344)**	**(53,005,031,592)**	**(55,949,726,875)**	**(53,018,409,222)**
(Deficit) surplus before taxation		**(158,227,235)**	**865,176,170**	**(656,519,325)**	**545,149,395**
Taxation	44	(3,941,115)	(11,140,217)	-	-
(Deficit)/ Surplus for the year		**(154,286,120)**	**876,316,387**	**(656,519,325)**	**545,149,395**
Attributable to:					
Owners of the controlling entity		(171,164,728)	866,345,634	(656,519,325)	545,149,395
Non-controlling interest		16,878,608	9,970,753	-	-
		(154,286,120)	**876,316,387**	**(656,519,325)**	**545,149,395**

* See Note 58

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total attributable to owners of the economic entity / controlling entity	Non-controlling interest	Total net assets
Economic entity				
Opening balance as previously reported	51,661,174,203	51,661,174,203	74,083,267	51,735,257,470
Adjustments				
Prior year adjustments 58	(179,864,471)	(179,864,471)	(22,598)	(179,887,069)
Balance at 01 July 2023 as restated*	**51,481,309,732**	**51,481,309,732**	**74,060,669**	**51,555,370,401**
Changes in net assets				
Surplus for the year	866,345,634	866,345,634	9,970,753	876,316,387
Total changes	866,345,634	866,345,634	9,970,753	876,316,387
Restated* Balance at 01 July 2024	**52,347,655,366**	**52,347,655,366**	**84,031,422**	**52,431,686,788**
Changes in net assets				
Deficit for the year	(171,164,728)	(171,164,728)	16,878,608	(154,286,120)
Total changes	(171,164,728)	(171,164,728)	16,878,608	(154,286,120)
Balance at 30 June 2025	**52,176,490,638**	**52,176,490,638**	**100,910,030**	**52,277,400,668**
Controlling entity				
Opening balance as previously reported	49,078,997,655	49,078,997,655	-	49,078,997,655
Adjustments				
Prior year adjustments 58	(189,513,790)	(189,513,790)	-	(189,513,790)
Balance at 01 July 2023 as restated*	**48,889,478,863**	**48,889,478,863**	**-**	**48,889,478,863**
Changes in net assets				
Surplus for the year	545,149,389	545,149,389	-	545,149,389
Total changes	545,149,389	545,149,389	-	545,149,389
Restated* Balance at 01 July 2024	**49,434,628,264**	**49,434,628,264**	**-**	**49,434,628,264**
Changes in net assets				
Deficit for the year	(656,519,330)	(656,519,330)	-	(656,519,330)
Total changes	(656,519,330)	(656,519,330)	-	(656,519,330)
Balance at 30 June 2025	**48,778,108,934**	**48,778,108,934**	**-**	**48,778,108,934**

* See Note 58

Cash Flow Statement

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2025	2024 Restated	2025	2024 Restated
Cash flows from operating activities					
Receipts					
Property rates and fines		8,345,282,848	7,990,788,898	8,345,282,848	7,990,788,898
Income from services rendered		29,307,041,740	24,651,677,672	29,432,864,412	24,868,634,711
Grants - operational		8,433,105,576	7,901,411,423	8,430,021,432	7,789,681,162
Grants - capital		2,233,308,841	2,236,742,953	2,233,308,841	2,321,913,041
Interest income		155,639,510	221,904,915	112,620,641	135,879,644
Other receipts		427,565,701	1,672,770,602	247,099,887	1,325,442,313
		48,901,944,216	44,675,296,463	48,801,198,061	44,432,339,769
Payments					
Employee costs		(11,085,457,054)	(10,783,282,526)	(10,605,513,700)	(10,319,832,483)
Suppliers		(31,146,120,349)	(27,870,913,720)	(31,588,821,858)	(28,083,004,660)
Finance costs		(911,620,160)	(1,077,848,484)	(882,665,991)	(1,043,600,348)
Other payments		(1,207,371,107)	(1,439,553,894)	(1,323,040,024)	(1,301,244,771)
Taxes on surpluses		(2,111,308)	(893,507)	-	-
		(44,352,679,978)	(41,172,492,131)	(44,400,041,573)	(40,747,682,262)
Net cash flows from operating activities	45	**4,549,264,238**	**3,502,804,332**	**4,401,156,488**	**3,684,657,507**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(2,728,563,701)	(2,698,457,034)	(2,629,390,505)	(2,560,490,751)
Purchase of investment property	3	(15,324,036)	(24,257,605)	(13,538,904)	(190,750)
Purchase of intangible assets	5	(29,526,352)	(35,699,539)	(29,526,352)	(35,371,060)
(Decrease)/Increase in investments		(125,138,482)	653,211,949	(123,481,148)	654,104,829
Increase in long term receivables		17,772,944	(124,263)	1,980,204	616,252
Proceeds from sale of assets		933,622	955,904	-	-
Net cash flows from investing activities		**(2,879,846,005)**	**(2,104,370,588)**	**(2,793,956,705)**	**(1,941,331,480)**
Cash flows from financing activities					
Repayment of long term liabilities		(993,548,070)	(1,774,448,849)	(950,710,524)	(1,719,554,515)
Finance lease payments		(1,734,615)	4,685,676	-	-
Net cash flows from financing activities		**(995,282,685)**	**(1,769,763,173)**	**(950,710,524)**	**(1,719,554,515)**
Net increase/(decrease) in cash and cash equivalents		**674,135,548**	**(371,329,429)**	**656,489,259**	**23,771,512**
Cash and cash equivalents at the beginning of the year		742,871,721	1,114,201,150	615,825,182	592,053,671
Cash and cash equivalents at the end of the year	15	**1,417,007,269**	**742,871,721**	**1,272,314,441**	**615,825,183**

* See Note 58

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	38,380,487,733	(1,104,368,223)	**37,276,119,510**	33,020,975,385	**(4,255,144,125)**	**89 %**
Construction contracts	-	6,109,609	**6,109,609**	6,109,609	**-**	**100 %**
Rental of facilities and equipment	157,138,846	12,321,112	**169,459,958**	158,795,288	**(10,664,670)**	**94 %**
Interest received (trading)	1,098,607,104	(773,452)	**1,097,833,652**	1,110,590,152	**12,756,500**	**101 %**
Agency services	324,921,779	23,359,086	**348,280,865**	339,766,334	**(8,514,531)**	**98 %**
Licences and permits	39,585,865	(689,791)	**38,896,074**	39,860,334	**964,260**	**102 %**
Other income - (rollup)	150,174,055	88,013,312	**238,187,367**	394,947,135	**156,759,768**	**166 %**
Interest received - investment	154,478,656	(464,994)	**154,013,662**	155,639,510	**1,625,848**	**101 %**
Dividends received	-	-	**-**	69,465	**69,465**	**- %**
Total revenue from exchange transactions	**40,305,394,038**	**(976,493,341)**	**39,328,900,697**	**35,226,753,212**	**(4,102,147,485)**	**90 %**
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	8,896,938,118	655,867,650	**9,552,805,768**	8,839,917,599	**(712,888,169)**	**93 %**
Property rates - penalties imposed	253,374,989	13,406,140	**266,781,129**	268,776,503	**1,995,374**	**101 %**
Transfer revenue						
Government grants & subsidies	10,821,706,000	(144,373,669)	**10,677,332,331**	10,673,851,339	**(3,480,992)**	**100 %**
Public contributions and donations	-	-	**-**	80,594,057	**80,594,057**	**- %**
Fines, Penalties and Forfeits	1,022,684,728	(89,675,784)	**933,008,944**	349,628,398	**(583,380,546)**	**37 %**
Total revenue from non-exchange transactions	**20,994,703,835**	**435,224,337**	**21,429,928,172**	**20,212,767,896**	**(1,217,160,276)**	**94 %**
Total revenue	**61,300,097,873**	**(541,269,004)**	**60,758,828,869**	**55,439,521,108**	**(5,319,307,761)**	**91 %**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Expenditure						
Employee costs	(12,410,132,187)	509,898,972	**(11,900,233,215)**	(11,301,707,292)	**598,525,923**	**95 %**
Remuneration of councillors	(172,415,066)	-	**(172,415,066)**	(161,437,351)	**10,977,715**	**94 %**
Depreciation and amortisation	(3,230,027,974)	213,201,198	**(3,016,826,776)**	(2,755,073,288)	**261,753,488**	**91 %**
Impairment loss/ Reversal of impairments	-	-	**-**	(72,698,332)	**(72,698,332)**	**- %**
Finance costs	(1,641,139,917)	1,906,469	**(1,639,233,448)**	(1,099,929,785)	**539,303,663**	**67 %**
Debt Impairment	(6,699,708,099)	981,990,220	**(5,717,717,879)**	(5,206,457,710)	**511,260,169**	**91 %**
Collection costs	(157,051,609)	(7,455,189)	**(164,506,798)**	(113,058,841)	**51,447,957**	**69 %**
Bulk purchases	(24,949,993,701)	(1,542,720)	**(24,951,536,421)**	(24,713,016,514)	**238,519,907**	**99 %**
Contracted Services	(2,941,593,974)	(1,032,049,041)	**(3,973,643,015)**	(4,363,814,861)	**(390,171,846)**	**110 %**
Transfers and Subsidies	(879,830,354)	(250,256,257)	**(1,130,086,611)**	(1,009,518,838)	**120,567,773**	**89 %**
General Expenses	(5,120,291,344)	(23,025,945)	**(5,143,317,289)**	(4,801,035,527)	**342,281,762**	**93 %**
Total expenditure	**(58,202,184,225)**	**392,667,707**	**(57,809,516,518)**	**(55,597,748,339)**	**2,211,768,179**	**96 %**
Deficit before taxation	**3,097,913,648**	**(148,601,297)**	**2,949,312,351**	**(158,227,231)**	**(3,107,539,582)**	**(5)%**
Taxation	2,331,695	-	**2,331,695**	(3,941,115)	**(6,272,810)**	**(169)%**
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**3,095,581,953**	**(148,601,297)**	**2,946,980,656**	**(154,286,116)**	**(3,101,266,772)**	**(5)%**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Statement of Financial Position						
Assets						
Current Assets						
Inventories	2,069,435,118	(298,313,671)	**1,771,121,447**	1,682,311,466	**(88,809,981)**	**95 %**
Other Investments	276,740,276	42,011,421	**318,751,697**	158,816,324	**(159,935,373)**	**50 %**
Current tax receivable	-	-	**-**	3,051,000	**3,051,000**	**- %**
Receivables from exchange transactions	13,538,145,357	(1,449,010,448)	**12,089,134,909**	11,124,429,144	**(964,705,765)**	**92 %**
Receivables from non-exchange transactions (Statutory)	2,099,807,904	609,647,114	**2,709,455,018**	2,305,547,108	**(403,907,910)**	**85 %**
Cash and cash equivalents	2,113,528,371	(829,269,772)	**1,284,258,599**	1,417,007,277	**132,748,678**	**110 %**
	20,097,657,026	**(1,924,935,356)**	**18,172,721,670**	**16,691,162,319**	**(1,481,559,351)**	**92 %**
Non-Current Assets						
Investment property	447,064,529	(9,919,678)	**437,144,851**	701,840,780	**264,695,929**	**161 %**
Property, plant and equipment	61,008,780,131	(641,688,710)	**60,367,091,421**	63,066,315,716	**2,699,224,295**	**104 %**
Intangible assets	1,421,840,864	(56,879,399)	**1,364,961,465**	1,267,090,893	**(97,870,572)**	**93 %**
Heritage assets	82,007,433	-	**82,007,433**	82,007,433	**-**	**100 %**
Other Investments	245,024,133	(39,542,989)	**205,481,144**	225,173,226	**19,692,082**	**110 %**
Long term receivables	9,381,010	(2,011,253)	**7,369,757**	1,942,965	**(5,426,792)**	**26 %**
	63,214,098,100	**(750,042,029)**	**62,464,056,071**	**65,344,371,013**	**2,880,315,536**	**105 %**
Total Assets	**83,311,755,126**	**(2,674,977,385)**	**80,636,777,741**	**82,035,533,332**	**1,398,756,185**	**102 %**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Liabilities						
Current Liabilities						
Short term liabilities	828,136,146	-	**828,136,146**	928,993,265	**100,857,119**	**112 %**
Finance lease obligation	-	-	**-**	1,822,469	**1,822,469**	**- %**
Trade and other payables from exchange transactions	12,539,040,637	90,030,974	**12,629,071,611**	16,118,429,177	**3,489,357,566**	**128 %**
Consumer deposits	1,287,827,294	(5,697,283)	**1,282,130,011**	1,335,960,527	**53,830,516**	**104 %**
Retirement benefit obligation	-	-	**-**	137,268,398	**137,268,398**	**- %**
Unspent conditional grants and receipts	153,404,176	(143,861,330)	**9,542,846**	2,752,529	**(6,790,317)**	**29 %**
Provisions	960,377,393	29,596,284	**989,973,677**	1,116,550,153	**126,576,476**	**113 %**
	15,768,785,646	**(29,931,355)**	**15,738,854,291**	**19,641,776,518**	**3,902,922,227**	**125 %**
Non-Current Liabilities						
Long term liabilities	6,676,987,824	-	**6,676,987,824**	6,618,477,966	**(58,509,858)**	**99 %**
Finance lease obligation	-	-	**-**	1,128,592	**1,128,592**	**- %**
Retirement benefit obligation	1,972,824,185	16,364,825	**1,989,189,010**	2,377,984,555	**388,795,545**	**120 %**
Provisions	1,223,650,370	-	**1,223,650,370**	1,118,765,033	**(104,885,337)**	**91 %**
	9,873,462,379	**16,364,825**	**9,889,827,204**	**10,116,356,146**	**226,529,252**	**102 %**
Total Liabilities	**25,642,248,025**	**(13,566,530)**	**25,628,681,495**	**29,758,132,664**	**4,129,451,479**	**116 %**
Net Assets	**57,669,507,101**	**(2,661,410,855)**	**55,008,096,246**	**52,277,400,668**	**(2,730,695,294)**	**95 %**
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	57,669,507,101	(2,661,410,860)	**55,008,096,241**	52,176,490,638	**(2,831,605,603)**	**95 %**
	57,669,507,101	**(2,661,410,860)**	**55,008,096,241**	**52,176,490,638**	**(2,831,605,603)**	**95 %**
Non-controlling interest	-	-	**-**	100,910,030	**100,910,030**	**- %**
Total Net Assets	**57,669,507,101**	**(2,661,410,860)**	**55,008,096,241**	**52,277,400,668**	**(2,730,695,573)**	**95 %**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Property rates	8,031,016,461	589,806,871	**8,620,823,332**	8,345,282,848	**(275,540,484)**	**97 %**
Service charges	34,936,303,100	(1,661,954,688)	**33,274,348,412**	29,307,041,740	**(3,967,306,672)**	**88 %**
Grants - operational	6,032,659,060	(22,130,786)	**6,010,528,274**	8,433,105,576	**2,422,577,302**	**140 %**
Grants - capital	2,962,262,940	(118,706,000)	**2,843,556,940**	2,233,308,841	**(610,248,099)**	**79 %**
Interest income	925,540,975	439,586,780	**1,365,127,755**	155,639,510	**(1,209,488,245)**	**11 %**
Other receipts	8,123,386,414	1,125,677,562	**9,249,063,976**	427,565,701	**(8,821,498,275)**	**5 %**
	61,011,168,950	**352,279,739**	**61,363,448,689**	**48,901,944,216**	**(12,461,504,053)**	**80 %**
Payments						
Suppliers and employee costs	(54,861,407,531)	(247,900,620)	**(55,109,308,151)**	(42,231,577,403)	**12,877,730,748**	**77 %**
Finance costs	(1,215,995,599)	30,000,000	**(1,185,995,599)**	(911,620,160)	**274,375,439**	**77 %**
Other payments	(781,813,670)	(249,315,254)	**(1,031,128,924)**	(1,209,482,415)	**(178,353,491)**	**117 %**
	(56,859,216,800)	**(467,215,874)**	**(57,326,432,674)**	**(44,352,679,978)**	**12,973,752,967**	**77 %**
Net cash flows from operating activities	**4,151,952,150**	**(114,936,135)**	**4,037,016,015**	**4,549,264,238**	**512,248,914**	**113 %**
Purchase of property, plant and equipment	(2,910,313,343)	123,670,928	**(2,786,642,415)**	(2,728,563,700)	**58,078,715**	**98 %**
Purchase of investment property	-	-	**-**	(15,324,036)	**(15,324,036)**	**- %**
Purchase of other intangible assets	-	-	**-**	(29,526,352)	**(29,526,352)**	**- %**
Increase in investments	(245,024,133)	39,542,989	**(205,481,144)**	(125,138,482)	**80,342,662**	**61 %**
Increase in long-term receivables	(1,143,973)	-	**(1,143,973)**	17,772,944	**18,916,917**	**(1,554)%**
Proceeds from sale of assets	-	-	**-**	933,622	**933,622**	**- %**
Net cash flows from investing activities	**(3,156,481,449)**	**163,213,917**	**(2,993,267,532)**	**(2,879,846,004)**	**113,421,528**	**96 %**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Cash flows from financing activities						
Repayment of liabilities	(944,493,931)	-	**(944,493,931)**	(993,548,070)	**(49,054,139)**	**105 %**
Increase in deposits	80,597,729	-	**80,597,729**	(1,734,615)	**(82,332,344)**	**(2)%**
Net cash flows from financing activities	**(863,896,202)**	**-**	**(863,896,202)**	**(995,282,685)**	**(131,386,483)**	**115 %**
Net increase/(decrease) in cash and cash equivalents	131,574,499	48,277,782	**179,852,281**	674,135,549	**494,283,959**	**375 %**
Cash and cash equivalents at the beginning of the year	1,906,188,322	(801,782,004)	**1,104,406,318**	742,871,721	**(361,534,597)**	**67 %**
Cash and cash equivalents at the end of the year	**2,037,762,821**	**(753,504,222)**	**1,284,258,599**	**1,417,007,270**	**132,749,362**	**110 %**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	38,600,445,087	(1,110,150,119)	**37,490,294,968**	33,082,122,346	**(4,408,172,622)**	**88 %**
Construction contracts - HSDG grant	-	6,109,610	**6,109,610**	6,109,610	**-**	**100 %**
Rental of facilities and equipment	102,703,637	10,521,908	**113,225,545**	102,823,566	**(10,401,979)**	**91 %**
Interest earned on outstanding debtors	1,098,607,104	(773,452)	**1,097,833,652**	1,061,864,158	**(35,969,494)**	**97 %**
Income from agency services	324,921,779	23,359,086	**348,280,865**	339,766,334	**(8,514,531)**	**98 %**
Licences and permits	39,585,865	(689,791)	**38,896,074**	39,860,334	**964,260**	**102 %**
Other income	106,494,028	88,706,625	**195,200,653**	338,356,809	**143,156,156**	**173 %**
Interest revenue	120,064,609	-	**120,064,609**	112,620,641	**(7,443,968)**	**94 %**
Total revenue from exchange transactions	**40,392,822,109**	**(982,916,133)**	**39,409,905,976**	**35,083,523,798**	**(4,326,382,178)**	**89 %**
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	8,921,125,193	655,000,000	**9,576,125,193**	8,839,917,599	**(736,207,594)**	**92 %**
Property rates - penalties and collection charges	253,374,989	13,406,140	**266,781,129**	268,776,503	**1,995,374**	**101 %**
Transfer revenue						
Government grants & subsidies	10,821,706,000	(146,946,395)	**10,674,759,605**	10,670,767,195	**(3,992,410)**	**100 %**
Public contributions and donations	-	-	**-**	80,594,057	**80,594,057**	**- %**
Fines	1,022,684,728	(89,675,784)	**933,008,944**	349,628,398	**(583,380,546)**	**37 %**
Total revenue from non-exchange transactions	**21,018,890,910**	**431,783,961**	**21,450,674,871**	**20,209,683,752**	**(1,240,991,119)**	**94 %**
Total revenue	**61,411,713,019**	**(551,132,172)**	**60,860,580,847**	**55,293,207,550**	**(5,567,373,297)**	**91 %**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Expenditure						
Employee related costs	(11,861,528,276)	504,725,760	**(11,356,802,516)**	(10,785,739,579)	**571,062,937**	**95 %**
Remuneration of councillors	(172,415,066)	-	**(172,415,066)**	(161,437,351)	**10,977,715**	**94 %**
Depreciation, amortisation, impairment and derecognition loss	(3,075,371,138)	200,000,000	**(2,875,371,138)**	(2,664,673,874)	**210,697,264**	**93 %**
Finance costs	(1,598,372,559)	-	**(1,598,372,559)**	(1,062,102,103)	**536,270,456**	**66 %**
Debt Impairment	(6,691,640,795)	1,000,000,000	**(5,691,640,795)**	(5,093,056,005)	**598,584,790**	**89 %**
Collection costs	(157,051,609)	(7,455,189)	**(164,506,798)**	(113,058,841)	**51,447,957**	**69 %**
Bulk purchases	(26,248,074,191)	-	**(26,248,074,191)**	(26,106,665,557)	**141,408,634**	**99 %**
Contracted Services	(2,939,520,663)	(1,030,042,797)	**(3,969,563,460)**	(4,363,814,861)	**(394,251,401)**	**110 %**
Grants and subsidies paid	(994,076,312)	(251,756,257)	**(1,245,832,569)**	(1,126,121,377)	**119,711,192**	**90 %**
General Expenses	(4,699,388,834)	(19,584,951)	**(4,718,973,785)**	(4,473,057,327)	**245,916,458**	**95 %**
Total expenditure	**(58,437,439,443)**	**395,886,566**	**(58,041,552,877)**	**(55,949,726,875)**	**2,091,826,002**	**96 %**
Deficit before taxation	**2,974,273,576**	**(155,245,606)**	**2,819,027,970**	**(656,519,325)**	**(3,475,547,295)**	**(23)%**
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**2,974,273,576**	**(155,245,606)**	**2,819,027,970**	**(656,519,325)**	**(3,475,547,295)**	**(23)%**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Statement of Financial Position						
Assets						
Current Assets						
Inventories	2,069,435,118	(298,313,671)	**1,771,121,447**	1,682,311,466	**(88,809,981)**	**95 %**
Other Investments	359,424,271	17,754,095	**377,178,366**	147,373,328	**(229,805,038)**	**39 %**
Receivables from exchange transactions	10,313,877,127	(677,157,706)	**9,636,719,421**	11,045,356,408	**1,408,636,987**	**115 %**
Receivables from non-exchange transactions (Statutory)	2,376,548,180	651,658,535	**3,028,206,715**	2,305,547,108	**(722,659,607)**	**76 %**
Cash and cash equivalents	1,744,355,499	(801,782,004)	**942,573,495**	1,272,314,448	**329,740,953**	**135 %**
	16,863,640,195	**(1,107,840,751)**	**15,755,799,444**	**16,452,902,758**	**697,103,314**	**104 %**
Non-Current Assets						
Investment property	474,528,174	(9,919,678)	**464,608,496**	500,085,304	**35,476,808**	**108 %**
Property, plant and equipment	58,481,012,033	(675,996,597)	**57,805,015,436**	61,039,262,369	**3,234,246,933**	**106 %**
Intangible assets	1,417,620,639	(56,703,589)	**1,360,917,050**	1,263,729,143	**(97,187,907)**	**93 %**
Heritage assets	82,007,433	-	**82,007,433**	82,007,433	**-**	**100 %**
Investments in controlled entities	100	-	**100**	100	**-**	**100 %**
Other Investments	239,655,284	(39,542,989)	**200,112,295**	225,173,226	**25,060,931**	**113 %**
Long term receivables	5,380,910	(2,011,253)	**3,369,657**	1,942,965	**(1,426,692)**	**58 %**
	60,700,204,573	**(784,174,106)**	**59,916,030,467**	**63,112,200,540**	**3,196,170,073**	**105 %**
Total Assets	**77,563,844,768**	**(1,892,014,857)**	**75,671,829,911**	**79,565,103,298**	**3,893,273,387**	**105 %**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Liabilities						
Current Liabilities						
Short term liabilities	785,630,579	-	**785,630,579**	885,112,588	**99,482,009**	**113 %**
Trade and other payables from exchange transactions	9,869,715,797	879,637,811	**10,749,353,608**	17,489,351,850	**6,739,998,242**	**163 %**
Deposits	1,296,773,907	(5,697,283)	**1,291,076,624**	1,335,960,527	**44,883,903**	**103 %**
Retirement benefit obligation	-	-	**-**	132,961,398	**132,961,398**	**- %**
Unspent conditional grants and receipts	153,404,176	(143,861,330)	**9,542,846**	2,105,924	**(7,436,922)**	**22 %**
Provisions	918,416,597	29,596,284	**948,012,881**	1,068,035,460	**120,022,579**	**113 %**
	13,023,941,056	**759,675,482**	**13,783,616,538**	**20,913,527,747**	**7,129,911,209**	**152 %**
Non-Current Liabilities						
Long term liabilities	6,470,414,886	-	**6,470,414,886**	6,470,401,043	**(13,843)**	**100 %**
Retirement benefit obligation	1,972,824,185	(79,778,570)	**1,893,045,615**	2,284,300,555	**391,254,940**	**121 %**
Provisions	1,177,766,370	96,143,395	**1,273,909,765**	1,118,765,033	**(155,144,732)**	**88 %**
	9,621,005,441	**16,364,825**	**9,637,370,266**	**9,873,466,631**	**236,096,365**	**102 %**
Total Liabilities	**22,644,946,497**	**776,040,307**	**23,420,986,804**	**30,786,994,378**	**7,366,007,574**	**131 %**
Net Assets	**54,918,898,271**	**(2,668,055,164)**	**52,250,843,107**	**48,778,108,920**	**(3,472,734,187)**	**93 %**
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	54,918,898,271	(2,668,055,164)	**52,250,843,107**	48,778,108,924	**(3,472,734,183)**	**93 %**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Property rates and fines	8,029,012,673	589,500,000	**8,618,512,673**	8,345,282,848	**(273,229,825)**	**97 %**
Income received service rendered	34,848,946,778	(1,717,803,000)	**33,131,143,778**	29,432,864,412	**(3,698,279,366)**	**89 %**
Grants - operational	6,032,659,060	(22,131,000)	**6,010,528,060**	8,430,021,432	**2,419,493,372**	**140 %**
Grants - capital	2,962,262,940	(118,706,000)	**2,843,556,940**	2,233,308,841	**(610,248,099)**	**79 %**
Interest income	939,495,210	456,980,000	**1,396,475,210**	112,620,641	**(1,283,854,569)**	**8 %**
Other receipts	8,397,040,607	1,181,832,000	**9,578,872,607**	678,647,663	**(8,900,224,944)**	**7 %**
	61,209,417,268	**369,672,000**	**61,579,089,268**	**49,232,745,837**	**(12,346,343,431)**	**80 %**
Payments						
Employee costs and suppliers	(56,046,504,098)	(399,675,000)	**(56,446,179,098)**	(43,948,923,353)	**12,497,255,745**	**78 %**
Finance costs	(1,215,995,599)	30,000,000	**(1,185,995,599)**	(882,665,991)	**303,329,608**	**74 %**
	(57,262,499,697)	**(369,675,000)**	**(57,632,174,697)**	**(44,831,589,344)**	**12,800,585,353**	**- %**
Net cash flows from operating activities	**3,946,917,571**	**(3,000)**	**3,946,914,571**	**4,401,156,493**	**454,241,922**	**112 %**
Cash flows from investing activities						
Purchase of property, plant and equipment	(2,814,879,000)	136,174,000	**(2,678,705,000)**	(2,672,455,759)	**6,249,241**	**100 %**
Decrease in investments	(87,218,000)	-	**(87,218,000)**	(123,481,148)	**(36,263,148)**	**142 %**
Increase in long term receivables	(1,145,000)	-	**(1,145,000)**	1,980,204	**3,125,204**	**(173)%**
Net cash flows from investing activities	**(2,903,242,000)**	**136,174,000**	**(2,767,068,000)**	**(2,793,956,703)**	**(26,888,703)**	**101 %**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget
Cash flows from financing activities						
Repayment of long term liabilities and consumer deposits	(853,099,000)	-	**(853,099,000)**	(950,710,524)	**(97,611,524)**	**111 %**
Net increase/(decrease) in cash and cash equivalents	190,576,571	136,171,000	**326,747,571**	656,489,266	**329,741,695**	**201 %**
Cash and cash equivalents at the beginning of the year	1,553,779,000	(937,954,000)	**615,825,000**	615,825,182	**182**	**100 %**
Cash and cash equivalents at the end of the year	**1,744,355,571**	**(801,783,000)**	**942,572,571**	**1,272,314,448**	**329,741,877**	**135 %**

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Ref.
Economic entity - 2025												
Financial Performance												
Property rates	9,150,313,107	669,273,790	9,819,586,897	-		9,819,586,897	9,108,694,102		(710,892,795)	93 %	100 %	
Service charges	38,380,487,733	(1,104,368,223)	37,276,119,510	-		37,276,119,510	33,020,975,385		(4,255,144,125)	89 %	86 %	62
Investment revenue	154,478,656	(464,994)	154,013,662	-		154,013,662	155,639,510		1,625,848	101 %	101 %	
Transfers recognised - operational	8,420,727,060	14,227,628	8,434,954,688	-		8,434,954,688	8,433,105,576		(1,849,112)	100 %	100 %	
Other own revenue	2,793,112,377	38,664,092	2,831,776,469	-		2,831,776,469	2,399,766,716		(432,009,753)	85 %	86 %	62
Total revenue (excluding capital transfers and contributions)	**58,899,118,933**	**(382,667,707)**	**58,516,451,226**	**-**		**58,516,451,226**	**53,118,181,289**		**(5,398,269,937)**	**91 %**	**90 %**	
Employee costs	(12,410,132,187)	509,898,972	(11,900,233,215)	-	-	(11,900,233,215)	(11,301,707,292)	-	598,525,923	95 %	91 %	
Remuneration of councillors	(172,415,066)	-	(172,415,066)	-	-	(172,415,066)	(161,437,351)	-	10,977,715	94 %	94 %	
Debt impairment	(6,699,708,099)	981,990,220	(5,717,717,879)			(5,717,717,879)	(5,206,457,710)	-	511,260,169	91 %	78 %	62
Depreciation and asset impairment	(3,230,027,974)	213,201,198	(3,016,826,776)			(3,016,826,776)	(2,827,771,620)	-	189,055,156	94 %	88 %	62
Finance charges	(1,641,139,917)	1,906,469	(1,639,233,448)	-	-	(1,639,233,448)	(1,099,929,785)	-	539,303,663	67 %	67 %	62
Materials and bulk purchases	(24,949,993,701)	(1,542,720)	(24,951,536,421)	-	-	(24,951,536,421)	(24,713,016,514)	-	238,519,907	99 %	99 %	
Transfers and grants	(879,830,354)	(250,040,916)	(1,129,871,270)	-	215,341	(1,130,086,611)	(1,009,518,838)	-	120,567,773	89 %	115 %	62
Other expenditure	(8,218,936,927)	(1,062,745,516)	(9,281,682,443)	-	(215,341)	(9,281,467,102)	(9,277,909,234)	-	3,557,868	100 %	113 %	
Total expenditure	**(58,202,184,225)**	**392,667,707**	**(57,809,516,518)**	**-**	**-**	**(57,809,516,518)**	**(55,597,748,344)**	**-**	**2,211,768,174**	**96 %**	**96 %**	
Surplus/(Deficit)	**696,934,708**	**10,000,000**	**706,934,708**	**-**		**706,934,708**	**(2,479,567,055)**		**(3,186,501,763)**	**(351)%**	**(356)%**	

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Ref.
Transfers recognised - capital	2,400,978,940	(158,601,297)	2,242,377,643	-		2,242,377,643	2,240,745,763		(1,631,880)	100 %	93 %	
Contributions recognised - capital and contributed assets	-	-	-	-		-	80,594,057		80,594,057	- %	- %	62
Surplus (Deficit) after capital transfers and contributions	**3,097,913,648**	**(148,601,297)**	**2,949,312,351**	**-**		**2,949,312,351**	**(158,227,235)**		**(3,107,539,586)**	**(5)%**	**(5)%**	
Taxation	2,331,695	-	2,331,695	-		2,331,695	(3,941,115)		(6,272,810)	(169)%	(169)%	
Attributable to minorities	-	-	-	-		-	16,878,608		16,878,608	- %	- %	
Surplus/(Deficit) for the year	**3,095,581,953**	**(148,601,297)**	**2,946,980,656**	**-**		**2,946,980,656**	**(171,164,728)**		**(3,118,145,384)**	**(6)%**	**(6)%**	

Capital expenditure and funds sources

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Ref.
Total capital expenditure	2,910,313,343	(123,670,926)	2,786,642,417	-		2,786,642,417	2,779,679,095		(6,963,322)	100 %	96 %	

Cash flows

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Ref.
Net cash from (used) operating	4,151,952,150	(114,936,135)	4,037,016,015	-		4,037,016,015	4,549,264,238		512,248,223	113 %	110 %	
Net cash from (used) investing	(3,116,938,460)	123,670,928	(2,993,267,532)	-		(2,993,267,532)	(2,879,846,005)		113,421,527	96 %	92 %	
Net cash from (used) financing	(863,896,202)	-	(863,896,202)	-		(863,896,202)	(995,282,685)		(131,386,483)	115 %	115 %	
Net increase/(decrease) in cash and cash equivalents	**171,117,488**	**8,734,793**	**179,852,281**	**-**		**179,852,281**	**674,135,548**		**494,283,267**	**375 %**	**394 %**	
Cash and cash equivalents at the beginning of the year	1,104,406,318	-	1,104,406,318	-		1,104,406,318	742,871,721		(361,534,597)	67 %	67 %	
Cash and cash equivalents at year end	**1,275,523,806**	**8,734,793**	**1,284,258,599**	**-**		**1,284,258,599**	**1,417,007,269**		**132,748,670**	**110 %**	**111 %**	

City of Ekurhuleni Metropolitan Municipality
Consolidated Annual Financial Statements for the year ended 30 June 2025

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Ref.
Controlling entity - 2025												
Financial Performance												
Property rates	9,174,500,182	668,406,140	9,842,906,322	-		9,842,906,322	9,108,694,102		(734,212,220)	93 %	99 %	
Service charges	38,600,445,087	(1,110,150,119)	37,490,294,968	-		37,490,294,968	33,082,122,346		(4,408,172,622)	88 %	86 %	62
Investment revenue	120,064,609	-	120,064,609	-		120,064,609	112,620,641		(7,443,968)	94 %	94 %	
Transfers recognised - operational	8,420,727,060	14,227,628	8,434,954,688	-		8,434,954,688	8,430,021,432		(4,933,256)	100 %	100 %	
Other own revenue	2,694,997,141	37,558,201	2,732,555,342	-		2,732,555,342	2,245,846,131		(486,709,211)	82 %	83 %	62
Total revenue (excluding capital transfers and contributions)	**59,010,734,079**	**(389,958,150)**	**58,620,775,929**	**-**		**58,620,775,929**	**52,979,304,652**		**(5,641,471,277)**	**90 %**	**90 %**	
Employee costs	(11,861,528,276)	504,725,760	(11,356,802,516)	-	-	(11,356,802,516)	(10,785,739,579)	-	571,062,937	95 %	91 %	
Remuneration of councillors	(172,415,066)	-	(172,415,066)	-	-	(172,415,066)	(161,437,351)	-	10,977,715	94 %	94 %	
Depreciation, amortisation, impairment and derecognition loss	(3,075,371,138)	200,000,000	(2,875,371,138)			(2,875,371,138)	(2,664,673,874)	-	210,697,264	93 %	87 %	
Debt impairment	(6,691,640,795)	1,000,000,000	(5,691,640,795)			(5,691,640,795)	(5,093,056,005)	-	598,584,790	89 %	76 %	62
Finance charges	(1,598,372,559)	-	(1,598,372,559)	-	-	(1,598,372,559)	(1,062,102,103)	-	536,270,456	66 %	66 %	62
Inventory consumed and bulk purchases	(26,248,074,191)	-	(26,248,074,191)	-	-	(26,248,074,191)	(26,106,665,557)	-	141,408,634	99 %	99 %	
Transfers and grants	(994,076,312)	(251,540,916)	(1,245,617,228)	(215,341)	-	(1,245,832,569)	(1,126,121,377)	-	119,711,192	90 %	113 %	62
Other expenditure	(7,795,961,106)	(1,057,298,278)	(8,853,259,384)	215,341	-	(8,853,044,043)	(8,949,931,029)	-	(96,886,986)	101 %	115 %	
Total expenditure	**(58,437,439,443)**	**395,886,566**	**(58,041,552,877)**	**-**	**-**	**(58,041,552,877)**	**(55,949,726,875)**	**-**	**2,091,826,002**	**96 %**	**96 %**	
Surplus/(Deficit)	**573,294,636**	**5,928,416**	**579,223,052**	**-**		**579,223,052**	**(2,970,422,223)**		**(3,549,645,275)**	**(513)%**	**(518)%**	

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Ref.
Transfers and subsidies - capital	2,400,978,940	(161,174,023)	2,239,804,917	-		2,239,804,917	2,233,308,841		(6,496,076)	100 %	93 %	
Public Contributions	-	-	-	-		-	80,594,057		80,594,057	- %	- %	62
Surplus (Deficit) after capital transfers and contributions	**2,974,273,576**	**(155,245,607)**	**2,819,027,969**	**-**		**2,819,027,969**	**(656,519,325)**		**(3,475,547,294)**	**(23)%**	**(22)%**	
Surplus/(Deficit) for the year	**2,974,273,576**	**(155,245,607)**	**2,819,027,969**	**-**		**2,819,027,969**	**(656,519,325)**		**(3,475,547,294)**	**(23)%**	**(22)%**	
Capital expenditure and funds sources												
Total capital expenditure	2,814,878,940	(136,174,022)	2,678,704,918	-		2,678,704,918	2,672,455,758		(6,249,160)	100 %	95 %	
Cash flows												
Net cash from (used) operating	3,946,917,571	(3,000)	3,946,914,571	-		3,946,914,571	4,401,156,488		454,241,917	112 %	112 %	
Net cash from (used) investing	(2,903,242,000)	136,174,000	(2,767,068,000)	-		(2,767,068,000)	(2,793,956,705)		(26,888,705)	101 %	96 %	
Net cash from (used) financing	(853,099,000)	-	(853,099,000)	-		(853,099,000)	(950,710,524)		(97,611,524)	111 %	111 %	
Net increase/(decrease) in cash and cash equivalents	**190,576,571**	**136,171,000**	**326,747,571**	**-**		**326,747,571**	**656,489,259**		**329,741,688**	**201 %**	**344 %**	
Cash and cash equivalents at the beginning of the year	1,553,779,000	(937,954,000)	615,825,000	-		615,825,000	615,825,182		182	100 %	40 %	
Cash and cash equivalents at year end	**1,744,356,000**	**(801,783,000)**	**942,572,571**	**-**		**942,572,571**	**1,272,314,441**		**(329,741,870)**	**135 %**	**73 %**	

Significant Accounting Policies

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2025	2024	2025	2024

1. Presentation of Consolidated Annual Financial Statements

Basis of Preparation

The consolidated annual financial statements were prepared in accordance with 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 No 56 of 2003).

The consolidated annual financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where otherwise specified.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3, interpretation, guidelines and directives issued by the accounting standard board, read with directive 5 (GRAP Reporting Framework).

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of the consolidated annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year consolidated annual financial statements, unless, otherwise specified. Details of any changes in the accounting policies are provided in the note “Changes in accounting policy, where applicable”.

Significant Accounting Policies

The amounts presented in the consolidated annual financial statements are rounded to the nearest rand.

1.1 Consolidation

Basis of consolidation

Consolidated annual financial statements are the results of the group presented as those of a single entity.

They incorporate of the controlling entity and all controlled entities, including special purpose entities, which are controlled by the controlling entity.

Consolidated annual financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The results of controlled entities, are included in the consolidated annual financial statements from the effective date of acquisition or date when control commences to the effective date of disposal or date when control ceases. The difference between the proceeds from the disposal of the controlled entity and its carrying amount as of the date of disposal, including the cumulative amount of any exchange differences that relate to the controlled entity recognised in net assets in accordance with the Standard of GRAP on The Effects of Changes in Foreign Exchange Rates is recognised in the Consolidated Statement of Financial Performance as the surplus or deficit on the disposal of the controlled entity.

An investment in the controlling entity is accounted for in accordance with the accounting policy on financial instruments from the date that it ceases to be a controlled entity, unless it becomes an associate or a jointly controlled entity, in which case it is accounted for as such. The carrying amount of the investment at the date that the entity ceases to be a controlled entity is regarded as the fair value on initial recognition of a financial asset in accordance with the accounting policy on financial instruments.

The consolidated annual financial statements of the group and its controlled entities used in the preparation of the consolidated annual financial statements are prepared as of the same reporting date.

Adjustments are made when necessary to the consolidated annual financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of the group are identified and recognised separately from the controlling entity's interest therein, and are recognised within net assets. Losses applicable to the minority in a consolidated controlled entity may exceed the non-controlling interest in the controlled entity’s net assets. The excess, and any further losses applicable to the minority, are allocated against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make an additional investment to cover the losses. If the controlled entity subsequently reports surpluses, such surpluses are allocated to the majority interest until the minority’s share of losses previously absorbed by the majority has been recovered.

Non-controlling interests in the statement of financial performance of the group is separately disclosed.

The controlling entities' operations are not the extension of the controlling entity's operations but independent operations. The amounts are consolidated in similar items and not aggregated into the Group's transactions.

1.2 Significant judgements and sources of estimation uncertainty

In the process of applying the group's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have significant effect on the amounts recognised in the consolidated annual financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively:

• Going Concern

Management considers key financial metrics and approved medium-term budgets, together with the dependency on the grants from national and provincial government, to conclude that the going concern assumptions used in the compilation of its consolidated annual financial statements, is appropriate.

• Operating lease commitments - group as lessor or leases

Leases where risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Payments received or paid under operating leases are recognised in the statement of financial performance on a straight-line basis over the period of the lease.

. Significant judgements and sources of estimation uncertainty (continued)

• Pension and other post – employment benefits

The cost of defined-benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further assumptions and estimates are disclosed in note 18 to the consolidated annual financial statements.

• Cash-generating assets

The controlling entity is not a profit-oriented entity as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of the tariff.

As such, management has determined that the controliing entity does not control assets that meet the definition of cash-generating assets, and that the GRAP standard for the impairment of non-cash-generating assets will apply to all assets of the controlling entity.

• Impairment of receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

• Impairment of property, plant and equipment

The calculation in respect of the impairment of property, plant and equipment is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This was performed across all classes of property, plant and equipment.

• Residual value of property, plant and equipment

Management has determined that none of its infrastructure assets have an active market value, and the value of the amount at the end of their useful lives would therefore be insignificant.

• Useful lives of property, plant and equipment and investment property held at cost

The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets are also based on management judgements on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

• Significant delays in assets under construction

The group regards delays in assets under construction of more than three years as significant. Further disclosures are made in notes 3 to 5 to the consolidated annual financial statements.

• Investment accounted using the cost model

The controlling entity has accounted for the investment in Rand airport using the cost model, the controlling entity has a 20% shareholding. The reason for accounting this under the cost model is due to the fact the controlling entity has not exercised significant control, does not participate in operations or management decision nor serve on the board of directors of the entity.

• Provisions, contingent liabilities and contingent assets

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities and assets. Provisions are discounted, where the effect of discounting is material, using cost of capital.

• Traffic 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 controlling entity.

• Budget information

A difference of 8% or more between budget and actual amounts is regarded as material. All material differences are explained in the notes to the consolidated annual financial statements.

Significant Accounting Policies

. Significant judgements and sources of estimation uncertainty (continued)

• Material losses

Material losses are losses that occur due to factors other than normal production and utilisation and are regarded as material if their omission or misstatement will affect the decisions made by users of the information. The losses disclosed include that of technical losses and non-technical losses related to water and electricity.

Losses that occur due to normal production and utilisation are classified as production costs and factored into the controlling entity's tariffs. They, therefore, do not constitute material losses. If actual production and utilisation losses exceed the normal budgeted production and utilisation losses factored into the tariff, this difference is considered material losses.

• Service charges

Service charges relating to electricity, water and sanitation are based on consumption. Waste removal is based on the size of the bin and the number of times it is collected. Meters are read and billed on a monthly basis and revenue is recognised when invoiced. Estimates of consumption are made monthly when meter readings have not been performed. The estimates of consumption are recognised as revenue when invoiced. Adjustments to estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period. Waste removal services are billed on a monthly basis.

• Service provided on a prepaid basis

Various services are provided on a prepaid basis in which case no formal billing takes place and revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

1.3 Presentation currency

These consolidated annual financial statements are presented in South African Rand, which is the functional currency of the group.

1.4 Investment property

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the enterprise, and the cost or fair value of the investment property can be measured reliably.

At initial recognition, the group measures an investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Cost model

Investment property is subsequently measured using the cost model. Under the cost model, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The group depreciates separately each part of an item of investment property that has a cost that is significant in relation to the total cost of the item. A significant part of an item of investment property may have a useful life and a depreciation method that are the same as the useful life and the depreciation method of another significant part of that same item. Such parts may be grouped in determining the depreciation charge. Costs of replacing parts are capitalised and the existing parts being replaced are derecognised. The annual depreciation rates are based on the following estimated average asset lives:

Item	Useful life
Property - land	Indefinite
Property - buildings - ERWAT	14 - 82 years
Property - buildings - Controlling	14 - 80 years

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

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the statement of financial performance in the period of retirement or disposal.

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

1.5 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Cost also includes initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located. Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Servitudes that are acquired with the relevant infrastructure items are capitalised with the relating infrastructure asset when it is an integral part of the asset.

Assets under construction represents capital expenditure incurred on projects not yet completed nor ready for use at period end. Assets under construction are carried at cost.

Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses. Where property, plant and equipment are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition. The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent cost is capitalised when the recognition and measurement criteria of an asset are met.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

The group maintains and acquires assets to provide a social service to the community. The useful lives and economic lives of these assets are equal and consequently no residual values are determined.

The group depreciates separately each part of an item of property, plant and equipment that has a cost that is significant in relation to the total cost of the item. A significant part of an item of property, plant and equipment may have a useful life and a depreciation method that are the same as the useful life and the depreciation method of another significant part of that same item. Such parts may be grouped in determining the depreciation charge. Costs of replacing parts are capitalised and the existing parts being replaced are derecognised. Depreciation is calculated at cost, using the straight-line method, over the estimated useful lives of the assets. Depreciation starts when the asset is available for use. Assets under construction are not depreciated.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight-line	14 - 80 years
Infrastructure	Straight-line	
• Roads and storm water		2 - 100 years
• Pedestrian bridges		10 - 60 years
• Electricity		3 - 100 years
• Water		3 - 100 years
• Sewer		3 - 100 years
• Housing		80 years
• Solid Waste		5 - 100 years
• ICT		5 - 50 years
• Waste water purification works		2 - 82 years
Community	Straight-line	
• Buildings		14 - 80 years
• Recreational facilities		10 - 80 years
• Security		5 - 15 years
• Landfill sites		10 - 80 years

. Property, plant and equipment (continued)

Other property, plant and equipment	Straight-line	
• Furniture and fittings		3 - 45 years
• Water craft		15 years
• Office equipment		3 - 35 years
• Specialised plant and equipment		10 - 26 years
• Other items of plant and equipment		2 - 56 years
• Buildings		20 - 80 years
• Specialised vehicles		3 - 20 years
• Other vehicles		3 - 54 years

The asset management policy contains the details of the components and their specific useful life estimates.

The residual value, the useful life and the depreciation method of property, plant and equipment are reviewed at least at every reporting date.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the statement of financial performance.

The group assesses at each reporting date whether there is any indication that the group 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 group revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in the statement of financial performance unless it is included in the carrying amount of another asset.

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the statement of financial performance when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

1.6 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets and obligations.

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the group, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Intangible assets are de-recognised on disposal, or when no future economic benefits are expected from its use or disposal. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation to intangible assets is provided on a straight line basis as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	1 - 23 years
Servitudes	Straight-line	Indefinite

Significant Accounting Policies

. Intangible assets (continued)

The gain or loss arising from the derecognition of an intangible asset is recognised in the statement of financial performance when the asset is derecognised.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

1.7 Heritage assets

A heritage asset is as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held indefinitely for the benefit of present and future generations.

The group recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the group, and the cost or fair value of the asset can be measured reliably.

Heritage assets are measured at cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. The cost of a purchased heritage asset comprises:
- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the heritage asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Heritage assets are subsequently measured at cost, less accumulated impairment losses. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

Transfers to heritage assets are made only when the asset meets the definition of a heritage asset and transfers from heritage assets are made only when the asset no longer meets the definition of a heritage asset. Transfers to and from heritage assets are done at the carrying amount of the assets transferred at the date of transfer.

The group assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the group estimates the recoverable amount or the recoverable service amount of the heritage asset.

Most heritage assets have an indefinite useful life as they are to be preserved for current and future generations and might appreciate in value over time due to their cultural, environmental, historical, natural, scientific, technological and/or artistic significance. Based on this analysis, there is no definite limit to the period over which a heritage asset is expected to be held by the group. The useful life of the heritage asset is therefore likely to be indefinite or the annual depreciation is likely to be immaterial.

The group de-recognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of a heritage asset is recognised in the statement of financial performance when the asset is derecognised.

1.8 Investments in controlled entities

Municipal controlled entities are those entities which the controlling entity owns or over whose financial and operating policies it has the power to exercise beneficial control.

In the group's consolidated annual financial statements, investments in controlled entities are carried at cost less any accumulated impairment.

1.9 Financial instruments

Financial Instruments

A financial instrument is recognised if the group becomes a party to the contractual provisions of the instrument.

Financial Assets

A financial asset is any asset that is a cash or contractual right to receive cash. In accordance with the Standards of GRAP 104 the financial assets of the group are classified as follows into the three categories allowed by this standard:

Financial asset at amortised cost being a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current asset.

The group has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

Type of financial assets	Classifications
Other investments	Amortised cost
Receivables from exchange	Amortised cost
Cash and cash equivalents	Amortised cost
Long-term receivables	Amortised cost
Other investments (unlisted shares)	Cost

Financial Liabilities

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

The following main categories of financial liabilities and the classification determining how they are measure:
• Financial liabilities measured at amortised cost.

The group has the following types of financial liabilities as reflected on the face of the statement of financial position or in the notes thereto:

Type of financial liability	Classifications
Long-term liabilities	Amortised cost
Trade and other-payables from exchange transactions	Amortised cost
Consumer deposits	Amortised cost

Initial recognition

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

The group recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The group measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The group measures all financial assets and financial liabilities after initial recognition using the following categories:
- Financial instruments at amortised cost; and
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review at each reporting period.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset measured at fair value is recognised in the statement of financial performance.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in the statement of financial performance when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The group assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Significant Accounting Policies

. Financial instruments (continued)
a) Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced directly through the use of an allowance account. The amount of the loss is recognised in the statement of financial performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the statement of financial performance.

b) Financial assets measured at cost:

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

Derecognition

a) Financial assets

The group derecognises financial assets (or part of a financial assets) when the contractual rights to the cash flows from the financial asset expire, are settled or waived or when the group has transferred all of the significant risks and rewards of ownership using trade date accounting.

On de-recognition of a financial asset (or part of a financial asset), the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial performance.

b) Financial liabilities

The group removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished (when the obligation specified in the contract is discharged, cancelled, expires or waived).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of financial performance. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in the statement of financial performance.

Gains and losses relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in the statement of financial performance.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for de-recognition, the group does not offset the transferred asset and the associated liability.

Significant Accounting Policies

1.10 Statutory receivables

Identification

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

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with legislation, supporting regulations, or similar means. Statutory receivables consists of property rates and traffic fines.

An entity shall recognise statutory receivables as follows:
(a) if the transaction is an exchange transaction;
(b) if the transaction is a non-exchange transaction; or
(c) if the transaction is not within the scope of the Standards of GRAP listed in (a) or (b) or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Statutory receivables that meets the definition of an asset shall be recognised as an asset when, and only when:
(a) it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
(b) the fair value of the asset can be measured reliably.

Statutory receivables are included as part of the non-exchange receivables on the face of the Statement of Financial Position in accordance to GRAP 1 Presentation of Financial Statements.

An entity shall derecognise a statutory receivable, or a part thereof, when:
(a) the rights to the cash flows from the receivable are settled, expire or are waived; or
(b) the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable.

An entity shall measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:
(a) interest or other charges that may have accrued on the receivable (where applicable);
(b) impairment losses; and
(c) amounts derecognised.

Where an entity levies interest on the outstanding balance of statutory receivables, it shall adjust the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables shall be recognised as revenue.

Statutory receivables are tested for impairment on an annual basis and results thereof will be recognised.

No discounting to the transactions is applied.

If there is objective evidence that there is an impairment loss on statutory receivables, the amount of the loss is measured by comparing the carrying amount of the receivable to the cash flows the entity expects to receive. The cash flows are discounted if the time value of money is material. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the statement of financial performance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly by adjusting an allowance account. The reversal does not result in a carrying amount of the statutory receivable would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the statement of financial performance.

Significant Accounting Policies

1.11 Inventories

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

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

Inventories are initially recognised at cost. The cost of inventory shall comprise of all costs, costs of conversion and other costs, incurred to bringing the inventories to their present location and condition.

Where inventory is acquired by the group 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.

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

Inventories held for consumption, distribution, consumables stores, raw materials, finished goods and unsold properties, are valued at lower of cost and current replacement cost.

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. The first-in-first-out method is the basis of allocating costs to inventories, except for water balance which is determined at weighted average cost at the reporting date based on the water volume in the network on hand.

Redundant and slow-moving inventories are identified and written down to the estimated net realisable value, and are recognised as an expense in the period in which the write-down or loss occurs. Inventories identified for write-down/write-off, but for which a council resolution, to authorise the write-down/write-off, has not yet been obtained, is provided for as a provision for obsolete stock. Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arose. 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.

1.12 Tax

Current tax assets and liabilities

Controlling entity

The City is exempt from tax in terms of section 10(1)(c)B(i)(ff) of the Income Tax Act.

Group

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Significant Accounting Policies

. Inventories (continued)
Tax expenses
Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.13 Provisions and contingencies

A provision is recognised when the group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures to which the provision was originally recognised.

a) COID provision

The provision for COID pensions and medical aid liability is based on eligible members, their current age and their future life expectancy. Cash flows are projected on the basis of current pension payments escalated at 5.01% (2024: 4.90%) per annum over members` expected lives. Resulting cash flows have been discounted to Net Present Value applying a discount rate of 10.99% (2024: 10.93%).

b) Landfill rehabilitation provision

The landfill rehabilitation provision is created for the rehabilitation of the current operational sites at the future estimated time of closure. The value of the provision is based on the expected future cost to rehabilitate the various sites discounted back to the statement of financial position date at the cost of capital (time value of money), which is currently 10.99% (2024: 10.93%).

The group has an obligation to rehabilitate these landfill sites. The cost of such property includes the initial estimate of the costs of rehabilitating the land and restoring the site on which it is located, the obligation for which the group incurs as a consequence of having used the property during a particular period for landfill purposes. The group estimates the useful lives and make assumptions as to the useful lives of these assets, which influence the provision for future costs.

Changes in the measurement of the provision 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:
a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the statement of financial performance; and
c) if the adjustment results in an addition to the cost of an asset, the group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If such an indication exists, the asset is tested for impairment by estimating its recoverable amount, and any impairment loss is recognised in the statement of financial performance.

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 the statement of financial performance as they occur.

The periodic unwinding of the discount is recognised in the statement of financial performance as a finance cost as it occurs.

Significant Accounting Policies

1.14 Construction contracts and receivables

Revenue from the construction contracts arise from grants received on the Human Settlements Development Grants (HSDG) received from the Gauteng Department of Human Settlement for the development and construction of housing units on behalf of the department. The accounting treatment of the grant as a construction revenue is in accordance with the ASB Guide for Housing Arrangements, where the controlling entity is responsible for the appointment of contractors (service provide for the construction of these units). Grants funds received will initially be recognised as a grant liability, and realised when the contractor bills the progress payment.

Construction revenue will be realized based on the progress billing by the Contractor (service Provider) for work done to date as certified by the controlling entity.

Any unspent funds will remain as part of the unspent grant liability subject to a rollover request from the Gauteng Department of Human Settlement.

No Construction receivable is recognized as funds are received in advance.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

1.15 Impairment of cash-generating assets

The group does not have any cash generating assets, as its primary objective is service delivery, nor can any of its assets be associated with the purpose of making a commercial return. However, at group level, ERWAT has a division whose sole mandate is the generation of cash through commercial business activities. All assets that are directly attributed to the commercial business are classified as cash generating assets/units.

1.16 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

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

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset.

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.
The present value of the remaining service potential of a non-cash-generating asset is determined using the most appropriate of the following approaches depending on the impairment event:
• Depreciated replacement cost approach; or
• Restoration cost approach; or
• Service units approach.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

. Impairment of non-cash-generating assets (continued)

Designation

At initial recognition, the group designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an group's objective of using the asset.

The group designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The group designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the group expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the group designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

1.17 Employee benefits

The group provides short term benefits, long term benefits and retirement benefits for its employees and councillors.

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 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 expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or in the case of non-accumulating absences when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance and a reliable estimate can be made at the reporting date.

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end, any unused leave days are forfeited six months after the end of leave cycle.

Long services awards

The group offers various types of long service awards to its employees. The provision is to recognise the present value of the obligation as at the reporting date.

Retirement funds

The group contributes to defined contribution and defined benefit funds. These funds are multi-employer funds.

Defined contribution plans

A defined contribution plan is a plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligation to pay further contributions, should the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The group'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.

Significant Accounting Policies

. Employee benefits (continued)

Defined benefit plans

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The 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 by independent qualified actuaries regularly, as may be required for fair presentation.

Actuarial gains or losses recognised immediately in the statement of financial performance.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

The group recognises all liabilities and all gains and losses.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the group is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In statement of financial performance, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

The group does not apply “defined benefit accounting” to the defined benefit funds to which it is a member where these funds as classified in terms of GRAP 25 as multi-employer plans, as sufficient information is not available to apply the principals involved.

To the extent that a surplus or deficit in the place, based on available information, may affect the amount of future contributions, these are assessed. In the case of surpluses, no change is made in the rate of contributions. In the case of deficits, the group will increase contributions on a phased basis. To the extent that the full discounted value of obligations to the funds is not fully accounted for at year end, a contingent liability arises and is reported on accordingly.

Medical Aid: Continued Members

The group provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds, with which the group is associated, a member (subject to the applicable conditions of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for the portion as determined by Council from time to time, of the medical aid membership fee, and the group for the remaining portion.

Multi-Employer Benefits Plans

The group is participate in a multi-employer benefits plans for the purpose of providing retirements benefits for its employees. The group accounting treatment of multi-employer benefits plans as defined contributions plans as there is no sufficient information for their treatment as defined befits plans, and the group’s risk is not exposed on any shortfall liability thereof.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.18 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Significant Accounting Policies

. Revenue from exchange transactions (continued)

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the group and when specific criteria have been met for each of the group'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 group 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.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

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

Service Charges

Service charges relating to electricity and water are based on consumption. Meters are read on a periodic basis and are recognised as revenue when billed. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. 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 it 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 each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

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

Services provided on prepaid

Various services are provided on a prepaid services in which case there is no formal billing takes place and revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

Sale of goods
Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
• the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
• the group 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 group;
• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income from agency services, where the entity acts as an agent, is recognised monthly once the income collected on behalf of principals is earned. The income is recognised in terms of the agency agreement.

Interest

Interest earned on investments is recognised in the statement of financial performance on a time-proportionate basis, which takes into account the effective yield on the investment.

Revenue Recognition of Unclaimed Deposits – exchange revenue

Unclaimed deposits older than one (1) year are recognised as revenue.

Interest

Revenue arising from the use by others of entity assets yielding interest or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the group, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.19 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the group 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.

Rates and Taxes – non-exchange revenue

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.

Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the group is expected to enforce.

Subsequent to initial recognition and measurement, the group assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

Donations and Contributions

Donations and funding are recognised as revenue to the extent that the group 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.

Transfers and subsidies

Unconditional Grants

Equitable share allocations are recognised in revenue when they are appropriated and received by the group.

Conditional Grants

Conditional grants recognised as revenue to the extent that the group 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.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the group's interest it is recognised as interest earned in the statement of financial performance.

Services Received in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

Unspent conditional grants and receipts

Amounts received before the related work is performed are included in the statement of financial position as a liability, as unspent conditional grants and receipts.

1.20 Grant-in-aid (expense)

The group annually awards grants to individuals and organisations based on merit. When making these transfers, the group does not:
- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the consolidated annual financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.21 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the group. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

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

Finance leases - lessor

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

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

1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by the group in connection with the borrowing of funds.

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

1.23 Accounting by principals and agents

Identification

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

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

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

Where an entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria in paragraph .25(a) to conclude that is an agent. Entities shall apply judgement in determining whether such powers exist and whether they are relevant in assessing whether an entity is an agent.

An agent recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal. An entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

1.24 Value Added Tax

The controlling entity accounts for value-added tax (VAT) on the payment basis, where as ERWAT accounts for VAT on the invoice basis.

Significant Accounting Policies

1.25 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, City 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). Unauthorised expenditure is accounted for as an expense in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 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 as an expense and where recovered, it is subsequently accounted for as revenue in thestatement of financial performance.

1.27 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 group's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Internal reserves

Included in the accumulated surplus are internal reserves, no separate line items are presented, in accordance with the GRAP reporting framework, but provision is made in the budget process for funding of these reserve. The amounts set aside for these reserves are invested in accordance with the investment policy of the group. The following internal reserves are maintained:

Capital replacement reserve (CRR)

The reserve is created for the replacement of service delivery assets when they reach the end of their economic lives to ensure continue of provision of such services, and to minimise the impact of raising external funding or over reliance on grant funds.

Self-insurance reserve

A self-insurance reserve was established for a self-insurance purpose and to minimize the external insurance costs. The reserve is based on recognised insurance industry principles to complement the external cover provided by insurance companies.

Sinking funds reserve

The reserve is created for the provision of repayments of long-term borrowing raised to funds capital projects, and to meet repayment conditions on such borrowings.

1.29 Segment information

A segment is an activity of an entity:

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

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

. Segment information (continued)

An entity shall report separately information about each segment that has been identified or results from aggregating two or more of those segments.

The segments of the group has been identified as those activities of the group that generate economic benefits or service potential whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing it's performance and for which separate financial information is available.

The group has aggregated some segments in accordance with GRAP 18.

These conditions are required to be met for aggregation of the group's segments:
Share nature of goods and services delivered;
Share class of customer or consumer;
Share methods used to distribute the services or goods;
Share nature of regulatory environment.
Or
May aggregate individually insignificant segments where practical limit of 10 segments has been reached;
The group shall disclose the segment information in the consolidated annual financial statements in accordance with the standard;
The group shall disclose the reportable segments, segment specific disclosures and geographic disclosures as prescribed by the standard.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity’s financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment’s surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment’s assets and segment’s liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment’s surplus or deficit, the segment’s assets or the segment’s liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment’s surplus or deficit, the segment’s assets or the segment’s liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity’s financial statements.

1.30 Budget information

The approved budget is prepared in accordance with GRAP standards on an accrual basis, and are consistent with accounting policies as adopted by the Council for the preparation of the consolidated annual financial statements, and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2025/07/01 to 2026/06/30. These figures are those approved by Council both at the beginning and during the year, following a period of consultation with the public as part of the Integrated Development Plan (IDP). The amounts are scheduled as a separate additional financial statement, called the statement of comparison of budget and actual amounts. Explanatory comments to material differences are provided in the notes to the consolidated annual financial statements.

1.31 Related parties

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.

Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, City Manager, Head of departments and all other managers reporting directly to the City Manager or as designated by the City Manager.

1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Reporting date means the date of the last day of the reporting period to which the consolidated annual financial statements relate. The group adjusts the amounts recognised in its consolidated annual financial statements to reflect adjusting events after the reporting date. The group does not adjust the amounts recognised in its consolidated annual financial statements to reflect non-adjusting events after the reporting date.

Significant Accounting Policies

1.33 Commitments

The group discloses capital expenditure as approved in the budget for each class of capital assets (PPE, investment properties, intangible assets and heritage assets) and as well as future minimum lease payments under non-cancellable operating leases. No commitments are disclosed for operating expenditure as the nature of the contracts “As and when required”.

1.34 Going concern

This consolidated annual financial statements have been prepared based on the expectation that the group will continue to operate as a going concern for at least the next 12 months. The group's budget for the next financial year as approved by Council is fully funded.

1.35 Comparative figures

When the presentation or classification of items in the consolidated annual financial statements is amended due to better presentation and/or better understand ability and/or comparability and/or due to the implementation of a new or amended standard, prior period comparative amounts are restated. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The group has not applied the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not yet set	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	Not yet set	Unlikely there will be a material impact
• GRAP 104 (Revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined	Unlikely there will be a material impact
• GRAP 105 (Revised): Transfer of Functions Between Entities under Common Control	Not yet set	Unlikely there will be a material impact
• GRAP 106 (Revised): Transfer of Functions Between Entities Not under Common Control	Not yet set	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
• GRAP 107 (Revised): Mergers	Not yet set	Unlikely there will be a material impact

3. Investment property

Economic entity	2025			2024		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Investment property	974,541,559	(272,700,779)	701,840,780	962,597,196	(214,997,493)	747,599,703

Controlling entity	2025			2024		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Investment property	678,029,457	(177,944,153)	500,085,304	667,870,226	(166,604,073)	501,266,153

Reconciliation of investment property - Economic entity - 2025

	Opening balance	**Additions**	**Transfer (to)from other classes**	**Impairments**	**Depreciation**	**Total**
Investment property	747,599,703	15,324,036	(3,379,673)	(41,847,522)	(15,855,764)	701,840,780

Reconciliation of investment property - Economic entity - 2024

	Opening balance	**Additions**	**Disposals**	**Transfer (to)from other classes**	**Depreciation**	**Total**
Investment property	737,728,885	24,257,605	(7,400)	1,555,385	(15,934,772)	747,599,703

3. Investment property (continued)

Reconciliation of investment property - Controlling entity - 2025

	Opening balance	Additions	Transfer (to)from other classes	Transfers	Other changes, movements	Depreciation	Total
Investment property	501,266,153	13,538,904	(3,379,673)	-	-	(11,340,080)	500,085,304

Reconciliation of investment property - Controlling entity - 2024

	Opening balance	Additions	Disposals	Transfer (to)from other classes	Other changes, movements	Depreciation	Total
Investment property	510,995,259	190,750	(7,400)	1,555,385	-	(11,467,841)	501,266,153

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

3. Investment property (continued)

Investment property in the process of being constructed or developed

Cumulative expenditure of assets under contruction recognised in the carrying value of Investment property				
Asset under Constructions	42,028,449	77,856,663	6,210,058	190,750

The group had investment projects which took significant long to complete. There were no projects which were halted during the year.

Transfer to/from other asset classes consist of:

Amount of (R17,269,596) relating to investment property was transferred to operational and housing buildings as part of the capitalisation process.

Land amounting to R4,139,923 was received from land inventory (R 1,429,723) and PPE land (R 2,710,200) as land is held to earn rental income.

The transfer received were as follows from R0 (2024) (R1,479,848) from land class and R0 (2024) (R75,537) was received from inventory.

Carrying value of Investment property that is taking a significantly longer period of time to complete than expected				
Investment property: Clayville Ext 45 The project was delayed due to budget constraints	-	41,847,522	-	-
	-	**41,847,522**	**-**	**-**

Other disclosure

Total rental income received on investment property	86,540,526	87,953,524	30,568,805	36,320,973
Disclosure of repairs and maintenance (material and other cost)	26,451,557	24,643,338	25,576,293	22,562,201

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

No assets of the group were pledged as security and there are no restrictions on the assets' title deeds.

4. Property, plant and equipment

Economic entity

	2025			2024		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Land	2,147,855,267	-	2,147,855,267	2,150,565,467	-	2,150,565,467
Infrastructure	79,377,554,498	(28,366,990,759)	51,010,563,739	76,972,841,532	(26,335,032,262)	50,637,809,270
Community	9,471,485,190	(3,456,680,467)	6,014,804,723	9,327,390,718	(3,192,580,438)	6,134,810,280
Moveable Assets	4,606,437,966	(3,892,531,408)	713,906,558	4,604,525,234	(3,808,377,514)	796,147,720
Operational and housing buildings	5,112,962,647	(1,933,777,218)	3,179,185,429	4,993,086,729	(1,780,497,567)	3,212,589,162
Total	**100,716,295,568**	**(37,649,979,852)**	**63,066,315,716**	**98,048,409,680**	**(35,116,487,781)**	**62,931,921,899**

Controlling entity

	2025			2024		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Land	2,134,837,984	-	2,134,837,984	2,137,548,184	-	2,137,548,184
Infrastructure	76,428,205,155	(27,311,109,174)	49,117,095,981	74,102,617,267	(25,372,682,311)	48,729,934,956
Community	9,471,485,190	(3,456,680,467)	6,014,804,723	9,327,390,718	(3,192,580,438)	6,134,810,280
Moveable Assets	4,415,970,222	(3,793,995,301)	621,974,921	4,429,476,156	(3,726,774,701)	702,701,455
Operational and housing buildings	5,070,547,096	(1,919,998,336)	3,150,548,760	4,951,005,178	(1,767,379,043)	3,183,626,135
Total	**97,521,045,647**	**(36,481,783,278)**	**61,039,262,369**	**94,948,037,503**	**(34,059,416,493)**	**60,888,621,010**

Notes to the Consolidated Annual Financial Statements

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2025

	Opening balance	Additions	Disposals	Transfer (to)from other classes	Other changes, movements	Depreciation	Impairment loss	Impairment reversal	Total
Land	2,150,565,467	-	-	(2,710,200)	-	-	-	-	2,147,855,267
Infrastructure	50,637,809,270	2,338,755,028	(2,329,502)	28,058,291	73,061,129	(2,039,370,693)	(51,850,052)	26,430,268	51,010,563,739
Community	6,134,810,280	196,447,598	-	(52,353,227)	-	(261,622,574)	(2,477,354)	-	6,014,804,723
Moveable assets	796,147,720	105,299,571	(1,470,812)	-	-	(186,730,587)	(508,490)	1,169,156	713,906,558
Operational and housing buildings	3,212,589,162	88,061,504	-	31,814,408	-	(153,465,625)	(162,837)	348,817	3,179,185,429
	62,931,921,899	**2,728,563,701**	**(3,800,314)**	**4,809,272**	**73,061,129**	**(2,641,189,479)**	**(54,998,733)**	**27,948,241**	**63,066,315,716**

Reconciliation of property, plant and equipment - Economic entity - 2024

	Opening balance	Additions	Disposals	Transfer (to)from other classes	Other changes, movements	Depreciation	Impairment loss	Impairment reversal	Total
Land	2,147,884,405	-	(39,090)	2,720,152	-	-	-	-	2,150,565,467
Infrastructure	50,133,308,359	2,385,365,845	(6,328,830)	(59,278,067)	330,544,610	(2,049,658,566)	(104,068,454)	7,924,373	50,637,809,270
Community	6,115,305,904	175,457,546	(202,188)	120,670,501	-	(262,958,441)	(13,463,042)	-	6,134,810,280
Moveable assets	984,048,060	80,611,484	(578,029)	-	-	(267,646,671)	(287,124)	-	796,147,720
Operational and housing buildings	3,376,658,472	57,022,159	(4,161,578)	(65,592,447)	-	(150,343,450)	(993,994)	-	3,212,589,162
	62,757,205,200	**2,698,457,034**	**(11,309,715)**	**(1,479,861)**	**330,544,610**	**(2,730,607,128)**	**(118,812,614)**	**7,924,373**	**62,931,921,899**

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2025

	Opening balance	Additions	Disposals	Other movements	Transfer (to)from other assets classes	Depreciation	Impairment loss	Total
Land	2,137,548,184	-	-	-	(2,710,200)	-	-	2,134,837,984
Infrastructure	48,729,934,956	2,248,794,755	(2,224,404)	73,061,129	28,058,291	(1,948,046,021)	(12,482,725)	49,117,095,981
Community	6,134,810,280	196,447,598	-	-	(52,353,227)	(261,622,574)	(2,477,354)	6,014,804,723
Moveable Assets	702,701,455	96,420,648	(1,391,978)	-	-	(175,755,204)	-	621,974,921
Operational and housing buildings	3,183,626,135	87,727,504	-	-	31,814,413	(152,619,292)	-	3,150,548,760
	60,888,621,010	**2,629,390,505**	**(3,616,382)**	**73,061,129**	**4,809,277**	**(2,538,043,091)**	**(14,960,079)**	**61,039,262,369**

Reconciliation of property, plant and equipment - Controlling entity - 2024

	Opening balance	Additions	Disposals	Other movement	Transfer (to)from other assets classes	Depreciation	Impairment loss	Total
Land	2,134,867,122	-	(39,090)	-	2,720,152	-	-	2,137,548,184
Infrastructure	48,140,729,352	2,267,443,750	(386,134)	330,544,610	(59,278,067)	(1,947,963,318)	(1,155,237)	48,729,934,956
Community	6,115,305,904	175,457,545	(202,188)	-	120,670,501	(262,958,441)	(13,463,041)	6,134,810,280
Moveable Assets	897,619,629	60,567,297	-	-	-	(255,485,471)	-	702,701,455
Operational and housing buildings	3,345,674,156	57,022,159	(4,161,578)	-	(65,592,447)	(149,316,155)	-	3,183,626,135
	60,634,196,163	**2,560,490,751**	**(4,788,990)**	**330,544,610**	**(1,479,861)**	**(2,615,723,385)**	**(14,618,278)**	**60,888,621,010**

4. Property, plant and equipment (continued)

Other movements and transfers to other assets

The other movement in infrastructure assets relates to changes in the provision for landfill for R7,532,928 (2024: R88,337,229) and the donated assets of R80,594,057 (2024: R418,881,839) received by the controlling entity in the current year.

Transfer (to)/from other assets classes relates to:

The land amounting to R2,710,200 was transferred to investment properties as land is held to earn income.In Prior year (2024: R1,479,838) was transferred to investment properties and land of (2024: R4,200,000) was received from WIP infrastructure assets.

Amount of R28,058,291 relating to infrastructure assets was received from Community assets as part of the capitalisation process. In prior year the net movement of (R59,278,067) is made as follows (R55,078,067) that was transferred to community assets, (R4,200,000) that was transferred to land as part of the capitalisation process.

Amount of (R52,353,227) relating to community assets that was transferred to Infrastructure assets (R28,058,291) and Operational and housing buildings (R24,294,834) as part of the capitalisation process. In prior year Amount of R120,670,501 relating to community assets that was received from Infrastructure assets R55,078,067 and operational and housing buildings R65,592,247 as as result of transfer from WIP infrastructure and other assets to WIP community assets during capitalisation of completed projects.

Amount of R24,294,834 relating to Operational and housing buildings were received from Community assets and R17,269,596 were received from Investment properties as part of the capitalisation process. In prior year amount of (R65,592,447) relating to operational and housing buildings that was transferred to Community assets as result of transfer from WIP other assets to WIP community assets during capitalisation of completed projects

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

4. Property, plant and equipment (continued)

Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure of assets under contruction recognised in the carrying value of property, plant and equipment				
Infrastructure	6,191,936,948	5,184,389,642	6,186,488,054	5,177,614,177
Community	893,296,728	787,973,800	893,296,728	787,973,800
Operational and housing buildings	595,130,986	527,820,696	595,130,986	515,833,356
	7,680,364,662	**6,500,184,138**	**7,674,915,768**	**6,481,421,333**

The controlling entity identified the followings projects deemed to be taking significantly longer to complete, the projects taking longer to complete can be categorised into the following reason, deferred due to budgets constraints (225 projects), 2024 (191 projects). These can also be attributed to adverse economic conditions and failing liquidity position.

The group disclosed the aggregate amount per class as per below:

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected				
Infrastructure	380,599,245	332,609,251	380,599,245	332,609,251
Community	173,736,291	155,402,742	173,736,291	155,402,742
Operational and housing buildings	102,207,925	92,294,075	102,207,925	92,294,075
	656,543,461	**580,306,068**	**656,543,461**	**580,306,068**

Disclosure of repairs and maintenance (material and other costs)

Infrastructure	3,459,924,735	2,442,940,422	3,248,871,911	2,203,768,461
Other assets	242,566,691	1,285,962,832	242,566,691	1,285,962,832
	3,702,491,426	**3,728,903,254**	**3,491,438,602**	**3,489,731,293**

Additional information

Included in other movement, are additions received from public contributed assets with deemed cost of R 80,594,057 (2024: R418,881,839). Deemed cost was determined using fair value or depreciated replacement cost, depending on the most appropriate measurement for the specific asset/scenario.

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

No assets of the group were pledged as security and there are no restrictions on the asset's title deeds.

The group owns living animals which are used to deliver services. However, the cost of these animals are not material and is recognised as part of Other property, plant and equipment and not separately as per GRAP 110, Living and non-living resources.

5. Intangible assets

Economic entity

	2025			2024		
	Cost / Valuation	**Accumulated amortisation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation and accumulated impairment**	**Carrying value**
Computer software, other	1,646,380,403	(623,088,149)	1,023,292,254	1,616,715,727	(524,921,781)	1,091,793,946
Servitudes	243,798,639	-	243,798,639	243,798,639	-	243,798,639
Total	**1,890,179,042**	**(623,088,149)**	**1,267,090,893**	**1,860,514,366**	**(524,921,781)**	**1,335,592,585**

Controlling entity

	2025			2024		
	Cost / Valuation	**Accumulated amortisation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation and accumulated impairment**	**Carrying value**
Computer software, other	1,631,222,432	(611,291,928)	1,019,930,504	1,601,696,079	(514,577,668)	1,087,118,411
Servitudes	243,798,639	-	243,798,639	243,798,639	-	243,798,639
Total	**1,875,021,071**	**(611,291,928)**	**1,263,729,143**	**1,845,494,718**	**(514,577,668)**	**1,330,917,050**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

5. Intangible assets (continued)

Reconciliation of intangible assets - Economic entity - 2025

	Opening balance	Additions	Amortisation	Total
Computer software, other	1,091,793,946	29,526,352	(98,028,044)	1,023,292,254
Servitudes	243,798,639	-	-	243,798,639
	1,335,592,585	**29,526,352**	**(98,028,044)**	**1,267,090,893**

Reconciliation of intangible assets - Economic entity - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	1,150,926,969	35,699,539	(185,887)	(94,646,675)	1,091,793,946
Servitudes	243,798,639	-	-	-	243,798,639
	1,394,725,608	**35,699,539**	**(185,887)**	**(94,646,675)**	**1,335,592,585**

Reconciliation of intangible assets - Controlling entity - 2025

	Opening balance	Additions	Transfer from/to other class	Amortisation	Total
Computer software, other	1,087,118,411	29,526,352	-	(96,714,259)	1,019,930,504
Servitudes	243,798,639	-	-	-	243,798,639
	1,330,917,050	**29,526,352**	**-**	**(96,714,259)**	**1,263,729,143**

Reconciliation of intangible assets - Controlling entity - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	1,145,397,084	35,371,060	(93,649,733)	1,087,118,411
Servitudes	243,798,639	-	-	243,798,639
	1,389,195,723	**35,371,060**	**(93,649,733)**	**1,330,917,050**

Other information

The group did not have any intangible assets/projects taking significantly longer to complete.

Cumulative expenditure of assets under contruction recognised in the carrying value of the intangible assets				
Software under development	119,813,691	134,862,272	119,813,691	134,862,272

Other additional information

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

No assets of the group were pledged as security and there are no restrictions on the assets' title deeds.

6. Heritage assets

Economic entity

	2025			2024		
	Cost / Valuation	**Accumulated impairment losses**	**Carrying value**	**Cost / Valuation**	**Accumulated impairment losses**	**Carrying value**
Art Collections, antiquities and exhibits	20,216,333	(31,600)	20,184,733	20,216,333	(31,600)	20,184,733
Conservation areas	351,149	-	351,149	351,149	-	351,149
Historical buildings	5,425,362	(1,039,016)	4,386,346	5,425,362	(1,039,016)	4,386,346
Other heritage assets	58,963,039	(1,877,834)	57,085,205	58,963,039	(1,877,834)	57,085,205
Total	**84,955,883**	**(2,948,450)**	**82,007,433**	**84,955,883**	**(2,948,450)**	**82,007,433**

Controlling entity

	2025			2024		
	Cost / Valuation	**Accumulated impairment losses**	**Carrying value**	**Cost / Valuation**	**Accumulated impairment losses**	**Carrying value**
Art Collections, antiquities and exhibits	20,216,333	(31,600)	20,184,733	20,216,333	(31,600)	20,184,733
Conservation areas	351,149	-	351,149	351,149	-	351,149
Historical buildings	5,425,362	(1,039,016)	4,386,346	5,425,362	(1,039,016)	4,386,346
Other heritage assets	58,963,039	(1,877,834)	57,085,205	58,963,039	(1,877,834)	57,085,205
Total	**84,955,883**	**(2,948,450)**	**82,007,433**	**84,955,883**	**(2,948,450)**	**82,007,433**

6. Heritage assets (continued)

Reconciliation of heritage assets Economic entity - 2025

	Opening balance	**Total**
Art Collections, antiquities and exhibits	20,184,733	20,184,733
Conservation areas	351,149	351,149
Historical buildings	4,386,346	4,386,346
Other heritage assets	57,085,205	57,085,205
	82,007,433	**82,007,433**

Reconciliation of heritage assets Economic entity - 2024

	Opening balance	**Total**
Art Collections, antiquities and exhibits	20,184,733	20,184,733
Conservation areas	351,149	351,149
Historical buildings	4,386,346	4,386,346
Other heritage assets	57,085,205	57,085,205
	82,007,433	**82,007,433**

Reconciliation of heritage assets Controlling entity - 2025

	Opening balance	**Total**
Art Collections, antiquities and exhibits	20,184,733	20,184,733
Conservation areas	351,149	351,149
Historical buildings	4,386,346	4,386,346
Other heritage assets	57,085,205	57,085,205
	82,007,433	**82,007,433**

Reconciliation of heritage assets Controlling entity - 2024

	Opening balance	**Total**
Art Collections, antiquities and exhibits	20,184,733	20,184,733
Conservation areas	351,149	351,149
Historical buildings	4,386,346	4,386,346
Other heritage assets	57,085,205	57,085,205
	82,007,433	**82,007,433**

Other additional information

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

No assets of the group were pledged as security and there are no restrictions on the assets' title deeds.

7. Interests in other entities

Investments in controlled entities

Name	Economic Entity % ownership interest 2025	Economic Entity % ownership interest 2024	Controlling Entity % ownership interest 2025	Controlling Entity % ownership interest 2024	Economic Entity Carrying amount 2025	Economic Entity Carrying amount 2024	Controlling Entity Carrying amount 2025	Controlling Entity Carrying amount 2024
Ekurhuleni Water Care Company, NPC	- %	- %	97.00 %	97.00 %	-	-	-	-
Ekurhuleni Housing Company	- %	- %	100.00 %	100.00 %	-	-	100	100

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

8. Other Investments

At cost				
Listed shares	11,442,996	9,785,662	-	-
Unlisted shares	4,000,000	4,000,000	4,000,000	4,000,000
	15,442,996	**13,785,662**	**4,000,000**	**4,000,000**
At amortised cost				
Investments	368,546,554	245,065,406	368,546,554	245,065,406
These investments have varying interest rates as well as varying maturity dates.				
Total	**383,989,550**	**258,851,068**	**372,546,554**	**249,065,406**
Non-current assets				
At cost	4,000,000	4,000,000	4,000,000	4,000,000
At amortised cost	221,173,226	108,893,886	221,173,226	108,893,886
	225,173,226	**112,893,886**	**225,173,226**	**112,893,886**
Current assets				
Designated at fair value	11,442,996	9,785,662	-	-
At amortised cost	147,373,328	136,171,520	147,373,328	136,171,520
	158,816,324	**145,957,182**	**147,373,328**	**136,171,520**

Residual interest at cost

Fair value information has not been provided for equity instruments that do not have a quoted market price therefore fair value cannot be measured reliably.

The carrying amount of these financial instruments is as follows:

Rand Airport	4,000,000	4,000,000	4,000,000	4,000,000

20% interest in ordinary shares

The company's draft financial statements used were for the period ended 28 February 2021 and no audited financial information was received for financial years ending 2016 to 2025.

The company's equity amounted to R603,746,633 represented by share capital of R5,201,000, reserves of R352,115,495 as well as retained income of R246,430,138 as at 28 February 2021. The assets held by the Rand Airport company is represented by various assets and based on the company's information management believe that there is no impairment on the investment made in the company, as the value of the various assets has appreciated over the years. The value of the controlling entity's investment is insignificant, any future impairment will not impact the group's financial position.

The group has not reclassified any financial assets from cost or amortised cost to fair value during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets for the period ended 30 June 2025, as all the financial assets will be disposed of at their redemption date.

Investments with a carrying value of R221,173,226 (2024: R108,893,886) are held with the top two banks in South Africa for the repayment of long-term liabilities with a carrying value of R2,000,000,000 (2024: R2,000,000,000) as disclosed in the long-term liabilities note (note 16). The amount of R2,000,000,000 (2024:R2,000,000,000) consists of a loan for which structrured (deposit sinking funds) was established.

None of the investments at amortised cost are past due or impaired.

Credit quality of other financial assets

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

8. Other Investments (continued)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (as determined by rating agencies) available, or to historical information about counterparty default rates. Investments are only made with South African top five banks.

9. Current tax receivable

Current tax receivable	3,051,000	939,692	-	-

10. Long term receivables

Non-current receivables	20,625,923	21,911,110	4,139,067	6,119,270
Bad debt provision	(2,196,101)	(2,196,101)	(2,196,101)	(2,196,101)
	18,429,822	**19,715,009**	**1,942,966**	**3,923,169**

The long- term receivables comprises of:

Rental deposits made	R18,184,342 (June 2024 - R19,715,009)
Housing schemes	R245,480 (June 2024 - R2,222,771)

11. Inventories

Electrical consumables	406,589,868	474,683,408	406,589,868	474,683,408
Cleansing consumables	32,083,517	12,955,739	32,083,517	12,955,739
Consumable stores	18,116,129	10,761,232	18,116,129	10,761,232
Maintenance materials	15,337,036	11,986,807	15,337,036	11,986,807
Water consumables	49,808,531	25,154,774	49,808,531	25,154,774
Land held as inventory for social housing and development	1,149,953,137	1,151,382,861	1,149,953,137	1,151,382,861
Fuel (Diesel, Petrol)	10,423,248	9,400,285	10,423,248	9,400,285
	1,682,311,466	**1,696,325,106**	**1,682,311,466**	**1,696,325,106**

Inventory written down due to redundancy/obsolescence is valued at R7,558,319 (2024: R8,730,075) by way of a provision for obsolete inventories.

Land amounting to R 1,429,723 (2024:R75,547) was transferred to investment properties as land and as it is held to earn rental income.

Included in the inventory balance is land held for social housing development that has been carried for more than 12 months due to the development of the social housing units taking more than 12 months to complete.	1,151,382,861	1,173,954,350	1,151,382,861	1,173,954,350

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

12. Receivables from exchange transactions

Consumer debtors - Electricity - Gross	5,870,224,683	5,507,062,376	5,870,224,683	5,507,062,376
Consumer debtors - Electricity - Impairment	(2,687,875,919)	(2,793,043,461)	(2,687,875,919)	(2,793,043,461)
Consumer debtors - Water - Gross	11,179,122,259	10,383,298,201	11,179,122,259	10,383,298,201
Consumer debtors - Water - Impairment	(7,984,865,052)	(7,287,173,952)	(7,984,865,052)	(7,287,173,952)
Consumer debtors - Waste water - Gross	3,240,528,188	3,058,731,744	3,240,528,188	3,058,731,744
Consumer debtors - Waste water - Impairment	(2,344,580,175)	(2,144,885,222)	(2,344,580,175)	(2,144,885,222)
Consumer debtors - Refuse - Gross	2,196,178,468	2,099,406,503	2,196,178,468	2,099,406,503
Consumer debtors - Refuse - Impairment	(1,763,810,384)	(1,635,615,227)	(1,763,810,384)	(1,635,615,227)
Consumer debtors - Other - Gross	684,366,185	310,852,674	684,366,185	310,852,674
Consumer debtors - Other - Impairment	(346,901,993)	(299,288,027)	(346,901,993)	(299,288,027)
Consumer debtors - Interest and sundries - Gross	4,455,850,192	3,734,704,212	4,455,850,192	3,734,704,212
Consumer debtors - Interest and sundries - Impairment	(3,490,343,993)	(2,989,336,950)	(3,490,343,993)	(2,989,336,950)
Pre-paid electricity 3rd party vendors	40,947,120	83,818,143	40,947,120	83,818,143
Other receivables	281,028,778	293,235,289	201,956,042	146,328,232
VAT accruals on outstanding creditors	1,616,327,282	1,265,957,063	1,616,327,282	1,265,957,063
VAT Control	178,233,505	280,306,999	178,233,505	280,306,999
	11,124,429,144	**9,868,030,365**	**11,045,356,408**	**9,721,123,308**

13. Receivables from non-exchange transactions

Traffic fines - Gross	3,355,078,712	3,239,765,549	3,355,078,712	3,239,765,549
Traffic fines - Impairment	(2,739,788,968)	(2,653,787,032)	(2,739,788,968)	(2,653,787,032)
Property rates debtors - Gross	6,174,414,734	5,449,085,202	6,174,414,734	5,449,085,202
Property rates debtors - Impairment	(4,484,157,370)	(4,263,614,831)	(4,484,157,370)	(4,263,614,831)
	2,305,547,108	**1,771,448,888**	**2,305,547,108**	**1,771,448,888**

Gross fines receivable

Traffic fines opening balance	3,239,765,549	2,694,227,582	3,239,765,549	2,694,227,582
Fines collected during the year relating to prior years	(86,746,844)	(56,733,167)	(86,746,844)	(56,733,167)
Fines revenue accrued during the year	202,060,007	602,271,134	202,060,007	602,271,134
	3,355,078,712	**3,239,765,549**	**3,355,078,712**	**3,239,765,549**

Impairment -Traffic fines

Opening balance	(2,653,787,031)	(2,197,709,912)	(2,653,787,031)	(2,197,709,912)
Impairment raised	(86,001,937)	(456,077,119)	(86,001,937)	(456,077,119)
	(2,739,788,968)	**(2,653,787,031)**	**(2,739,788,968)**	**(2,653,787,031)**
		-		

Credit quality of receivables from non-exchange transactions (statutory)

The credit quality of statutory receivables that are neither past nor due nor impaired can be assessed by previous payments and collection trends, and any other default information.

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

14. Consumer debtors disclosure

Gross balances				
Consumer debtors - Rates	6,174,414,734	5,449,085,202	6,174,414,734	5,449,085,202
Consumer debtors - Electricity	5,870,224,683	5,507,062,376	5,870,224,683	5,507,062,376
Consumer debtors - Water	11,179,122,259	10,383,298,201	11,179,122,259	10,383,298,201
Consumer debtors - Waste water	3,240,528,188	3,058,731,744	3,240,528,188	3,058,731,744
Consumer debtors - Refuse	2,196,178,468	2,099,406,503	2,196,178,468	2,099,406,503
Consumer debtors - Other	684,366,185	310,852,674	684,366,185	310,852,674
Consumer debtors - Interest and sundries	4,455,850,192	3,734,704,212	4,455,850,192	3,734,704,212
	33,800,684,709	**30,543,140,912**	**33,800,684,709**	**30,543,140,912**
Less: Allowance for impairment				
Consumer debtors - Rates	(4,484,157,370)	(4,263,614,831)	(4,484,157,370)	(4,263,614,831)
Consumer debtors - Electricity	(2,687,875,919)	(2,793,043,461)	(2,687,875,919)	(2,793,043,461)
Consumer debtors - Water	(7,984,865,052)	(7,287,173,952)	(7,984,865,052)	(7,287,173,952)
Consumer debtors - Waste water	(2,344,580,175)	(2,144,885,222)	(2,344,580,175)	(2,144,885,222)
Consumer debtors - Refuse	(1,763,810,384)	(1,635,615,227)	(1,763,810,384)	(1,635,615,227)
Consumer debtors - Other	(346,901,993)	(299,288,027)	(346,901,993)	(299,288,027)
Consumer debtors - Interest and sundries	(3,490,343,993)	(2,989,336,950)	(3,490,343,993)	(2,989,336,950)
	(23,102,534,886)	**(21,412,957,670)**	**(23,102,534,886)**	**(21,412,957,670)**
Net balance				
Consumer debtors - Rates	1,690,257,364	1,185,470,371	1,690,257,364	1,185,470,371
Consumer debtors - Electricity	3,182,348,764	2,714,018,915	3,182,348,764	2,714,018,915
Consumer debtors - Water	3,194,257,207	3,096,124,249	3,194,257,207	3,096,124,249
Consumer debtors - Waste water	895,948,013	913,846,522	895,948,013	913,846,522
Consumer debtors - Refuse	432,368,084	463,791,276	432,368,084	463,791,276
Consumer debtors - Other	337,464,192	11,564,647	337,464,192	11,564,647
Consumer debtors - Interest and sundries	965,506,199	745,367,262	965,506,199	745,367,262
	10,698,149,823	**9,130,183,242**	**10,698,149,823**	**9,130,183,242**
Statutory receivables included in consumer debtors above are as follows:				
Property Rates	6,174,414,734	5,449,085,202	6,174,414,734	5,449,085,202
Provision for bad debts - property rates	(4,484,157,370)	(4,263,614,831)	(4,484,157,370)	(4,263,614,831)
	1,690,257,364	**1,185,470,371**	**1,690,257,364**	**1,185,470,371**
Financial asset receivables included in consumer debtors above	**9,007,892,459**	**7,944,712,871**	**9,007,892,459**	**7,944,712,871**
Total consumer debtors	10,698,149,823	9,130,183,242	10,698,149,823	9,130,183,242
Included in above is receivables from exchange transactions				
Electricity	3,182,348,764	2,714,018,915	3,182,348,764	2,714,018,915
Water	3,194,257,207	3,096,124,249	3,194,257,207	3,096,124,249
Waste water	895,948,013	913,846,522	895,948,013	913,846,522
Refuse	432,368,084	463,791,276	432,368,084	463,791,276
Housing rental	337,464,192	11,564,647	337,464,192	11,564,647
Interest and sundries	965,506,199	745,367,262	965,506,199	745,367,262
	9,007,892,459	**7,944,712,871**	**9,007,892,459**	**7,944,712,871**
Included in above is receivables from non-exchange transactions (taxes and transfers)				
Rates	1,690,257,364	1,185,470,371	1,690,257,364	1,185,470,371
Net balance	**10,698,149,823**	**9,130,183,242**	**10,698,149,823**	**9,130,183,242**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

14. Consumer debtors disclosure (continued)

Rates				
Current (0 -30 days)	684,572,680	605,199,661	684,572,680	605,199,661
31 - 60 days	228,589,286	242,276,346	228,589,286	242,276,346
61 - 90 days	192,824,105	189,029,549	192,824,105	189,029,549
91 - 120 days	5,068,428,663	4,412,579,646	5,068,428,663	4,412,579,646
	6,174,414,734	**5,449,085,202**	**6,174,414,734**	**5,449,085,202**

Electricity				
Current (0 -30 days)	3,603,801,916	3,538,593,011	3,603,801,916	3,538,593,011
31 - 60 days	186,530,235	260,343,471	186,530,235	260,343,471
61 - 90 days	127,490,011	116,844,234	127,490,011	116,844,234
91 - 120 days	1,952,402,521	1,591,281,660	1,952,402,521	1,591,281,660
	5,870,224,683	**5,507,062,376**	**5,870,224,683**	**5,507,062,376**

Water				
Current (0 -30 days)	2,021,768,366	1,675,547,238	2,021,768,366	1,675,547,238
31 - 60 days	318,480,973	331,901,195	318,480,973	331,901,195
61 - 90 days	305,993,954	309,886,248	305,993,954	309,886,248
91 - 120 days	8,532,878,966	8,065,963,520	8,532,878,966	8,065,963,520
	11,179,122,259	**10,383,298,201**	**11,179,122,259**	**10,383,298,201**

Waste water				
Current (0 -30 days)	638,595,981	523,574,776	638,595,981	523,574,776
31 - 60 days	101,421,933	107,399,187	101,421,933	107,399,187
61 - 90 days	87,245,803	96,840,092	87,245,803	96,840,092
91 - 120 days	2,413,264,470	2,330,917,689	2,413,264,470	2,330,917,689
	3,240,528,187	**3,058,731,744**	**3,240,528,187**	**3,058,731,744**

Refuse				
Current (0 -30 days)	194,447,632	147,521,882	194,447,632	147,521,882
31 - 60 days	65,569,614	66,306,088	65,569,614	66,306,088
61 - 90 days	68,609,055	55,955,860	68,609,055	55,955,860
91 - 120 days	1,867,552,166	1,829,622,673	1,867,552,166	1,829,622,673
	2,196,178,467	**2,099,406,503**	**2,196,178,467**	**2,099,406,503**

Housing rental				
Current (0 -30 days)	327,872,486	2,881,742	327,872,486	2,881,742
31 - 60 days	4,813,399	4,428,209	4,813,399	4,428,209
61 - 90 days	4,778,312	4,254,700	4,778,312	4,254,700
91 - 120 days	346,901,988	299,288,024	346,901,988	299,288,024
	684,366,185	**310,852,675**	**684,366,185**	**310,852,675**

Interest and subsidies				
Current (0 -30 days)	297,417,058	170,481,424	297,417,058	170,481,424
31 - 60 days	133,716,801	164,102,282	133,716,801	164,102,282
61 - 90 days	117,112,122	142,970,704	117,112,122	142,970,704
91 - 120 days	3,907,604,211	3,257,149,802	3,907,604,211	3,257,149,802
	4,455,850,192	**3,734,704,212**	**4,455,850,192**	**3,734,704,212**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

14. Consumer debtors disclosure (continued)

Summary of debtors by customer classification

Residential				
Current (0 -30 days)	3,504,140,818	2,792,796,237	3,504,140,818	2,792,796,237
31 - 60 days	719,928,963	750,350,829	719,928,963	750,350,829
61 - 90 days	635,646,898	684,244,854	635,646,898	684,244,854
91 - 120 days	19,062,776,081	17,794,039,594	19,062,776,081	17,794,039,594
	23,922,492,760	22,021,431,514	23,922,492,760	22,021,431,514
Less: Allowance for impairment	(17,686,479,872)	(16,152,868,573)	(17,686,479,872)	(16,152,868,573)
	6,236,012,888	**5,868,562,941**	**6,236,012,888**	**5,868,562,941**
Industrial/ commercial				
Current (0 -30 days)	3,688,418,531	3,587,115,926	3,688,418,531	3,587,115,926
31 - 60 days	258,870,099	364,561,993	258,870,099	364,561,993
61 - 90 days	220,490,604	196,434,518	220,490,604	196,434,518
91 - 120 days	4,559,160,851	3,624,799,638	4,559,160,851	3,624,799,638
	8,726,940,085	7,772,912,075	8,726,940,085	7,772,912,075
Less: Allowance for impairment	(4,849,494,355)	(4,739,794,025)	(4,849,494,355)	(4,739,794,025)
	3,877,445,730	**3,033,118,050**	**3,877,445,730**	**3,033,118,050**
National and provincial government				
Current (0 -30 days)	163,478,378	148,168,695	163,478,378	148,168,695
31 - 60 days	51,725,954	53,579,933	51,725,954	53,579,933
61 - 90 days	39,291,378	27,865,872	39,291,378	27,865,872
91 - 120 days	148,095,491	79,632,233	148,095,491	79,632,233
	402,591,201	309,246,733	402,591,201	309,246,733
Less: Allowance for impairment	(228,968,894)	(191,995,934)	(228,968,894)	(191,995,934)
	173,622,307	**117,250,799**	**173,622,307**	**117,250,799**
Total				
Current (0 -30 days)	7,768,476,115	6,663,799,733	7,768,476,115	6,663,799,733
31 - 60 days	1,039,122,240	1,176,756,779	1,039,122,240	1,176,756,779
61 - 90 days	904,053,363	915,781,384	904,053,363	915,781,384
91 - 120 days	24,089,032,988	21,786,803,014	24,089,032,988	21,786,803,014
	33,800,684,706	30,543,140,910	33,800,684,706	30,543,140,910
Less: Allowance for impairment	(23,102,534,883)	(21,412,957,671)	(23,102,534,883)	(21,412,957,671)
	10,698,149,823	**9,130,183,239**	**10,698,149,823**	**9,130,183,239**
Less: Allowance for impairment				
Current (0 -30 days)	(2,672,763,704)	(2,564,661,840)	(2,672,763,704)	(2,564,661,840)
31 - 60 days	(729,746,437)	(909,283,396)	(729,746,437)	(909,283,396)
61 - 90 days	(634,474,673)	(706,999,813)	(634,474,673)	(706,999,813)
91 - 120 days	(19,065,550,069)	(17,232,012,623)	(19,065,550,069)	(17,232,012,623)
	(23,102,534,883)	**(21,412,957,672)**	**(23,102,534,883)**	**(21,412,957,672)**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

14. Consumer debtors disclosure (continued)

Reconciliation of allowance for impairment				
Balance at beginning of the year	(21,412,957,671)	(16,586,465,329)	(21,412,957,671)	(16,586,465,329)
Contributions to allowance	(5,548,032,566)	(5,789,351,498)	(5,548,032,566)	(5,789,351,498)
Debt impairment written off against allowance	3,858,455,354	962,859,156	3,858,455,354	962,859,156
	(23,102,534,883)	**(21,412,957,671)**	**(23,102,534,883)**	**(21,412,957,671)**

The total debtors as at 30 June 2025 include a total of R3,319,603,941 (2024: R2,994,132,030) in respect of the value of revenue emanating from various meter reading cut-off dates at year end. This is an annual occurrence and is adjusted at every financial year end.

Credit quality of consumer debtors

In determining the recoverability of a receivable, the group considers any change in the credit quality of the receivable from the date on which the credit was initially granted, up to the reporting date. The concentration of credit risk is limited but take into consideration the repayments trends and collection rate, as the consumer base is large and unrelated. Accordingly, management believes that further credit provision is required in excess of the present allowance for doubtful debts.

Consumer debtors past due but not impaired				
30 Days	5,095,712,411	4,099,137,893	5,095,712,411	4,099,137,893
60 Days	309,375,803	267,473,384	309,375,803	267,473,384
90 Days	269,578,689	208,781,572	269,578,689	208,781,572
90+ Days	5,023,482,920	4,554,790,391	5,023,482,920	4,554,790,391
	10,698,149,823	**9,130,183,240**	**10,698,149,823**	**9,130,183,240**

The ageing of consumer debts impaired				
30 Days	2,672,763,704	2,564,661,840	2,672,763,704	2,564,661,840
60 Days	729,746,437	909,283,396	729,746,437	909,283,396
90 Days	634,474,673	706,999,813	634,474,673	706,999,813
90+ Days	19,065,550,069	17,232,012,623	19,065,550,069	17,232,012,623
	23,102,534,883	**21,412,957,672**	**23,102,534,883**	**21,412,957,672**

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	499,368	502,524	499,030	501,530
Bank balances	1,416,507,909	742,369,197	1,271,815,418	615,323,652
	1,417,007,277	**742,871,721**	**1,272,314,448**	**615,825,182**

15. **Cash and cash equivalents (continued)**

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 (if available) or historical information about counterparty default rates:

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated
Cash book balances				
ABSA - ALBERTON DIR BANK	(1,447,000)	(227,985)	(1,447,000)	(227,985)
ABSA - BENONI DIR BANK	(316,519)	(1,233,682)	(316,519)	(1,233,682)
ABSA - BENONI INC	-	(8,369)	-	(8,369)
ABSA - BENONI MASK ACC	-	(140,703)	0	(140,703)
ABSA - BOKSBURG DIR BANK	(132,647)	(15,137)	(132,647)	(15,137)
ABSA - BRAKPAN INC	(500,314)	(23,656)	(500,314)	(23,656)
ABSA - EDENVALE DIR BANK	-	(5,692)	0	(5,692)
ABSA - EXPEND IMPREST ACC	4,687	7,374,276	4,687	7,374,276
ABSA - GERMISTON DIR BANK	(40,787)	(355,237)	(40,787)	(355,237)
ABSA - KEMPTON PARK DIR BANK	(2,097,638)	(2,505,516)	(2,097,638)	(2,505,516)
ABSA - SPRINGS DIR BANK	(156,579)	(198,152)	(156,579)	(198,152)
ABSA - TREASURY ACC	171,120,933	339,334,623	171,120,933	339,334,623
ABSA -PRIMARY BANK ACC	66,240,401	19,166,364	66,240,401	19,166,364
COE BOKSBURG INC	-	30,343	(0)	30,343
COE BUS INCOME	(428)	-	(428)	-
COE DEPRECIATION RES	681,367	652,973	681,367	652,973
COE EDENVALE INC	9,500	-	9,500	0
COE EXTERNAL FUNDING	2,173,756	2,077,926	2,173,756	2,077,926
COE GERMISTON INC	-	973	-	973
COE HOUSING	1,217,453	1,165,309	1,217,453	1,165,309
COE INVESTMENT	120,196,218	1,528,017	120,196,218	1,528,017
COE KEMPTON PARK INC	-	(16,870)	-	(16,870)
COE LEASE INC	220,442	(179,238)	220,442	(179,238)
COE LICENSE INC	2,075,941	-	2,075,941	(0)
COE NEDBANK CALL	95,407,329	5,570,846	95,407,329	5,570,846
COE PRIMARY CALL	117,806,701	5,056,008	117,806,701	5,056,008
COE SALARY	24,006	9,172,001	24,006	9,172,001
COE SPRINGS INC	300	(7,878)	300	(7,878)
COE SPRINGS MARKET	244,505	2,564,900	244,505	2,564,900
COE STD REFUNDS ACC	1,001,606	-	1,001,606	-
COE STD ALB DIR ACC	(367,522)	-	(367,522)	-
COE STD BEN DIR ACC	(33,178)	-	(33,178)	-
COE STD BOKS DIR ACC	(34,252)	-	(34,252)	-
COE STD BOKS INC ACC	38,153	-	38,153	-
COE STD BRAK DIR ACC	(37,658)	-	(37,658)	-
COE STD CHG ACC	10,096,797	-	10,096,797	-
COE STD EDEN DIR ACC	(1,513,367)	-	(1,513,367)	-
COE STD EXPENDITURE ACC	315,120	-	315,120	-
COE STD FLT N TVL ACC	1,749,791	-	1,749,791	-
COE STD GERM DIR ACC	(26,997)	-	(26,997)	-
COE STD IRPTN ACC	1,001,606	-	1,001,606	-
COE STD KEMP DIR ACC	(490,116)	-	(490,116)	-
COE STD LEA INC ACC	(79,970)	-	(79,970)	-
COE STD NIG DIR ACC	(4,000)	-	(4,000)	-
COE STD PRIM ACC	26,280,977	-	26,280,977	-
COE STD SALARY ACC	46,860,084	-	46,860,084	-
COE STD SFPM ACC	2,425,537	-	2,425,537	-
COE STD SPR DIR ACC	(96,043)	-	(96,043)	-
COE STD TREASURY ACC	481,437,268	-	481,437,268	-
COE TRAFFIC FINES INC	-	(1,033)	(0)	(1,033)
COE USDG	1,782,230	1,704,286	1,782,230	1,704,286
EMM ALBERTON-DIR BANK (NEDB)	301,892	370,850	301,892	370,850
EMM BENONI-DIR BANK (NEDB)	330,407	293,065	330,407	293,065
EMM BOKSBURG-DIR BANK (NEDB)	5,864,046	365,646	5,864,046	365,646
EMM BRAKPAN-DIR BANK (NEDB)	113,327	12,873	113,327	12,873
EMM EDENVALE-DIR BANK (NEDB)	461,531	1,465,380	461,531	1,465,380
EMM EXPENDITURE ACC (NEDB)	-	1,708,859	0	1,708,859
EMM GERMISTON-DIR BANK (NED)	4,333,150	427,470	4,333,150	427,470

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated
15. Cash and cash equivalents (continued)				
EMM KEMPTON-DIR BANK (NEDB)	63,492	167,397	63,492	167,397
EMM LIBRARY ACC (NEDB)	56,408	-	56,408	-
EMM LICENSE (NEDB)	(217)	4,978	(217)	4,978
EMM NIGEL-DIR BANK (NEDB)	2,077,567	19,792,240	2,077,567	19,792,240
EMM PRIMARY BANK ACC (NEDB)	19,796,538	3,246,776	19,796,538	3,246,776
EMM SIYAKHOKHA (NEDB)	336,288	(2,234,304)	336,288	(2,234,304)
EMM SPRINGS-DIR BANK (NEDB)	141,863	22,677,605	141,863	22,677,605
EMM TRAFFIC FINES COL (NEDB)	-	24,465	0	24,465
EMM TREASURY ACC (NEDB)	1,701,042	36,162,673	1,701,042	36,162,673
E-SIYAKHOKHA MASK ACC	13,117,110	4,824,631	13,117,110	4,824,631
FNB - EDENVALE MASK ACC	62,174,508	118,305,744	62,174,508	118,305,744
IRPTN BANK 2	1,289,875	492,917	1,289,875	492,917
IRPTN BANK COLLECT	8,059,591	5,405,570	8,059,591	5,405,570
NEDBANK MASK ACC	8,559,806	7,234,392	8,559,806	7,234,392
STANDARD - SPRINGS MASK ACC	(500)	4,094,730	(500)	4,094,730
Cash on Hand	499,368	502,524	499,030	501,530
EHC	14,524,678	15,339,326	-	-
ERWAT	130,167,815	111,706,221	-	-
	1,417,007,278	**742,871,725**	**1,272,314,448**	**615,825,182**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

15. Cash and cash equivalents (continued)

The group had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	**30 June 2024**	**30 June 2023**	**30 June2025**	**30 June 2024**	**30 June 2023**
ABSA BANK - Direct Banking Alberton - 111-840-0646	-	-	-	(1,447,000)	(227,985)	-
ABSA BANK - Direct banking Edenvale - 4055442596	-	-	-	-	(5,692)	(646,824)
ABSA BANK - Direct banking Germiston - 250000804	-	-	-	(40,787)	(355,237)	(307,792)
ABSA BANK - Direct banking Kempton Park - 260181599	-	-	-	(2,097,638)	(2,505,516)	(970,153)
ABSA BANK - Direct Banking KLBoksburg - 230000220	-	-	-	(132,647)	(15,137)	(325,795)
ABSA BANK - Direct Banking Benoni - 4055328015	-	-	-	(316,520)	(1,233,682)	(795,607)
ABSA BANK - Direct Springs - 280000051	-	-	-	(156,579)	(198,152)	(215,486)
ABSA BANK - Expenditure imprest acc - 4055571915	4,687	2,401,552	735,564	4,687	7,374,276	735,564
ABSA BANK - Income Benoni - 4055327394	-	-	-	-	(8,369)	777,561
ABSA BANK - Income Brakpan - 240000024	-	-	-	(500,314)	(23,656)	(78,760)
ABSA BANK - Mask Account Benoni- 4065622380	-	-	-	-	(140,703)	(87,018)
ABSA BANK - Primary bank Acc - 4053835084	66,240,401	19,166,364	17,638,261	66,240,401	19,166,364	17,638,261
ABSA BANK - Treasury account - 4055571931	171,120,933	339,334,623	376,804,052	171,120,933	339,334,623	376,804,052
Brakpan Income	-	-	-	-	-	744,939
COE - Income Alberton - 111-841-0641	-	-	-	-	-	434,234
COE Boksburg income - 230000255	-	-	-	-	30,343	1,501,578
E-Siyakhokha Mask Account	13,117,110	4,824,631	-	13,117,110	4,824,631	-
COE Depreciation Reserve Account	681,367	652,973	610,355	681,367	652,973	610,355
COE EFF account (ex CLF) - 4053834321	2,173,756	2,077,926	1,915,395	2,173,756	2,077,926	1,915,395
COE Germiston Income Account	-	-	-	-	973	1,090,187
COE Housing account	1,217,453	1,165,309	1,074,161	1,217,453	1,165,309	1,074,161
COE Income Edenvale - 4055442546	9,500	-	-	9,500	-	554,965
COE Income Kempton Park - 260000004	-	-	-	-	(16,870)	1,132,906
COE Investment Account	120,196,218	1,528,017	3,737,085	120,196,218	1,528,017	3,737,085
COE License income	2,075,941	-	-	2,075,941	-	-
CoE Lease Account Nedbank	232,302	-	-	220,442	(179,238)	(475,558)
COE Nedbank Call Account	95,407,329	5,570,846	9,102,369	95,407,329	5,570,846	9,102,369
COE Nigel Direct Banking	-	-	-	-	-	(4,962)
COE Primary Call	117,806,701	5,056,008	6,346,673	117,806,701	5,056,008	6,346,673
COE Salary Account	24,006	9,172,001	7,648,000	24,006	9,172,001	7,648,000
COE Springs Income	300	-	-	300	(7,878)	28,025,860
COE Springs Market Account	244,505	2,564,900	1,981,348	244,505	2,564,900	1,981,348
COE TRAFFIC FINES INC	-	(1,033)	-	-	(1,033)	-
COE USDG Account	1,782,230	1,704,286	1,570,980	1,782,230	1,704,286	1,570,980
E-Siyakhokha Mask Account	-	-	9,629,579	-	-	9,629,579
FNB Mask account 62379403745	62,463,121	118,305,744	12,174,718	62,174,508	118,305,744	11,881,661
Income Nigel - 270000010	-	-	-	-	-	236,021
Nedbank Dir banking Kempton Park	428,842	634,031	3,272,964	63,492	167,397	3,035,902
Nedbank Direct banking Alberton	302,790	371,803	1,126,463	301,892	370,850	1,126,463
Nedbank Direct banking Benoni	348,733	522,828	2,626,549	330,407	293,065	2,528,364
Nedbank Direct banking Boksburg	5,915,138	773,954	5,337,008	5,864,046	365,646	5,132,606
Nedbank Direct banking Brakpan	474,417	290,975	2,911,919	113,327	12,873	2,780,277
Nedbank Direct banking Edenvale	569,114	1,465,380	1,375,456	461,531	1,465,380	1,232,341

15. Cash and cash equivalents (continued)

Nedbank Direct banking Germiston	4,386,197	468,206	3,301,127	4,333,150	427,470	3,296,773
Nedbank direct banking Nigel	3,206,671	20,921,344	5,382,959	2,077,567	19,792,240	5,354,016
Nedbank Direct banking Springs	457,833	23,089,358	27,132,396	141,863	22,677,605	27,044,968
Nedbank E-Siyakhokha	362,550	(500,132)	4,849,632	336,288	(2,234,304)	5,684,265
Nedbank Expenditure account 1119114829	-	1,708,859	1,111,241	-	1,708,859	1,111,241
Nedbank IRPTN Bank 2 Funding 1119114845	1,289,875	492,917	794,888	1,289,875	492,918	794,888
Nedbank IRPTN Transport - collection 1120949068	8,059,591	5,405,570	22,305,517	8,059,591	5,405,570	22,305,516
Nedbank Library Account	56,408	-	14,862	56,408	-	14,862
Nedbank License account	(217)	4,978	77,914	(217)	4,978	77,914
Nedbank Mask account 1104446634 Charges	8,559,806	7,234,392	10,683,230	8,559,806	7,234,392	10,683,230
Nedbank Primary Bank account 1119114764	19,796,538	3,246,776	5,295,267	19,796,538	3,246,776	5,295,267
Nedbank Traffic Fines account	-	24,465	23,173	-	24,465	23,173
Nedbank Treasury account 1119114810	1,701,042	36,162,673	2,676,828	1,701,042	36,162,673	2,676,828
Petty cash and Floats	-	-	-	499,030	501,530	538,938
Standard bank Mask account	-	4,105,700	10,050,064	(500)	4,094,730	10,050,064
COE Alberton direct banking Std 281181799	-	-	-	(367,522)	-	-
COE Benoni direct banking Std 281181969	-	-	-	(33,178)	-	-
COE Boksburg income Std 281182043	-	-	-	38,153	-	-
COE Boksburg direct banking Std 281182094	-	-	-	(34,252)	-	-
COE Brakpan direct banking Std 281182280	-	-	-	(37,658)	-	-
COE Edenvale direct banking Std 281182493	-	-	-	(1,513,367)	-	-
COE Germiston direct banking Std 281182612	-	-	-	(26,997)	-	-
COE Kempton park income Std 281183287	-	-	-	(490,116)	-	-
COE Lease income Std 281183635	-	-	-	(79,970)	-	-
COE Nigel direct banking Std 281182949	-	-	-	(4,000)	-	-
COE Springs direct banking Std 281183023	-	-	-	(96,043)	-	-
COE Treasury account Std 281181365	481,437,268	-	-	481,437,268	-	-
COE Expenditure account Std 281181446	355,569	-	-	315,120	-	-
COE Salary account Std 281181527	46,860,085	-	-	46,860,085	-	-
City of Ekurhuleni metropolitan mun Std 281181578	26,280,977	-	-	26,280,977	-	-
COE IRPTN collection Std 281183813	1,001,606	-	-	1,001,606	-	-
COE Fleet and travel cards account Std 281183937	1,749,791	-	-	1,749,791	-	-
COE Clearance refunds account Std 281183945	1,001,606	-	-	1,001,606	-	-
COE Charges account Std 281183953	10,096,797	-	-	10,096,797	-	-
COE Springs market account Std 281183961	2,425,537	-	-	2,425,537	-	-
COE Bus income	(428)	-	-	(428)	-	-
ERWAT Current account	107,455,680	71,026,492	410,930,844	107,455,680	71,026,492	410,930,844
ERWAT Salary account	22,712,135	40,679,729	93,753,756	22,712,135	40,679,729	93,753,756
EHC Current account 4052348660	2,730,750	4,324,296	10,705,218	2,730,750	4,324,296	10,705,218
EHC Call account 4078340070	2,831,300	2,658,911	2,485,371	-	-	2,485,371

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

15. Cash and cash equivalents (continued)

EHC Current account 4099270252	1,040,225	977,065	913,567	1,040,225	977,065	913,567
EHC Current account 4099506067	4,083	4,615	4,532	4,083	4,615	4,532
EHC Current account 4050383636	1,746,736	1,586,147	575,993	1,746,736	1,586,147	575,993
EHC Call account 4078340151	1,905,126	1,788,076	1,671,373	-	-	1,671,373
EHC Current account 4101506844	4,265,644	4,000,084	1,106,594	4,265,644	4,000,084	1,106,594
EHC Current account 4102528398	814	131	126	814	131	126
EHC Short-term deposits	-	-	-	4,736,427	4,446,987	-
EHC Petty Cash	-	-	-	338	-	-
Total	**1,426,614,489**	**746,993,770**	**1,083,465,369**	**1,417,007,279**	**742,870,731**	**1,114,201,046**

16. Long-term liabilities

At amortised cost				
Bank loan - Nedbank Interest rate - JIBAR plus 2.32%. The loan is secured and repayable in bi-annual instalments.	191,957,600	234,795,145	-	-
Bank loan - DBSA Interest on the DBSA loans varies from 9.985% and 12.41%. The loans are unsecured. Capital will be repaid by means of a once-off bullet repayments and semi-annual installments at maturity of the loan, redemption date vary between September 2031 and May 2034.	4,759,391,533	5,110,094,746	4,759,391,533	5,110,094,746
Bank loan - Nedbank Interest rates on the loan is 10.27%. The loan is unsecured. The loan shall be repaid by not later than the termination date and shall be repaid in semi-annual instalments, redemption date: June 2034.	765,571,875	815,227,858	765,571,875	815,227,858
Bank loan - ABSA Interest rates on the loan is 11.68%. The loan is unsecured. The loans shall be repaid in semi-annual instalments. Redemption dates between February 2025 and May 2025.	-	108,629,224	-	108,629,224
Municipal bonds Interest rates on the JSE CoE bonds vary between 9.155% and 11.80 % per annum. Redemption dates on these bonds vary between June 2025 and July 2032.	1,830,550,226	2,272,272,331	1,830,550,226	2,272,272,331
	7,547,471,234	**8,541,019,304**	**7,355,513,634**	**8,306,224,159**
Non-current liabilities				
At amortised cost	6,618,477,966	7,448,517,042	6,470,401,043	7,256,029,588
Current liabilities				
At amortised cost	928,993,265	1,092,502,259	885,112,588	1,050,194,567

Encumbered investments

Investments with a carrying value of R221,173,226 are included in non-current assets (2024: R108,863,886) and are held with the top two banks in South Africa for the repayment of long-term liabilities with a carrying value of R2,000,000,000 (2024: R2,000,000,000) as disclosed in the long-term liabilities note (note 16). The amount of R2,000,000,000 (2024: R2,000,000,000) consists of a bond for which structured (deposit sinking funds) was established.

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

17. Finance lease obligation

Minimum lease payments due				
- within one year	1,822,470	1,786,254	-	-
Present value of minimum lease payments due				
- in second to fifth year inclusive	1,128,592	2,899,423	-	-
Non-current liabilities	1,128,592	2,899,423	-	-
Current liabilities	1,822,469	1,786,253	-	-
	2,951,061	**4,685,676**	**-**	**-**

18. Retirement benefit obligations

Retirement Funds

The group provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are expensed in the year in which they become payable. The group contributes to defined contribution and defined benefit funds. These funds are multi-employer funds.

The council took a resolution in terms of an agreement with SALGA that the contribution rate to pension funds will be capped at 18% of salaries for new members joining pension funds after 1 July 2012 and also that the deducted contribution will only be transferred to defined contribution pension funds.

Defined Contribution Funds

Where an employee has rendered services to the group during the year, the group recognises the contribution payable to a defined contribution plan in exchange for that service immediately as an expense.

Defined Benefit Plans

The group does not apply “defined benefit accounting” to the defined benefit funds to which it is a member where these funds are classified in terms of GRAP 25 as multi-employer plans, as sufficient information is not available to apply the principals involved. The group contributes to the following defined benefit plans, which are governed by the Pension Fund Act of 1956 due to the nature of these funds and the fact that there is no consistent and reliable basis for allocating the obligation. Plan assets and cost to individual entities participating in the plan, these funds are accounted for as defined contribution funds in terms of paragraph 31 of GRAP 25, the total contributions are included in employee related costs, Note 28. As a result, GRAP 25 is applied and such funds are accounted for as defined contribution funds. The group's participation in these plans is limited to the obligation of its own employees. Due to the nature of the funds, the obligation for each fund cannot be reasonably determined.

The following funds have been treated as defined contribution plans although they are defined benefit funds:

1. Joint Municipal Pension Fund

The average contribution rate payable is 9% by the members and on average 22% by the controlling entity. The last actuarial valuation on this fund was performed in September 2024 certified that the fund is in a sound financial state. The controlling entityi has 55 employees in this plan.

2. Municipal Employees Pension Fund

The average contribution rate payable is 7.5% by the members. The controlling entity contributes 22% and 18% of members who existed as at 30 June 2012 and 01 July 2012, respectively. The last actuarial valuation on this fund was performed in February 2023 and it was certified that the fund is in a sound financial state. The controlling entity has 974 employees in this plan.

3. South African Local Authorities Pension Fund

The average contribution rate payable is 9% by the members and on average 22.78% by the controlling entity. The last actuarial valuation on this fund was performed as at 1 July 2021 and it was certified that the fund is in a sound financial state. The controlling entity has 39 employees in this plan.

Germiston Municipal Retirement Fund (GMRF) is a defined contribution fund for active contributing members but a defined benefit fund for certain pensioners under the old rules taken in the rules of the fund. During 2005 GMRF outsourced the full administration of the pensioners component which relates to the old rules of the defined benefit fund.

To the extent that a surplus or deficit is in place, based on available information, this may affect the amount of future contributions once these are assessed. In the case of surpluses, no change is made in the rate of contributions. In the case of deficits, the group will increase contributions on a phased basis. To the extent that the full discounted value of obligations to the funds is not fully accounted for at year end, a contingent liability arises and is reported on accordingly.

4. Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end.
Refer to provisions note (note 19) for leave pay provision.

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

18. Retirement benefit obligations (continued)

Retirement benefit obligation (medical aid plan)

The controlling entity provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds, with which the controlling entity is associated, a member (subject to the applicable conditions of service) on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for the portion as determined by Council from time to time, of the medical aid membership fee, and the group for the remaining portion.

The number of employees who are eligible for post-retirement benefits as at 30 June 2025 are 11,977 (2024: 11,910) in-service employees and 2,105 (2024:2,059) pensioners. The actuarial valuation was performed by Deloitte and Touche by applying the Projected Unit Funding method.

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

Carrying value				
Present value of the defined benefit obligation-wholly unfunded	(2,515,252,953)	(2,159,429,785)	(2,417,261,953)	(2,087,761,554)
Non-current liabilities	(2,377,984,555)	(2,033,489,138)	(2,284,300,555)	(1,965,280,958)
Current liabilities	(137,268,398)	(125,940,647)	(132,961,398)	(122,480,596)
	(2,515,252,953)	**(2,159,429,785)**	**(2,417,261,953)**	**(2,087,761,554)**

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

Opening balance	(2,159,429,785)	(2,211,670,046)	(2,087,761,554)	(2,148,807,046)
Benefits paid	127,956,838	120,540,523	124,496,787	115,673,797
Net expense recognised in the statement of financial performance	(483,779,852)	(68,300,262)	(453,997,032)	(54,628,305)
	(2,515,252,799)	**(2,159,429,785)**	**(2,417,261,799)**	**(2,087,761,554)**

Net expense recognised in the statement of financial performance

Current service cost	(253,641,216)	(73,799,995)	(251,572,828)	(71,829,995)
Interest cost	(77,290,735)	(277,616,867)	(68,417,222)	(269,574,867)
Remeasurements of the defined net liability	-	-		
Actuarial (loss)/ gains	(152,847,901)	283,116,600	(134,006,982)	286,776,557
- Changes in financial assumptions	(331,482,280)	133,194,018	(331,482,280)	133,194,018
- Experience adjustments	178,634,379	157,242,496	197,475,298	153,582,539
	(483,779,852)	**(68,300,262)**	**(453,997,032)**	**(54,628,305)**

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

18. Retirement benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10.91 %	12.45 %	10.91 %	12.45 %
Health care cost inflation rate	6.80 %	7.49 %	6.80 %	7.49 %

Key Demographic Assumptions	
Average retirement age for the controlling entity	63
Continuation of membership at retirement	90%
Proportion assumed married at retirement	90%
Mortality tables	SA 85/90
Mortality post-retirement for pensioners	PA90

Withdrawal from service	**Age**	**Males**	**Females**
	20 - 24	16%	24%
	25 - 29	12%	18%
	30 - 34	10%	15%
	35 - 39	8%	10%
	40 - 44	6%	6%
	45 - 49	4%	4%
	50 - 54	2%	2%
	55 - 59	1%	1%
	60 +	-%	-%

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in the statement of financial performance. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	**One percentage point decrease**	**One percentage point increase**	**One percentage point decrease**
Medical inflation (service cost and interest cost)	55,765,300	53,683,905	43,083,296	44,120,535
Medical inflation (liability)	2,573,117,248	2,459,111,417	2,460,345,248	2,373,141,417
Valuation interest rate (service cost and interest cost)	244,988,142	292,280,335	234,707,856	280,431,444
Valuation interest rate (liability)	2,269,030,096	2,809,991,396	2,182,554,096	2,697,693,396

Amounts for the current and previous four years are as follows:

	2025 R	**2024 R**	**2023 R**	**2022 R**	**2021 R**
Defined benefit obligation	(2,417,261,953)	(2,087,761,708)	(2,148,807,046)	(2,072,148,581)	(2,163,476,581)
(Deficit)	(2,417,261,953)	(2,087,761,708)	(2,148,807,046)	(2,072,148,581)	(2,163,476,581)
Experience adjustments on plan	134,006,982	(286,776,557)	(219,308,394)	(291,345,000)	(322,960,929)

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

19. Provisions

Reconciliation of provisions - Economic entity - 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
COID provision	23,339,263	3,039,602	(2,103,733)	-	-	24,275,132
Other provisions	1,221,101	8,811,514	(9,925)	-	-	10,022,690
Bonus provisions	62,912,894	18,068,505	(16,926,090)	-	-	64,055,309
Leave provisions	832,349,429	232,935,870	(128,046,171)	(20,465,826)	-	916,773,302
Landfill rehabilitation provision	517,694,038	-	(83,859,801)	-	57,987,747	491,821,984
Long service awards	570,983,764	40,318,114	(10,194,395)	(26,272,309)	53,031,143	627,866,317
GMRF	100,500,452	-	-	-	-	100,500,452
	2,109,000,941	**303,173,605**	**(241,140,115)**	**(46,738,135)**	**111,018,890**	**2,235,315,186**

Reconciliation of provisions - Economic entity - 2024

	Opening Balance	Additions	Utilised during the year	Decreased during the year	Change in discount factor	Total
COID provision	23,385,964	1,709,153	(1,755,854)	-	-	23,339,263
Other provisions	1,091,417	174,752	(45,068)	-	-	1,221,101
Bonus provisons	61,462,513	19,963,283	(18,512,902)	-	-	62,912,894
Leave provision	761,324,064	338,366,252	(252,164,249)	(15,176,638)	-	832,349,429
Landfill rehabilitation provision	578,890,256	-	(124,468,922)	-	63,272,704	517,694,038
Long service awards	532,233,514	38,503,285	(8,910,141)	(43,656,766)	52,813,872	570,983,764
GMRF	152,383,361	-	(51,882,909)	-	-	100,500,452
	2,110,771,089	**398,716,725**	**(457,740,045)**	**(58,833,404)**	**116,086,576**	**2,109,000,941**

Reconciliation of provisions - Controlling enity- 2025

	Opening Balance	Additions	Utilised during the year	Decreased during the year	Change in discount factor	Total
COID provision	23,339,263	3,039,602	(2,103,733)	-	-	24,275,132
Bonus provision	62,912,894	18,068,505	(16,926,090)	-	-	64,055,309
Leave provision	804,445,054	196,565,854	(121,806,341)	-	-	879,204,567
Landfill rehabilitation provision	517,694,038	-	(83,859,801)	-	57,987,747	491,821,984
Long service awards	570,169,650	39,394,846	(9,444,602)	(26,207,988)	53,031,143	626,943,049
GMRF	100,500,452	-	-	-	-	100,500,452
	2,079,061,351	**257,068,807**	**(234,140,567)**	**(26,207,988)**	**111,018,890**	**2,186,800,493**

Reconciliation of provisions - Controlling entity - 2024

	Opening Balance	Additions	Utilised during the year	Decreased during the year	Change in discount factor	Total
COID provision	23,385,964	1,709,152	(1,755,853)	-	-	23,339,263
Bonus provision	61,462,513	19,963,283	(18,512,902)	-	-	62,912,894
Leave provision	730,406,682	309,108,144	(235,069,772)	-	-	804,445,054
Landfill rehabilitation provision	578,890,255	-	(124,468,922)	-	63,272,705	517,694,038
Long service awards	531,440,476	37,689,171	(8,117,103)	(43,656,766)	52,813,872	570,169,650
GMRF	152,383,361	-	(51,882,909)	-	-	100,500,452
	2,077,969,251	**368,469,750**	**(439,807,461)**	**(43,656,766)**	**116,086,577**	**2,079,061,351**

Non-current liabilities	1,118,765,033	1,087,863,688	1,118,765,033	1,087,863,688
Current liabilities	1,116,550,153	1,021,137,253	1,068,035,460	991,197,663
	2,235,315,186	**2,109,000,941**	**2,186,800,493**	**2,079,061,351**

19. Provisions (continued)

COID provision

This provision is made for future expected outflows as a result of the controlling entity's obligation to contribute towards occupational injuries with various employees in the old Benoni and Germiston local municipalities. The discount rate used in determining the present value of the obligation is 10.99% (2024:10.93%) and the salary increase rate assumption used for the increase in expenses/contributions is 5.01% (2024: 4.9%).

Leave and bonus provision

The liability is based on the total accrued leave days at year end, which includes section 57 employees. The bonus is performance based, and is dependent on a performance assessment. The timing of both the leave and bonus is uncertain.

Landfill rehabilitation provision

In terms of GRAP 19, provisions should be evaluated at each year-end to reflect the best estimate at that date of the provision. The discounting rate is 10.99% (2024:10.93%). The timing of outflow is uncertain, as well as relating amounts due to discounting and charges in inflation rates.

The net result of the re-estimation had the following effect on the current year amounts:
Increase/(decrease) in the cost of property, plant and equipment 2025: decrease of R17,480,008 (2024: decrease of R88,337,229)
Amount recognised in profit and loss due to re-estimation where the adjustment exceeded the carrying amount of the asset by R76,326,766 (2024: R36,131,693)

Long service awards provision

An actuarial valuation for 2025 was performed by Deloitte and Touche.
Discount rate used 8.90% (2024: 10.09%)
CPI used: 4.38% (2024: 5.59%)
Salary increase rate used: 5.38% (2024: 6.59%)

GMRF provision

The provision relates to claims against the controlling entity, instituted by the Germiston Municipal Retirement Fund in terms of the pension fund's rules where the required investments yields were not achieved. The timing of the outflow is uncertain, as well as the related amount due to changes in interest charges.

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

20. Trade and other payables from exchange transactions

Maintenance guarantees: new township development infrastructure	6,370,297	5,426,686	6,370,283	5,426,686
Other payables	831,065,367	20,952,494	788,264,643	837,291,252
Receipts in advance	1,507,636,106	1,095,206,637	1,507,636,106	1,095,206,637
Retentions	1,206,122,264	1,143,970,799	1,206,122,264	1,143,970,799
Trade payables	11,628,968,677	9,828,945,462	13,042,692,074	9,760,560,039
Unclaimed salaries	15,631,561	13,353,369	15,631,561	13,353,369
VAT balance on outstanding debtors	922,634,905	880,411,348	922,634,905	880,411,348
	16,118,429,177	**12,988,266,795**	**17,489,351,836**	**13,736,220,130**

21. Deposits

Consumer deposits - electricity and water	1,335,960,527	1,207,084,517	1,335,960,527	1,207,084,517

Guarantees in lieu of electricity and water deposits is R251,587,198 (2024: R228,618,352).

22. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts				
HIV/AIDS	1,689,948	525,945	1,689,948	525,945
Urban Settlement Development Grant (USDG)	-	1,308,919	-	1,308,919
Human Settlements Development Grant (HSDG)	-	6,109,610	-	6,109,610
Libraries	415,976	820,895	415,976	820,895
Neighbourhood Development Partnership Grant (NDPG)	-	777,477	-	777,477
Unspent public contributions and donations	646,605	646,605	-	-
	2,752,529	**10,189,451**	**2,105,924**	**9,542,846**

Movement during the period

Balance at the beginning of the year	10,189,451	154,050,781	9,542,846	153,404,176
Additions during the year	10,675,136,368	10,258,888,770	10,672,052,224	10,258,888,770
Income recognition during the year	(10,679,960,952)	(10,340,625,623)	(10,676,876,808)	(10,340,625,623)
Surrendered/Appropriated	(2,612,338)	(62,124,477)	(2,612,338)	(62,124,477)
	2,752,529	**10,189,451**	**2,105,924**	**9,542,846**

See note 30 for reconciliation of all grants.

23. Deferred tax

Deferred tax asset

Assessed losses	-	(3,941,115)	-	-

Reconciliation of deferred tax asset \ (liability)

At beginning of year	(3,941,115)	(16,188,323)	-	-
Leave provision and performance bonus	(35,169)	(41,959)	-	-
Investment property - market value different to book value	1,002,895	1,002,895	-	-
Property, plant and equipment	4,545	4,545	-	-
Operating lease liability	-	10,194	-	-
Allowance for impairment	-	11,271,533	-	-
Provision for bad debts	(7,673,130)	-	-	-
Assessed loss	10,641,974	-	-	-
	-	**(3,941,115)**	**-**	**-**

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

24. Revenue

Service charges	33,020,975,385	30,973,326,606	33,082,122,346	30,879,193,024
Construction contracts	6,109,610	85,170,089	6,109,610	85,170,089
Rental of facilities and equipment	158,795,288	157,746,308	102,823,566	106,113,758
Interest earned - outstanding debtors	1,110,590,152	1,032,701,292	1,061,864,158	1,031,736,167
Income from agency services	339,766,334	329,710,220	339,766,334	329,710,220
Licences and permits	39,860,334	42,896,703	39,860,334	42,896,703
Other income	394,947,135	320,946,729	338,356,809	274,658,058
Interest revenue	155,639,510	222,860,819	112,620,641	135,879,644
Dividends received	69,465	87,869	-	-
Property rates	8,839,917,599	8,823,217,846	8,839,917,599	8,823,217,846
Property rates - penalties and collection charges	268,776,503	316,821,029	268,776,503	316,821,029
Government grants & subsidies	10,673,851,339	10,282,015,706	10,670,767,195	10,255,455,533
Public contributions and donations	80,594,057	420,881,839	80,594,057	420,881,839
Fines	349,628,398	861,824,707	349,628,398	861,824,707
	55,439,521,109	**53,870,207,762**	**55,293,207,550**	**53,563,558,617**

The amount included in revenue arising from exchanges of goods or services are as follows:				
Service charges	33,020,975,385	30,973,326,606	33,082,122,346	30,879,193,024
Construction contracts	6,109,610	85,170,089	6,109,610	85,170,089
Rental of facilities and equipment	158,795,288	157,746,308	102,823,566	106,113,758
Interest earned - outstanding debtors	1,110,590,152	1,032,701,292	1,061,864,158	1,031,736,167
Dividends received	69,465	87,869	-	-
Income from agency services	339,766,334	329,710,220	339,766,334	329,710,220
Licences and permits	39,860,334	42,896,703	39,860,334	42,896,703
Other income	394,947,135	320,946,729	338,356,809	274,658,058
Interest revenue	155,639,510	222,860,819	112,620,641	135,879,644
	35,226,753,213	**33,165,446,635**	**35,083,523,798**	**32,885,357,663**

The amount included in revenue arising from non-exchange transactions is as follows:				
Taxation revenue				
Property rates	8,839,917,599	8,823,217,846	8,839,917,599	8,823,217,846
Property rates - penalties and collection charges	268,776,503	316,821,029	268,776,503	316,821,029
Transfer revenue				
Government grants & subsidies	10,673,851,339	10,282,015,706	10,670,767,195	10,255,455,533
Public contributions and donations	80,594,057	420,881,839	80,594,057	420,881,839
Fines	349,628,398	861,824,707	349,628,398	861,824,707
	20,212,767,896	**20,704,761,127**	**20,209,683,752**	**20,678,200,954**

25. Service charges

Sale of electricity	20,375,048,414	19,798,960,562	21,890,329,302	19,691,152,339
Sale of water	6,314,441,526	6,519,065,767	6,322,344,102	6,519,065,767
Solid waste	1,742,693,775	1,539,547,813	1,742,693,775	1,539,547,813
Sewerage and sanitation charges	4,500,087,340	3,030,932,086	3,038,050,837	3,044,606,727
Fresh produce market	39,073,697	38,627,433	39,073,697	38,627,433
Other service charges	49,630,633	46,192,945	49,630,633	46,192,945
	33,020,975,385	**30,973,326,606**	**33,082,122,346**	**30,879,193,024**

26. Rental of facilities and equipment

Facilities and equipment				
Rental of facilities	158,759,078	157,711,070	102,787,356	106,078,520
Rental of equipment	36,210	35,238	36,210	35,238
	158,795,288	**157,746,308**	**102,823,566**	**106,113,758**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

26. Rental of facilities and equipment (continued)

Included in the above rentals are operating lease rentals at straight-lined amounts of R 9,969,131 (2024: R 10,438,881) as well as contingent rentals of R 21,438,889 (2024: R 24,602,968).

27. Construction Contract - HSDG

Amount of contract revenue recognised in revenue	(6,109,610)	(85,170,089)	(6,109,610)	(85,170,089)
Aggregate amount of costs recognised in surplus	6,109,610	85,170,089	6,109,610	85,170,089
Amount received in advance recognised under grants payables	-	6,109,610	-	6,109,610
	-	**6,109,610**	**-**	**6,109,610**

The Gauteng department of human settlement in partnership with the controlling entity, implemented the construction of houses by appointing consultants and contractors to undertake the construction on behalf of the controlling entity. All funds received for Human Settlement Development Grant are subjected to conditions as stipulated on the grant framework. No commission is earned by the controlling entity on implementation of this programme.

28. Other income

Accident reports	1,741,548	1,839,470	983,521	1,116,307
Administration fees	91,502	114,168	91,502	114,171
Cleaning of stands	2,371,775	1,932,551	-	-
Entry fees	308,068	357,615	308,068	357,615
Essential services contributions	260,130,744	170,104,500	218,157,573	136,433,737
Printing and copying of documents	594,369	471,260	594,369	471,260
Sundry income	128,457,136	145,452,757	116,983,913	135,490,560
Supply of information	982,562	493,985	982,562	493,985
Tender documents	14,130	-	-	-
Training	255,301	180,423	255,301	180,423
	394,947,135	**320,946,729**	**338,356,809**	**274,658,058**

29. Interest revenue

Bank	124,231,147	143,638,993	81,212,278	56,657,818
External investments	31,408,363	79,221,826	31,408,363	79,221,826
	155,639,510	**222,860,819**	**112,620,641**	**135,879,644**

Figures in Rand	Economic entity 2025	Economic entity 2024 Restated	Controlling entity 2025	Controlling entity 2024 Restated

30. Government grants & subsidies

Operating grants				
Equitable share	5,534,652,396	5,155,679,899	5,534,652,396	5,155,679,899
Fuel levy	1,826,784,000	1,839,016,000	1,826,784,000	1,839,016,000
Electricity demand side Management (EEDSM)	7,000,000	8,000,000	7,000,000	8,000,000
Urban Settlements Development Grant (USDG)	100,995,403	85,179,421	100,995,403	85,179,421
Sector Education and Training Authority (SETA)	17,051,828	15,978,869	17,051,828	15,978,869
Finance Management Grant (FMG)	1,000,000	1,000,000	1,000,000	1,000,000
HIV/AIDS grant	19,009,053	19,225,056	19,009,053	19,225,056
Libraries Plan	9,042,693	8,719,138	9,042,693	8,719,138
SHRA	3,084,144	26,560,172	-	-
Primary Health Care	187,770,000	179,170,000	187,770,000	179,170,000
Programme & Project Preparation Support Grant(PPPSG)	76,126,000	107,731,000	76,126,000	107,731,000
Informal Settlement Upgrading Partnership Grant (ISUPG)	53,500,000	37,002,197	53,500,000	37,002,197
Public Transport Network Grant (PTNG)	463,029,999	387,085,001	463,029,999	387,085,001
Expanded Public Works Program (EPWP)	9,920,000	31,646,000	9,920,000	31,646,000
Neighbourhood Development Partnership Grant (PEP)	124,140,060	143,280,000	124,140,060	143,280,000
	8,433,105,576	**8,045,272,753**	**8,430,021,432**	**8,018,712,581**
Capital grants				
Public Transport Network Grant (PTNG)	286,500,001	296,127,999	286,500,001	296,127,999
Recapitalisation of Community Libraries	14,714,226	12,805,967	14,714,226	12,805,967
Neighbourhood Development Partnership Grant (NDPG)	41,804,940	52,512,523	41,804,940	52,512,523
Informal Settlement Upgrading Partnership Grant(ISUPG)	678,306,000	736,027,803	678,306,000	736,027,803
Urban Settlements Development Grant (USDG)	1,219,420,596	1,139,268,661	1,219,420,596	1,139,268,660
	2,240,745,763	**2,236,742,953**	**2,240,745,763**	**2,236,742,952**
	10,673,851,339	**10,282,015,706**	**10,670,767,195**	**10,255,455,533**

Equitable share

Current-year receipts	5,534,652,396	5,155,679,899	5,534,652,396	5,155,679,899
Conditions met - transferred to revenue	(5,534,652,396)	(5,155,679,899)	(5,534,652,396)	(5,155,679,899)
	-	-	-	-

Fuel Levy

Current-year receipts	1,826,784,000	1,839,016,000	1,826,784,000	1,839,016,000
Conditions met - transferred to revenue	(1,826,784,000)	(1,839,016,000)	(1,826,784,000)	(1,839,016,000)
	-	-	-	-

HIV/AIDS

Balance unspent at beginning of year	525,945	3,676,577	525,945	3,676,577
Current-year receipts	20,699,000	19,751,000	20,699,000	19,751,000
Conditions met - transferred to revenue	(19,009,052)	(19,225,055)	(19,009,052)	(19,225,055)
Surrendered/Appropriated	(525,945)	(3,676,577)	(525,945)	(3,676,577)
	1,689,948	**525,945**	**1,689,948**	**525,945**

Conditions still to be met - remain liabilities (see note 22).

Finance Management Grant (FMG)

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

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

30. Government grants & subsidies (continued)

Urban Settlement Development Grant (USDG)

Balance unspent at beginning of year	1,308,919	-	1,308,919	-
Current-year receipts	1,320,416,000	1,225,757,000	1,320,416,000	1,225,757,000
Conditions met - transferred to revenue	(1,320,416,000)	(1,224,448,081)	(1,320,416,000)	(1,224,448,081)
Surrendered/Appropriated	(1,308,919)	-	(1,308,919)	-
	-	**1,308,919**	**-**	**1,308,919**

Conditions still to be met - remain liabilities (see note 22).

Libraries

Balance unspent at beginning of year	820,895	-	820,895	-
Current-year receipts	23,352,000	22,346,000	23,352,000	22,346,000
Conditions met - transferred to revenue	(23,756,919)	(21,525,105)	(23,756,918)	(21,525,105)
	415,976	**820,895**	**415,977**	**820,895**

Conditions still to be met - remain liabilities (see note 22).

Public Transport Network Grant (PTNG)

Current-year receipts	749,530,000	683,212,998	749,530,000	683,212,998
Conditions met - transferred to revenue	(749,530,000)	(683,212,998)	(749,530,000)	(683,212,998)
	-	-	-	-

Electricity demand side Management (EEDSM)

Current-year receipts	7,000,000	8,000,000	7,000,000	8,000,000
Conditions met - transferred to revenue	(7,000,000)	(8,000,000)	(7,000,000)	(8,000,000)
	-	-	-	-

Expanded Public Works Programme (EPWP)

Current-year receipts	9,920,000	31,646,000	9,920,000	31,646,000
Conditions met - transferred to revenue	(9,920,000)	(31,646,000)	(9,920,000)	(31,646,000)
	-	-	-	-

Neighbourhood Development Partnership Grant (PEP)

Balance unspent at beginning	-	58,447,900	-	58,447,900
Current-year receipts	124,140,060	144,630,000	124,140,060	144,630,000
Conditions met - transferred to revenue	(124,140,060)	(144,630,000)	(124,140,060)	(144,630,000)
Surrendered/Appropriated	-	(58,447,900)	-	(58,447,900)
	-	-	-	-

Neighbourhood Development Partnership Grant (NDPG)

Balance unspent at beginning	777,477	-	777,477	-
Current-year receipts	41,804,940	51,940,000	41,804,940	51,940,000
Conditions met - transferred to revenue	(41,804,940)	(51,162,523)	(41,804,940)	(51,162,523)
Surrendered/Appropriated	(777,477)	-	(777,477)	-
	-	**777,477**	**-**	**777,477**

Conditions still to be met - remain liabilities (see note 22).

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

30. Government grants & subsidies (continued)

Informal Settlement Upgrading Partnership (ISUPG)

Current-year receipts	731,806,000	773,030,000	731,806,000	773,030,000
Conditions met - transferred to revenue	(731,806,000)	(773,030,000)	(731,806,000)	(773,030,000)
	-	-	-	-

Sector Education and Training Authority (SETA)

Current-year receipts	17,051,828	15,978,870	17,051,828	15,978,870
Conditions met - transferred to revenue	(17,051,828)	(9,818,918)	(17,051,828)	(9,818,918)
Appropriated	-	(6,159,952)	-	(6,159,952)
	-	-	-	-

Programme & Project Preparation Support Grant (PPPSG)

Current-year receipts	76,126,000	107,731,000	76,126,000	107,731,000
Conditions met - transferred to revenue	(76,126,000)	(107,731,000)	(76,126,000)	(107,731,000)
	-	-	-	-

Health Subsidy

Current-year receipts	187,770,000	179,170,000	187,770,000	179,170,000
Conditions met - transferred to revenue	(187,770,000)	(179,170,000)	(187,770,000)	(179,170,000)
	-	-	-	-

Human Settlements Development Grant (HSDG)

Balance unspent at beginning	6,109,610	91,279,699	6,109,610	91,279,699
Expensed during the year	(6,109,610)	(85,170,089)	(6,109,610)	(85,170,089)
	-	**6,109,610**	**-**	**6,109,610**

Conditions still to be met - remain liabilities (see note 22).

SHRA

Balance unspent at beginning	646,605	646,605	-	-
Current-year receipts	3,084,144	24,066,855	-	-
Conditions met - transferred to revenue	(3,084,144)	(24,066,855)	-	-
	646,605	**646,605**	**-**	**-**

Conditions still to be met - remain liabilities (see note 22).

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity 2025	Economic entity 2024 Restated	Controlling entity 2025	Controlling entity 2024 Restated

31. Property rates

Rates received

Residential	4,044,613,991	3,814,424,042	4,044,613,989	3,814,424,042
Commercial	3,869,860,136	3,978,083,727	3,869,860,136	3,978,083,727
Small holdings and farms	19,435,572	43,178,213	19,435,572	43,178,213
Vacant land	545,456,627	641,421,884	545,456,627	641,421,884
Other properties	360,551,273	346,109,980	360,551,272	346,109,980
	8,839,917,599	8,823,217,846	8,839,917,596	8,823,217,846
Property rates - penalties and collection charges	268,776,503	316,821,029	268,776,503	316,821,029
	9,108,694,102	**9,140,038,875**	**9,108,694,099**	**9,140,038,875**

Valuations (R'000)

Residential	471,241,931	462,353,574	471,241,931	462,353,574
Commercial	176,129,107	174,099,587	176,129,107	174,099,587
Provincial and National Government	14,890,563	15,018,096	14,890,563	15,018,096
Municipal	5,206,315	7,297,451	5,206,315	7,297,451
Small holdings and farms	14,342,417	18,462,679	14,342,417	18,462,679
Sectional title	79,469,012	78,280,991	79,469,012	78,280,991
Vacant land	18,651,572	26,903,238	18,651,572	26,903,238
Other	8,267,288	9,280,167	8,267,288	9,280,167
	788,198,205	**791,695,783**	**788,198,205**	**791,695,783**

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2021. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on a monthly basis; interest is levied on outstanding account if paid after due date.

32. Employee related costs

Basic	6,829,855,183	6,566,116,891	6,521,011,932	6,281,238,270
Bonus	567,417,624	528,414,846	546,734,758	508,912,854
Medical aid - company contributions	481,308,715	608,665,555	479,593,178	607,007,542
Unemployment Insurance Fund	35,226,819	35,799,077	35,173,294	35,746,498
Workmen's Compensation	75,267,043	64,394,887	73,113,670	62,095,568
Skills Development Levy	84,988,409	82,707,046	84,779,682	82,501,006
Other payroll levies	2,251,531	2,183,369	2,251,531	2,183,369
Leave pay provision charge	171,269,983	195,718,394	153,969,001	182,989,201
Current service costs	293,036,062	111,489,166	290,967,674	109,519,166
Standby Allowances	86,100,189	74,327,669	86,000,489	74,214,919
Remeasurement of the defined net liability	126,639,913	(326,773,366)	107,798,994	(330,433,323)
Defined contribution plans	1,373,247,499	1,143,994,790	1,284,367,317	1,063,309,281
Travel, motor car, accommodation, subsistence and other allowances	223,941,340	229,497,479	213,375,596	218,641,096
Overtime payments	811,647,756	887,411,404	778,191,266	855,646,039
Long-service awards	10,418,856	9,463,093	9,444,602	8,117,104
Acting allowances	38,632,351	23,702,608	38,632,351	23,702,608
Housing benefits and allowances	82,916,769	69,989,963	78,322,035	65,729,390
Allowances	23,376,736	24,291,453	17,847,695	18,922,709
Less: employee costs capitalised to property, plant and equipment	(15,835,486)	(29,733,297)	(15,835,486)	(29,733,297)
	11,301,707,292	**10,301,661,027**	**10,785,739,579**	**9,840,310,000**

32. Employee related costs (continued)

Senior Management Remuneration

Senior Management Remuneration (Key Management) for the period ended 30 June 2025	Basic Salary per annum	Pension, Medical & UIF per annum	Car Allowance	Performance Bonus	Other	Total
City Manager	3,535,793	590,642	250,528	439,858	55,200	4,872,021
Group Chief Financial Officer: Finance Department(Appointment: 01 August 24)	2,955,193	23,896	220,000	183,933	39,600	3,422,622
Head of Department: Energy	2,114,780	139,733	648,000	149,195	43,200	3,094,908
Head of Department : Strategy & Corporate Planning	1,974,270	14,995	240,000	122,781	43,200	2,395,246
Head of Department : Corporate Legal Services	2,661,339	4,087	144,000	245,649	43,200	3,098,275
Head of Department : Human Resources	2,825,140	9,541	-	215,850	43,200	3,093,731
Head of Department : Economic Development	3,042,504	24,085	-	-	43,200	3,109,789
Chief Information Officer: ICT	2,877,936	24,085	-	215,934	43,200	3,161,155
Head of Department : Water & Sanitation	2,312,040	67,285	300,000	149,453	43,200	2,871,978
Chief of Police: EMPD	2,229,572	122,449	550,000	148,938	43,200	3,094,159
Head of Department : Service Delivery Coordination	1,958,857	9,541	240,000	82,189	43,200	2,333,787
Head of Department: Secretary of Council	2,214,280	14,995	-	-	43,200	2,272,475
Head of Department : Human Settlement (Appointment: 01 April 25)	554,825	567	-	-	10,800	566,192
Head of Department : Communications, Marketing and Tourism (Appointment: 01 April 25)	554,825	567	-	-	10,800	566,192
Head of Department : Roads and Transport (Appointment: 01 April 25)	459,103	60,488	35,801	-	10,800	566,192
Head of Department : SRAC (Contract End: 30 November 2024)	948,937	41,095	100,000	245,232	188,790	1,524,054
Head of Department : Transport and Fleet Management (Contract End: 30 November 2024)	165,720	21,816	-	172,997	220,941	581,474
ERWAT						
Managing Director	1,930,892	557,740	60,000	-	52,800	2,601,432
Chief Financial Officer	1,825,657	135,174	-	-	40,800	2,001,631
EHC						
Chief Executive Director (Appointment: 01 September 2025)	1,687,023	136,786	-	-	-	1,823,809
Chief Financial Officer (Appointment: 01 December 2025)	1,046,633	102,613	-	-	-	1,149,246
	39,875,319	**2,102,180**	**2,788,329**	**2,372,009**	**1,062,531**	**48,200,368**

32. Employee related costs (continued)

Senior Management Remuneration (Key Management) for the period ended 30 June 2024	Basic Salary per annum	Pension, Medical & UIF per annum	Car Allowance	Performance Bonus	Other	Total
City Manager	3,289,245	590,635	250,528	388,581	55,200	4,574,189
Group Chief Financial Officer: Finance Department (Contract end 31 May 24)	2,647,112	23,889	165,000	189,541	39,600	3,065,142
Chief Audit Executive : Internal Audit (Contract End 20 January 24)	1,778,204	146,665	70,080	311,711	25,228	2,331,888
Head of Department: Energy	1,929,153	125,182	648,000	215,872	43,200	2,961,407
Head of Department : Strategy & Corporate Planning	1,815,005	2,262	240,000	110,721	43,200	2,211,188
Head of Department : Health & Social Development (Contract end 30 April 24)	1,992,372	269,676	100,000	142,385	36,000	2,540,433
Head of Department : Corporate & Legal	2,447,517	2,262	144,000	227,646	43,200	2,864,625
Head of Department : Human Resources	2,591,517	2,262	-	121,272	43,200	2,758,251
Head of Department : SRAC	1,962,268	68,078	240,000	134,647	43,200	2,448,193
Head of Department : City Planning (Contract end 31 May 24)	2,256,450	23,889	-	240,447	39,600	2,560,386
Head of Department : Human Settlement (Contract end 31 May 24)	3,037,637	23,890	132,000	180,824	39,600	3,413,951
Head of Department : Economic Development	2,868,647	22,260	-	167,714	43,200	3,101,821
Chief Information Officer: ICT	2,682,580	4,080	-	224,442	43,200	2,954,302
Head of Department : Transport & Fleet Management	2,723,412	24,078	120,000	165,542	43,200	3,076,232
Head of Department : Real Estate and Facilities (Contract end 31 December 23)	1,290,648	22,947	48,000	133,099	21,600	1,516,294
Head of Department : Water and Sanitation	2,140,800	52,734	300,000	216,598	43,200	2,753,332
Head of Department : Roads and Storm Water (Contract End 31 December 2023)	1,374,011	90,890	120,000	173,868	21,600	1,780,369
Chief Risk Officer: Risk Mangement (Resignation 31 October 2023)	1,098,516	79,043	24,000	162,603	14,400	1,378,562
Chief of Police: EMPD	2,615,129	122,442	-	237,112	43,200	3,017,883
Head of Department : Service Delivery Coordination	1,815,005	2,262	240,000	48,862	43,200	2,149,329
Secretary of Council (Appointed 1 December 22)	2,055,005	2,262	-	-	43,200	2,100,467
ERWAT						
Managing Director	1,795,724	498,121	60,000	-	52,800	2,406,645
Chief Financial Officer	1,321,365	97,716	-	-	30,600	1,449,681
EHC						
Chief Financial Officer (Resigned: 27 October 2023)	842,576	80,791	-	-	285,442	1,208,809
	50,369,898	**2,378,316**	**2,901,608**	**3,793,487**	**1,180,070**	**60,623,379**

33. Remuneration of councillors

30 June 2025	Salaries	Travel allowance	Housing allowance	Pension & Medical	Cell phone allowance	Total
Executive Mayor	925,929	600	516,802	138,889	43,200	1,625,420
Speaker	734,475	1,100	495,710	55,086	43,200	1,329,571
Chief Whip	715,001	35,000	348,291	104,084	43,200	1,245,576
Members of the Mayoral Committee	-	-	-	-	-	-
MMC-Infrastructure Services	704,411	600	452,281	52,831	43,200	1,253,323
MMC-Community Safety	704,411	600	399,450	105,662	43,200	1,253,323
MMC-Human Settlement	704,411	-	399,450	105,662	43,200	1,252,723
MMC-Finance and Economic Development	1,142,175	-	68,531	-	43,200	1,253,906
MMC-Environmental & Waste Management Services	704,411	-	399,450	105,662	43,200	1,252,723
MMC-Community Services	704,411	-	399,450	105,662	43,200	1,252,723
MMC-Water & Sanitation & Energy	1,159,308	-	34,119	-	43,200	1,236,627
MMC-Transport Planning	1,159,308	-	50,215	-	43,200	1,252,723
MMC-Corporate & Shared Services	704,411	600	406,957	105,662	43,200	1,260,830
MMC-City Planning	1,159,308	-	37,540	-	43,200	1,240,048
Chairperson's Section 79 Members	14,401,260	819,800	3,782,346	978,624	734,400	20,716,430
Other councillors	85,891,277	6,607,877	19,178,988	3,968,199	8,365,064	124,011,405
	111,514,507	**7,466,177**	**26,969,580**	**5,826,023**	**9,661,064**	**161,437,351**

30 June 2024	Salaries	Travel allowance	Housing allowance	Pension & Medical	Cell phone allowance	Total
Executive Mayor (Ended 28 March 2024)	650,874	-	417,108	97,631	34,800	1,200,413
Executive Mayor (Appointed 11 April 2024)	233,757	-	77,570	33,400	10,800	355,527
Speaker	700,879	500	483,895	52,566	45,600	1,283,440
Chief Whip	1,128,237	500	48,759	-	45,600	1,223,096
Members of the Mayoral Committee	-	-	-	-	-	-
MMC-City Planning (Ended March 2024)	503,525	-	335,563	58,396	34,800	932,284
MMC-City Planning (Appointed April 2024)	214,525	-	-	-	7,200	221,725
MMC-Infrastructure Services (Ended March 2024)	503,525	850	318,430	75,529	34,800	933,134
MMC-Infrastructure Services (Appointed April 2024)	157,283	-	84,212	10,675	10,800	262,970
MMC-Human Settlement - Moved Chairperson (March 2024)	495,162	-	312,378	74,274	34,800	916,614
MMC-Human Settlement - (Appointed April 2024)	157,283	-	73,538	21,350	10,800	262,971
MMC-Corporate & Shared Services - (Ended April 2024)	495,162	-	328,047	74,274	34,800	932,283
MMC-Corporate & Shared Services - (Appointed April 2024)	154,386	-	73,538	21,350	10,800	260,074
MMC-Commucity Safety (Ended March 2024)	495,162	-	328,071	74,274	34,800	932,307
MMC-Commucity Safety (Appointed April 2024)	157,283	600	73,538	21,350	10,800	263,571
MMC-Environmental & Waste Management Services (Ended March 2024)	269,970	-	156,805	36,946	24,000	487,721
MMC-Environmental & Waste Management Services (Appointed April 2024)	748,482	-	309,727	64,181	44,200	1,166,590
MMC-Community Services	652,445	-	401,609	95,624	45,600	1,195,278
MMC-Water & Sanitation & Energy	835,425	-	-	-	34,553	869,978
MMC-Transport Planning	907,985	-	213,992	-	44,200	1,166,177
MMC-Finance & Economic Development (Ended 13 June 2024)	595,336	-	372,102	87,058	42,000	1,096,496
Chairpersons Section 79 Members	14,245,186	926,000	4,295,134	1,023,810	820,800	21,310,930
Other councillors	80,207,629	5,602,357	23,016,807	3,512,419	8,770,228	121,109,440
	104,509,501	**6,530,807**	**31,720,823**	**5,435,107**	**10,186,781**	**158,383,019**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

33. Remuneration of councillors (continued)

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a Council owned vehicle for official duties.

The Executive Mayor has full-time bodyguards.

The salaries, allowances and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

Related parties

Refer to note 47 for related party relationships.

34. Depreciation and amortisation

Property, plant and equipment	2,641,189,479	2,730,607,128	2,538,043,091	2,615,723,381
Investment property	15,855,764	15,934,772	11,340,080	11,467,841
Intangible assets	98,028,044	94,646,675	96,714,259	93,649,732
	2,755,073,287	**2,841,188,575**	**2,646,097,430**	**2,720,840,954**

35. Impairment and derecognition loss

Property, plant and equipment The Impairment relates to assets being replaced as part of the capital implementation programme and other assets under construction projects which do not meet the subsequent capitalisation criteria.	30,850,810	122,197,955	18,576,460	19,407,281
Investment property The impairment relates to property that was impaired as result of damages to property.	41,847,522	7,400	-	7,400
Intangible assets The Impairment relates to assets being replaced as part of the capital implementation programme	-	185,887	-	-
	72,698,332	**122,391,242**	**18,576,460**	**19,414,681**

36. Finance costs

External borrowings	898,556,260	1,057,630,819	875,522,531	1,027,312,956
Trade and other payables	5,468,654	3,760,721	-	-
Finance leases	451,786	169,552	-	-
Interest on bank overdraft	7,143,460	16,287,392	7,143,460	16,287,392
Unwinding of interest on provisions and obligations	188,309,625	393,703,444	179,436,112	385,661,444
	1,099,929,785	**1,471,551,928**	**1,062,102,103**	**1,429,261,792**

37. Auditors' remuneration

Fees	35,583,114	34,813,734	30,993,064	30,784,677

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

38. Debt impairment

Bad Debt written-off	3,416,415,931	852,708,433	3,416,415,931	852,708,433
Contributions to bad debts for the year	5,206,457,710	5,888,093,401	5,093,056,005	5,789,272,543
Excess consumption written off	-	1,008,980,000	-	1,008,980,000
Bad debts written off against provision	(3,416,415,931)	(852,708,433)	(3,416,415,931)	(852,708,433)
	5,206,457,710	**6,897,073,401**	**5,093,056,005**	**6,798,252,543**

39. Collection cost

Collection costs	113,058,841	210,315,346	113,058,841	210,315,346

40. Bulk purchases

Electricity - Eskom	19,733,071,770	16,926,648,698	19,733,071,770	16,926,648,698
Water	4,989,335,207	4,694,416,046	4,989,335,207	4,694,416,046
Sewer purification	(9,390,463)	203,108,325	1,384,258,580	1,293,698,672
	24,713,016,514	**21,824,173,069**	**26,106,665,557**	**22,914,763,416**

Electricity losses

	30 June 2025 Units	**30 June 2025 Value**	**30 June 2024 Units**	**30 June 2024 Value**
Units purchased	9,980,842,025	19,733,071,770	9,692,236,295	16,926,648,698
Units sold	(8,429,278,589)	(16,665,483,629)	(8,117,222,844)	(14,176,024,532)
Total loss	**1,551,563,436**	**3,067,588,141**	**1,575,013,451**	**2,750,624,166**
Comprising of:				
Technical losses	434,166,628	858,388,622	421,612,279	736,309,218
Non-technical losses	1,117,396,808	2,209,199,519	1,153,401,172	2,014,314,948
Total	**1,551,563,436**	**3,067,588,141**	**1,575,013,451**	**2,750,624,166**
Percentage Loss:				
Technical losses	4.35 %	4.35 %	4.35 %	4.35 %
Non-technical losses	11.20 %	11.20 %	11.90 %	11.90 %
Total loss %	**15.55 %**	**15.55 %**	**16.25 %**	**16.25 %**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

40. Bulk purchases (continued)

Water losses

	30 June 2025 Units	30 June 2025 Value	30 June 2024 Units	30 June 2024 Value
Purchases	369,082,814	4,989,335,208	365,809,109	4,694,416,046
Units sold	(275,266,374)	(3,721,105,831)	(264,798,663)	(3,398,152,375)
Total loss	**93,816,440**	**1,268,229,377**	**101,010,446**	**1,296,263,671**
Comprising of:				
Technical losses	24,392,274	329,739,633	22,222,298	285,178,006
Non-technical losses	69,424,166	938,487,744	78,788,148	1,011,085,665
Total	**93,816,440**	**1,268,227,377**	**101,010,446**	**1,296,263,671**
Percentage Loss:				
Technical losses	6.61 %	6.61 %	6.07 %	6.07 %
Non-technical losses	18.81 %	18.81 %	21.54 %	21.54 %
Total loss %	**25.42 %**	**25.42 %**	**27.61 %**	**27.61 %**

41. Contracted services

Outsourced contracts- Security	912,823,296	655,641,107	912,823,296	655,641,107
Professional Services	848,827,072	648,324,464	848,827,072	648,324,464
Contracts	2,602,164,493	1,603,832,467	2,602,164,493	1,603,832,467
	4,363,814,861	**2,907,798,038**	**4,363,814,861**	**2,907,798,038**

42. Grants and subsidies paid

Other subsidies				
Discretionary grant: sport and social support	37,614,132	41,135,987	37,614,132	41,135,987
Subsidy: Society for the Prevention of Cruelty to Animals (SPCA)	5,283,796	5,283,796	5,283,796	5,283,796
Discretionary grant: general	730,385,435	521,991,314	846,987,974	647,198,405
Grants: education (external)	7,352,526	7,009,735	7,352,526	7,009,735
Rebates (payment incentives)	228,882,949	185,487,528	228,882,949	185,487,528
	1,009,518,838	**760,908,360**	**1,126,121,377**	**886,115,451**

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

43. General expenses

Advertising	4,052,328	2,079,530	3,481,292	1,680,045
Animal care	1,945,407	1,763,591	1,945,407	1,763,591
Assessment rates & municipal charges	3,952,273	3,942,216	-	-
Auditors remuneration	35,583,114	34,813,734	30,993,064	30,784,677
Bank charges	129,464,253	119,068,348	128,994,214	118,696,905
Cleaning	3,493,353	3,621,430	-	-
Community development and wellbeing	1,332,981	4,767,339	1,332,981	4,767,339
Consulting and professional fees	391,030,632	244,268,555	356,776,248	229,177,722
Consumables (including materials)	56,748,715	147,486,531	56,748,715	147,486,531
Corporate gifts	8,803	24,633	-	24,633
Disaster management	6,404,160	89,359	6,404,160	89,359
Electricity own consumption	335,358,916	284,518,888	335,358,916	284,518,888
Fuel and oil	199,300,374	136,212,797	199,508,580	136,212,797
Human resource assessment cost	10,111,370	1,867,572	337,250	1,492,498
Insurance	118,722,223	113,281,529	110,339,833	105,655,740
IT expenses	43,256,113	58,205,860	43,256,113	58,205,860
Donations	10,000	10,000	-	-
Entertainment	1,295,625	812,328	-	-
Informal settlement monitoring cost	58,828,361	38,254,596	58,828,361	38,254,596
Magazines, books and periodicals	462,336	578,966	462,336	578,966
Marketing	4,084,257	2,156,324	2,336,763	953,083
Postage and courier	46,779	32,238	46,779	32,238
Printing and stationery	14,594,837	13,188,771	13,673,453	12,153,144
Refreshments	16,259,047	2,603,716	16,259,047	2,603,716
Refuse	31,997,719	3,521,919	28,903,350	-
Rental	20,529,555	21,693,968	20,529,555	21,693,968
Repairs and maintenance costs and operating expenses	2,772,177,205	3,568,345,332	2,589,681,553	3,307,968,618
Rodent control	61,824	1,353,220	-	1,301,700
Service connections	6,108,930	8,573,552	3,743,293	2,760,696
Security (Guarding of municipal property)	50,010,288	41,862,304	-	-
Software expenses	76,388,315	107,978,199	76,125,999	107,731,000
Subscriptions and membership fees	20,343,575	19,348,121	19,957,612	18,935,251
Telephone and fax	21,120,269	20,206,024	17,324,748	16,522,449
Training	12,618,990	22,030,765	9,375,400	16,866,753
Travel - local	2,598,660	2,583,602	1,391,001	1,161,713
Travel - overseas	-	82,843	-	82,843
Uniforms	31,182,302	42,730,990	29,331,584	39,685,775
Vehicle licences and hire cost	313,852,508	425,863,536	303,910,590	413,346,528
Venue expenses	5,699,130	9,770,810	5,699,130	9,770,810
	4,801,035,527	**5,509,594,036**	**4,473,057,327**	**5,132,960,432**

44. Taxation

Major components of the tax income

Current				
Local income tax - current period	(3,941,115)	(11,140,217)	-	-

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

45. Cash generated from operations

(Deficit) surplus	(154,286,120)	876,316,387	(656,519,330)	545,149,389
Adjustments for:				
Depreciation and amortisation	2,755,073,288	2,841,188,570	2,646,097,414	2,720,840,954
Impairment deficit	72,698,332	122,391,242	18,576,460	19,414,681
Debt impairment	5,206,457,710	6,897,073,401	5,093,056,005	6,798,252,543
Increase in retirement benefit	355,823,168	(52,240,261)	329,500,399	(61,045,492)
Increase in provisions	126,314,245	(1,770,148)	107,739,142	1,092,099
Movement in tax receivable and payable	(2,111,308)	213,484	-	-
Annual charge for deferred tax	(3,941,115)	(12,247,208)	-	-
Proceeds from sale of assets	(933,622)	(955,904)	-	-
Other non-cash items	(74,490,741)	(344,817,155)	(74,490,721)	(330,620,143)
Changes in working capital:				
Inventories	14,013,640	197,804,835	14,013,640	173,308,893
Receivables from exchange transactions	(7,041,797,921)	(10,779,418,400)	(6,996,230,537)	(10,502,774,141)
Receivables from non-exchange transactions	44,843,212	1,691,949,149	44,843,212	1,691,949,148
Trade and other payables from exchange transactions	3,130,162,382	2,137,435,100	3,753,131,716	2,699,208,337
Unspent conditional grants and receipts	(7,436,922)	(143,861,330)	(7,436,922)	(143,861,330)
Increase in consumer deposits	128,876,010	73,742,570	128,876,010	73,742,569
	4,549,264,238	**3,502,804,332**	**4,401,156,488**	**3,684,657,507**

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity 2025	Economic entity 2024 Restated	Controlling entity 2025	Controlling entity 2024 Restated

46. Contingencies

Contingent liabilities

Category A: Claims exceeding R 10 million.

Category B: All other claims

Contingent liabilities				
The claim for damages for an alleged repudiation of contract by CoE. CoE is defending the matter.	36,000,000	36,000,000	36,000,000	36,000,000
The plaintiff has issued summons against the City for copyrights infringement. CoE defending the matter.	14,000,000	-	14,000,000	-
Claim for service rendered not paid. CoE is defending the matter.	-	16,891,187	-	16,891,187
Purchase of properties back to CoE and damages claim	10,877,000	10,877,000	10,877,000	10,877,000
Plaintiff claiming for services rendered from CoE. CoE is defending the matter.	-	49,935,245	-	49,935,245
Plaintiff instituted legal action against the City for non payment of invoices. CoE is defending the matter	27,559,079	-	27,559,079	-
Non-compliance with SCMP Regulations. CoE defending the matter.	17,289,155	17,289,155	17,289,155	17,289,155
Plaintiff instituted legal action against the City for monies due to the pension fund. CoE is defending the matter	51,882,909	-	51,882,909	-
Claim for damages for injury on duty. CoE is defending the matter.	-	18,012,500	-	18,012,500
Summons issued for outstanding service charges. CoE is defending the matter.	280,156,266	280,156,266	280,156,266	280,156,266
Cancellation of quotation. CoE is defending the matter.	85,479,535	85,479,535	85,479,535	85,479,535
Damages instituted by a service provider for breach of Contract. CoE is defending the matter.	15,054,451	15,054,451	15,054,451	15,054,451
Dispute regarding over-payment of a service provider. CoE is defending the matter.	23,653,137	23,653,137	23,653,137	23,653,137
The company is objecting to the tariff CoE charge for electricity. CoE is defending the matter.	89,446,952	89,446,952	89,446,952	89,446,952
Plaintiff instituted legal action against the City for damages suffered as a result of rejected bid. CoE is defending the matter	29,957,552	-	29,957,552	-
Plaintiff instituted legal action against the City for non-payment of invoices. CoE is defending the matter	11,295,724	-	11,295,724	-
Plaintiff claiming for damages for non-payment of invoices. CoE is defending the matter.	167,303,863	167,303,863	167,303,863	167,303,863
Claim for monies due to pension fund. CoE is defending the matter.	101,213,438	101,213,438	101,213,438	101,213,438
Service provider issued summonds for service rendered. CoE is defending the matter.	14,304,262	14,304,262	14,304,262	14,304,262
Claim for unlawful termination. CoE is defending the matter	57,769,834	57,769,834	57,769,834	57,769,834
Plaintiff issued summons for vehicles provided to the City	10,421,102	10,421,102	10,421,102	10,421,102
Plaintiff claims for damages of electrocution by the City's transformer	37,087,500	37,087,500	37,087,500	37,087,500
Plaintiff claiming damages. CoE is defending the matter	30,332,669	30,332,669	30,332,669	30,332,669
Plaintiff issued summons for non-payment	11,989,391	11,989,391	11,989,391	11,989,391
Plaintiff made application for leave to appeal in favour of the City. CoE is defending the matter	14,000,000	14,000,000	14,000,000	14,000,000
Plaintiff instituted legal action against the City. CoE is defending the matter	30,000,000	30,000,000	30,000,000	30,000,000
Plaintiff instituted legal action against the City for expropriation of land. CoE is defending the matter	30,050,000	-	30,050,000	-
	1,197,123,819	**1,117,217,487**	**1,197,123,819**	**1,117,217,487**

Category B Claims				
Other various claims against the City. CoE is defending these matters.	243,250,335	153,144,990	243,250,335	153,144,990
ERWAT	10,420,519	19,073,903	-	-
EHC	7,632,063	5,572,264	-	-

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

46. Contingencies (continued)

	261,302,917	**177,791,157**	**243,250,335**	**153,144,990**
Contingent assets				
Counter claim in respect of damages to CoE property.	59,483,805	59,483,805	59,483,805	59,483,805
It was discovered that the company was overpricing the cost of maintenance on printing solutions. CoE is pursuing the matter.	-	22,253,145	-	22,253,145
CoE is claiming for non-payment of electricity consumed. CoE is pursuing the matter.	105,120,731	105,120,731	105,120,731	105,120,731
Breach of contract outstanding rental. CoE pursuing the matter.	12,103,547	12,103,547	12,103,547	12,103,547
Failure to pay rental. CoE pursuing the matter.	20,062,170	20,062,170	20,062,170	20,062,170
Various claims issued by the City. CoE is pursuing these matters.	19,496,150	12,209,200	19,496,150	12,209,200
	216,266,403	**231,232,598**	**216,266,403**	**231,232,598**

47. Related parties

Relationships	
Accounting Officer	Dr. TJ Koopedi refer to Acting Accounting Officer's report
Controlling entity	City of Ekurhuleni
Controlled entities	Germiston Phase II Housing Company SOC Ltd (EHC) Ekurhuleni Water Care Company NPC (ERWAT)
Close family member of key management	For details of members of key management, see note below
Members of key management	and for remuneration refer note 30.

Related party transactions

Sales to related parties - municipal entities		
Ekhurhuleni Water Care Company, NPC	118,754,677	106,120,077
Germiston Phase II Housing Company SOC Ltd	7,902,576	15,393,633
Purchases from related parties - municipal entities		
Ekhurhuleni Water Care Company, NPC	1,616,838,121	1,414,791,127
Grants to related parties - municipal entities		
Germiston Phase II Housing Company SOC Ltd	24,345,958	19,245,958
Ekhurhuleni Water Care Company, NPC	92,256,581	105,961,132
Amounts included in trade receivable and consumer debtors regarding related parties- municipal entities		
Ekhurhuleni Water Care Company, NPC, NPC	7,288,915	8,349,589
Germiston Phase II Housing Company SOC Ltd	84,653,886	56,232,588
Amounts included in trade payable regarding related parties - municipal entities		
Ekhurhuleni Water Care Company, NPC, NPC	1,559,716,691	968,642,388
Germiston Phase II Housing Company SOC Ltd	350,174	350,174
Germiston Phase II Housing Company SOC Ltd - Other	6,600,000	4,433,723

Guarantees issued as required by the MFMA on behalf of municipal entities.

The controlling entity guaranteed the Nedbank loan to ERWAT, with a carrying value of R191,957,600 (2024: R234,795,145). The guarantee shall expire at 15h00,10 calendar days after the full repayment or settlement of all amounts owed by ERWAT to Nedbank Ltd in terms of the contract. ERWAT has agreed to cede to the controlling entity claims against its book debtors, in the event of ERWAT defaulting on its obligation in terms of the loan. ERWAT thereby cedes, assigns and transfers unto and in favour of the controlling entity all of ERWAT's rights, title and interest in and to all book debts, present and future, due and to become due to ERWAT, in the event that ERWAT defaults on its obligation in terms of the loan of R550 million advanced by Nedbank Ltd. This cession shall endure for so long as ERWAT is indebted to Nedbank Ltd, and the guarantee provided by COE in favour of Nedbank Ltd as guarantee for the loan remains in effect.

No contingent liability has been raised for this guarantee as the controlling entity believes that the entity is financially sound.

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

48. Comparative figures

Certain comparative figures have been reclassified as a result of the Municipal Standard Chart of Accounts (mSCOA) and also as a result of prior period error balances, identified in the current year.

The cash flow statement was restated as a result of the prior period error balances as explained in note 58.

49. Financial instruments disclosure

Exposure to currency, interest rate, liquidity and credit risk arises in normal course of the group's operations. This note presents information about the group's exposure to each of the above risks, policies and processes for measuring and managing risk, as well as the group's management of capital. Further quantitative disclosures are included throughout these consolidated annual financial statements.

The accounting policy for financial instruments was applied to the following statement of financial positions items:

Categories of financial instruments

Economic entity - 2025

Financial assets

	At fair value	At amortised cost	At cost	Total
Other financial assets	11,442,996	-	-	11,442,996
Trade and other receivables from exchange and non - exchange transactions	-	11,594,468,345	-	11,594,468,345
Cash and cash equivalents	-	1,417,007,277	-	1,417,007,277
Residual interest	-	-	4,000,000	4,000,000
Other investments	-	379,989,500	-	379,989,500
Long term receivables	-	1,942,965	-	1,942,965
	11,442,996	**13,393,408,087**	**4,000,000**	**13,408,851,083**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	13,672,526,605	13,672,526,605
Long term liabilities	7,547,471,234	7,547,471,234
	21,219,997,839	**21,219,997,839**

Economic entity - 2024

Financial assets

	At fair value	At amortised cost	At cost	Total
Other financial assets	9,785,662	-	-	9,785,662
Trade and other receivables from exchange and non - exchange transactions	-	10,009,397,048	-	10,009,397,048
Cash and cash equivalents	-	742,871,721	-	742,871,721
Residual interest	-	-	4,000,000	4,000,000
Other investments	-	254,851,068	-	254,851,068
Long term receivables	-	19,715,909	-	19,715,909
	9,785,662	**11,026,835,746**	**4,000,000**	**11,040,621,408**

49. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	10,950,531,279	10,950,531,279
Taxes and transfers payable (non-exchange)	8,541,019,304	8,541,019,304
	19,491,550,583	**19,491,550,583**

Controlling entity - 2025

Financial assets

	At amortised cost	At cost	Total
Trade and other receivables from exchange and non - exchange transactions	9,209,848,501	-	9,209,848,501
Cash and cash equivalents	1,272,314,448	-	1,272,314,448
Residual interest	-	4,000,000	4,000,000
Other investments	368,546,554	-	368,546,554
Long term receivables	1,942,965	-	1,942,965
	10,852,652,468	**4,000,000**	**10,856,652,468**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	15,043,449,264	15,043,449,264
Long term liabilities	7,355,513,631	7,355,513,631
	22,398,962,895	**22,398,962,895**

Controlling entity - 2024

Financial assets

	At amortised cost	At cost	Total
Trade and other receivables from exchange and non - exchange transactions	8,160,086,223	-	8,160,086,223
Cash and cash equivalents	615,825,182	-	615,825,182
Residual interest	-	4,000,000	4,000,000
Other investments	249,065,406	-	249,065,406
Long term receivables	3,923,169	-	3,923,169
	9,028,899,980	**4,000,000**	**9,032,899,980**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	11,747,248,776	11,747,248,776
Long term liabilities	8,306,224,155	8,306,224,155
	20,053,472,931	**20,053,472,931**

Figures in Rand

49. Financial instruments disclosure (continued)

Financial instruments in Statement of financial performance

Economic entity - 2025

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	1,266,229,662	1,266,229,662
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	(1,099,929,785)	(1,099,929,785)
Impairment loss (excluding statutory receivables)	(4,848,058,816)	(4,848,058,816)
	(4,681,758,939)	**(4,681,758,939)**

Economic entity - 2024

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	1,255,562,111	1,255,562,111
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	(1,471,551,928)	(1,471,551,928)
Impairment loss (excluding statutory receivables)	(6,349,375,847)	(6,349,375,847)
	(6,565,365,664)	**(6,565,365,664)**

Controlling entity - 2025

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	1,184,484,799	1,184,484,799
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	(1,062,102,103)	(1,062,102,103)
Impairment loss (excluding statutory receivables)	(4,734,657,113)	(4,734,657,113)
	(4,612,274,417)	**(4,612,274,417)**

Controlling entity - 2024

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	1,267,615,811	1,267,615,811
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	(1,429,261,792)	(1,429,261,792)
Impairment loss (excluding statutory receivables)	(5,241,574,989)	(5,241,574,989)
	(5,403,220,970)	**(5,403,220,970)**

Figures in Rand	Economic entity 2025	Economic entity 2024 Restated	Controlling entity 2025	Controlling entity 2024 Restated

50. Risk management

Capital Risk Management

The group's objectives, when managing capital, are to safeguard the group's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings disclosed in note 16 and cash and cash equivalent disclosed in note 15.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

There are no externally imposed capital requirements.

There have been no changes to what the group manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing position 2025 and 2024 respectively are as follow:

Other financial liabilities	(7,547,471,231)	(8,541,019,301)	(7,355,513,631)	(8,306,224,155)
Less: Cash and cash equivalent	1,417,007,277	742,871,721	1,272,314,448	615,825,182
Net Debt	(6,130,463,954)	(7,798,147,580)	(6,083,199,183)	(7,690,398,973)
Total equity	52,277,400,668	52,431,686,788	48,778,108,934	49,434,628,252
Net capital balance/reserve	**46,146,936,714**	**44,633,539,208**	**42,694,909,751**	**41,744,229,279**

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

50. Risk management (continued)
Liquidity risk

Liquidity risk is the risk of the group not being able to meet its obligations as they fall due.

The group’s risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities. The group’s Long-Term Funding Strategy (LTFS) recommends or must consider that the group must try to renegotiate some the loan terms. The LTFS recommends that management must restructure is creditors/loan book as it is evident based on the current liquidity position, as fully paying its creditors at once might lead to depletion of its cash reserve. The liquidity exposure presented below is based on the assumption of deferred repayment/restructuring conditions still to be negotiated in future in 2 -3 years for other long-term obligation. The risk exposure exercise which will be performed at each reporting period. The group applied its judgement to determine the appropriate number of time bands for disclosing the exposure on the maturity analysis, and aligned the time bands to the budget reporting process.

The investment amounts disclosed on the liquidity maturity relates to the sinking funds established for the repayments of the bullet loans.

Cash flow forecasts are prepared continuously based on operations requirements, and existing borrowing facilities requirements are complied with.

The table below analyses the group’s financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Economic entity

2025	Less than 1 year	Greater than 1 year but less than 3 years	Greater than 3 years but less 6 years	Greater than 6 years	Total
Investments	-	-	-	221,173,226	221,173,226
Loans (Capital and Interest)	1,722,929,673	3,008,816,606	3,620,789,889	3,366,586,993	11,719,123,161
- Capital	928,993,268	1,702,256,691	2,327,279,307	2,588,941,973	7,547,471,239
- Interest	793,936,405	1,306,559,915	1,293,510,582	777,645,020	4,171,651,922
Trade and other payables from exchange transactions	16,519,344,311	-	-	-	16,519,344,311

2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Investments	-	-	-	108,893,886	108,893,886
Loans (Capital and Interest)	1,992,054,491	3,195,263,785	4,107,483,545	4,324,247,567	13,619,049,388
- Capital	1,092,502,262	1,693,651,135	2,550,395,511	3,205,470,399	8,542,019,307
- Interest	899,552,229	1,501,612,650	1,557,088,034	1,118,777,168	5,077,030,081
Trade and other payables from exchange transactions	13,030,226,121	-	-	-	13,030,226,121

Controlling entity

2025	Less than 1 year	Greater than 1 year but less than 3 years	Greater than 3 years but less 6 years	Greater than 6 years	Total
Investments	-	-	-	221,173,226	221,173,226
Loans (Capital and Interest)	1,661,915,314	2,953,468,370	3,500,463,511	3,366,586,993	11,482,434,188
- Capital	885,112,592	1,659,948,998	2,221,510,076	2,588,941,973	7,355,513,639
- Interest	776,802,722	1,293,519,372	1,278,953,435	777,645,020	4,126,920,549
Trade and other payables from exchange transactions	17,543,310,145	-	-	-	17,543,310,145

2024	Less than 1 year	Greater than 1 year but less than 3 years	Greater than 3 years but less 6 years	Greater than 6 years	Total
Investments	-	-	-	108,893,886	108,893,886
Loans (Capital and Interest)	1,925,717,105	3,075,544,204	3,983,158,369	4,324,247,567	13,308,667,245
- Capital	1,050,194,570	1,608,035,750	2,442,523,443	3,205,470,399	8,306,224,162
- Interest	875,522,535	1,467,508,454	1,540,634,926	1,118,777,168	5,002,443,083
Trade and other payables from exchange transactions	13,736,220,120	-	-	-	13,736,220,120

50. Risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The group’s interest rate risk arises from long-term borrowings facilities entered into in financing its capital expansion programmes.

The group is not exposed to any interest rate risk fluctuations, as the group's policy is to maintain its borrowings programme in fixed interest rate instruments.

Cash flow interest rate risk

Economic entity - 2025	Current interest rate	Less than 1 year	Greater than 1 year but less than 3 years	Greater than 3 years but less 6 years	Greater than 6 years	Total
Interest on loan	Various	793,936,405	1,306,559,915	1,293,510,582	777,645,020	4,171,651,922

Economic entity - 2024	Current interest rate	Less than 1 year	Greater than 1 year but less than 3 years	Greater than 3 years but less 6 years	Greater than 6 years	Total
Interest on loan	Various	899,552,229	1,501,612,650	1,557,088,034	1,118,777,168	5,077,030,081

Controlling entity - 2025	Current interest rate	Less than 1 year	Greater than 1 year but less than 3 years	Greater than 3 years but less 6 years	Greater than 6 years	Total
Interest on loan	Various	776,802,722	1,293,519,372	1,278,953,435	777,645,020	4,126,920,549

Controlling entity - 2024	Current interest rate	Less than 1 year	Greater than 1 year but less than 3 years	Greater than 3 years but less 6 years	Greater than 6 years	Total
Interest on loan	Various	875,522,535	1,467,508,454	1,540,634,926	1,118,777,168	5,002,443,083

Market risk

Market risk is the risk that changes in market prices such as interest rates and foreign-exchange rates affecting the group's income

The aim of market risk management is to manage and control market risk exposures with acceptable levels, while optimizing the return on the risk.

The group is not exposed to foreign-exchange rates fluctuations.

Bulk purchases with the group approved upfront, through the group's internal processes. Consumer price index is applied year on year on other returns.

Price risk

The group is not exposed to price risk as it does not trade in equity-securities and commodity price risk.

50. Risk management (continued)

Financial risk management

The group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group’s financial performance.

Risk management is carried out by the risk management department under policies approved by the accounting officer. The group's treasury identifies, evaluates and hedges financial risks in close co-operation with the group’s operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

3Trade receivables comprise a widespread customer base (Non-exchange receivables are excluded at they are comprise of statutory receivables). Management evaluated credit risk relating to customers on an ongoing basis.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Senior Management Team (SMT). The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The group's exposure to credit risk, is as follows:	**Economic entity - 2025**	**Economic entity - 2024**	**Controlling entity - 2025**	**Controlling entity - 2024**
Receivables from exchange	9,288,921,237	8,237,948,160	9,209,848,501	8,160,086,223
Cash and cash equivalents	1,417,007,277	742,871,721	1,272,314,448	615,825,182
Unlisted shares	4,000,000	4,000,000	4,000,000	4,000,000
Other Investments	379,989,550	254,851,068	368,546,554	249,065,406
	11,089,918,014	9,239,670,949	10,854,709,503	9,028,976,811

The controlling entity has a R4,000,000 investment in unlisted shares, which is the exposure to price risk. The price risk on this investment cannot be determined due to the fact that the shares are not listed and therefore unknown.

51. Going concern

This consolidated annual financial statements have been prepared on a going concern basis.

Management has prepared an annual budget based on the group's collections levels, and applied cost cutting measures to ensure that the group operate within its financial limits. Monthly and annual cash flow forecast for the period ending 30 June 2026 are prepared and monitored by senior management team, if necessary budget adjustment process will be initiated. The annual budget for the next financial year has been prepared and approved by council and it is deemed to be fully funded.

The group's budget for the 2026 financial year has been assessed to be fully funded in terms of section 18 of the MFMA.

Management is satisfied that the group has, or has access to, adequate resources to continue in operational existence for the foreseeable future. The group will continue monitor the budget process and assess risk associated to changes in adverse economic conditions and ensure that its operating activities will be within its financial measures.

Figures in Rand	Economic entity 2025	Economic entity 2024 Restated	Controlling entity 2025	Controlling entity 2024 Restated

52. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

Unauthorised expenditure	397,107,942	397,107,942	397,107,942	397,107,942
Irregular expenditure	1,778,500,269	1,602,862,033	1,083,092,466	1,000,481,361
Fruitless and wasteful expenditure	75,859,897	76,126,855	68,766,931	68,766,931
Closing balance	**2,251,468,108**	**2,076,096,830**	**1,548,967,339**	**1,466,356,234**

Items of unauthorised, irregular and fruitless and wasteful expenditure are referred to MPAC for further investigations and determination of appropriate steps to be taken. During the current year the Council approved R55,035,705 (2024: R44,795,061) for irregular and for fruitless and wasteful expenditure R0.00 (2024: R0.00), for write-offs. Furthermore Council approved R0 (2024: R8,228,901) for irregular and R266,958 (2024: R2,292,528) of fruitless and wasteful expenditure to be recovered. The remaining amounts are still under investigation by the MPAC and other organs of state. No resolutions were not yet available.

Unauthorised expenditure				
Opening balance	397,107,942		397,107,942	-
Add: Expenditure identified in the current year		397,107,942	-	397,107,942
	397,107,942	**397,107,942**	**397,107,942**	**397,107,942**
Irregular expenditure				
Opening balance	1,694,893,648	1,614,006,736	1,000,481,361	929,309,451
Add: Expenditure identified in the current year	41,109,068	4,698,335	41,190,068	91,304,027
Add: Expenditure identified for the year, relating to prior years	97,583,258	48,600,289	96,456,742	32,891,845
Less: Amounts ratified/approved as irrecoverable by council and written off, relating to prior years	(55,035,705)	(44,795,061)	(55,035,705)	(44,795,061)
Less: Amounts ratified/approved by council and to be recovered	-	(19,648,266)	-	(8,228,901)
Less Amounts recovered	(50,000)	-	-	-
	1,778,500,269	**1,602,862,033**	**1,083,092,466**	**1,000,481,361**
Fruitless and Wasteful expenditure				
Opening balance	76,126,855	72,105,206	68,766,931	68,766,931
Add: Expenditure identified in the current year, relating to prior years	-	407,324	-	407,324
Add: Expenditure identified in the current year	-	5,906,853	-	-
Less: Amounts ratified/approved by council and to be recovered	(266,958)	(2,292,528)	-	(407,324)
	75,859,897	**76,126,855**	**68,766,931**	**68,766,931**

30 June 2025	**Department**	**Description**	**Classification**	**Amount**
Identified in the current year:	ICT	Contravention of SCM Policy	Irregular	41,190,068
30 June 2025				-
Identified in the current year, relating to prior years:				
	Real Estate	Contravention of SCM Policy	Irregular	7,348,333
	Environmental and Waste Management	Contravention of SCM Policy	Irregular	2,952,565
	ERWAT	Contravention of SCM Policy	Irregular	1,126,516
	Water and Sanitation	Contravention of SCM Policy	Irregular	2,997,688
	Energy	Contravention of SCM Policy	Irregular	83,158,156
				138,773,326

52. Unauthorised, Irregular and Fruitless and Wasteful Expenditure (continued)

30 June 2024 Identified in the current year relating to prior years:	Department	Description	Classification	Amount
	Energy	Contravention of SCM Policy	Irregular	83,103,674
	Water and Sanitation	Contravention of SCM Policy	Irregular	8,200,353
	Finance department	Excess consumption - indigent household	Unauthorised	397,107,942
				488,411,969

30 June 2025 Identified in the current year :	Department	Description	Classification	Amount
	EHC	Contravention of SCM Policy	Irregular	132,497

30 June 2024 Identified in the current year :	Department	Description	Classification	Amount
	Environmental and Waste Management	Contravention of SCM Policy	Irregular	6,460,701
	Energy	Contravention of SCM Policy	Irregular	799,745
	Transport	Contravention of SCM Policy	Irregular	13,938,326
	Real Estate	Contravention of SCM Policy	Irregular	11,555,487
	SRAC	Contravention of SCM Policy	Irregular	63,600
	EMPD	Contravention of SCM Policy	Irregular	73,986
	Real Estate	Contravention of SCM Policy	Fruitless	407,324
				33,299,169

53. Additional disclosure in terms of Municipal Finance Management Act

30 June 2025 Tenders awarded to family members	No	Contract number	Supplier name	Relation	Employee name	Employee designation	Amount R0,00
	1	A-EE 15-2024	MPPM Consulting Engineering CC	Spouse	M Senyatse	DH: ICT	-
	2	PS-EE 16-2024	MPPM Consulting Engineering CC	Spouse	M Senyatse	DH: ICT	-
							-

30 June 2024 Tenders awarded to family members	No	Contract number	Supplier name	Relation	Employee name	Employee designation	Amount R0,00
							-

30 June 2025 Quotations awarded to family members of staff	No	Contract number	Supplier name	Relation	Employee name	Employee designation	Amount R0,00
			-				-

30 June 2024 Quotations awarded to family members of staff	No	Contract number	Supplier name	Relation	Employee name	Employee designation	Amount R0,00
							-

Figures in Rand	Economic entity 2025	Economic entity 2024 Restated	Controlling entity 2025	Controlling entity 2024 Restated

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

Contributions to organised local government

Current year fee	19,920,269	18,899,685	19,920,269	18,899,685
Amount paid - current year	(19,920,269)	(18,899,685)	(19,920,269)	(18,899,685)
	-	-	-	-

Audit fees

Current year fee	35,392,429	34,813,734	30,993,064	30,784,677
Amount paid - current year	(35,392,429)	(34,813,734)	(30,993,064)	(30,784,677)
	-	-	-	-

PAYE, UIF and SDL

Opening balance	160,218,634	137,728,840	153,441,381	131,871,121
Current year deductions	1,956,330,529	1,852,250,942	1,866,342,682	1,767,601,503
Amount paid - current year	(1,953,295,594)	(1,829,761,148)	(1,863,967,317)	(1,746,031,243)
	163,253,569	**160,218,634**	**155,816,746**	**153,441,381**

Pension and Medical Aid Deductions

Opening balance	144,257,475	138,284,431	144,259,815	138,437,388
Current year deductions	3,004,423,520	2,856,326,802	2,879,464,541	2,740,575,555
Amount paid - current year	(2,995,886,818)	(2,850,353,758)	(2,870,943,260)	(2,734,753,127)
	152,794,177	**144,257,475**	**152,781,096**	**144,259,816**

VAT

VAT paid during the year	194,286,023	149,941,669	194,286,023	149,754,674

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

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

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2025:

30 June 2025	**Outstanding amount**	**Ageing (in days)**
DAEMANE PA	15,480	930
KLAASEN KE	15,223	660
MOROPA EM	35,278	540
MSIMANGO KP	8,066	240
NHLEKO SE	30,246	1,170
NKOSI BD	7,031	630
SELWANA	7,683	120
	119,007	

30 June 2024	**Highest outstanding amount**	**Ageing (in days)**
DE LANGE-WILLIAMS CC	6,692	270
KIYANE NC	34,828	900
KLAASEN KE	27,402	390
MAHLANGU NL	595	270
MOROPA EM	57,755	270
MOTLOUNG TP	10,352	1,230
MSANE TP	19,172	270
NHLEKO SE	59,559	1,290
NKOSI BD	12,443	330
THOBEJANE PAM	83,942	1,920
	312,740	

During the year the following Councillors’ had arrear accounts outstanding for more than 90 days.

30 June 2025	**Highest outstanding amount**	**Aging (in days)**
DAEMANE PA	15,480	-
DE LANGE WILLIAMS CC	3,468	180
KIYANE NC	30,018	930
KLAASEN KE	26,387	420
MNGUNI NA	595	1,830
MOLOI SM	27,286	300
MOROPA EM	59,803	750
MOTLOUNG TP	9,317	1,260
MSANE TP	58,963	780
MSIMANGO KP	11,865	180
NHLEKO SE	57,636	1,290
NKOSI BD	13,024	390
SELWANA HN	7,683	-
NTOMBELA SI	9,271	120
SABE SE	6,925	120
THOBEJANE PAM	77,045	1,830
	414,766	

Figures in Rand	Economic entity 2025	Economic entity 2024 Restated	Controlling entity 2025	Controlling entity 2024 Restated

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

30 June 2024	**Highest outstanding amount**	**Aging (in days)**
BUITENDACHT HC	33,473	120
CASSIM M	3,018	180
DE LANGE-WILLIAMS CC	6,692	270
KIYANE NC	56,472	1,650
KLAAS GSN	5,953	150
KLAASEN KE	34,919	120
MAHLANGU NL	7,297	540
MNGUNI NA	595	270
MOROPA EM	57,755	270
MOTLOUNG TP	21,739	1,290
MSANE TP	19,172	270
MSIMANGO KP	6,629	120
MADUANA SG	4,129	120
NDINISA GM	2,046	120
NHLEKO SE	86,062	1,440
NKOSI BD	17,091	180
NTOMBELA SI	7,450	120
PRETORIUS B	6,167	150
THOBEJANE PAM	150,333	1,830
XHAKAZA DN	9,336	150
ZITHA LC	8,543	660
	544,870	

54. Utilisation of Long-term liabilities reconciliation

Funds utilised to finance the capital expenditure programme for the current year.	(190,384,615)	(232,692,308)	-	-
Amounts transferred (to)/from reserves be utilised in next financial years	191,957,600	234,795,145	-	-
	1,572,985	**2,102,837**	**-**	**-**

The controlling entity did not raise any external borrowing for financing the capital expenditure programmes.

55. Events after the reporting date

At the time of preparation and submission of this set of consolidated annual financial statements, there were no events after reporting date to disclose.

56. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

SCM regulation (par. 36) of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the consolidated annual financial statements..

Deviations include rates based contracts which cannot be attached to a contract value as the demand is unknown at the point of award.

SCM regulation 36(2)				
Other - Impractical	625,776,684	2,168,915	625,776,684	2,168,915
Emergency	572,973	-	-	-
Sole supplier	2,878,277	1,355,996	-	-
	629,227,934	**3,524,911**	**625,776,684**	**2,168,915**

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

57. Commitments

Authorised capital expenditure

Already contracted for but not provided for				
• Investment, property, property, plant and equipment and Intangible assets	1,365,687,143	1,177,705,796	1,356,718,063	1,177,705,796
Not yet contracted for and authorised by accounting officer				
• Investment, property, property, plant and equipment and Intangible assets	1,519,692,157	1,702,766,110	1,519,692,157	1,637,173,144
Total capital commitments				
Already contracted for but not provided for	1,365,687,143	1,177,705,796	1,356,718,063	1,177,705,796
Not yet contracted for and authorised by accounting officer	1,519,692,157	1,702,766,110	1,519,692,157	1,637,173,144
	2,885,379,300	**2,880,471,906**	**2,876,410,220**	**2,814,878,940**

Total commitments

Total commitments				
Authorised capital expenditure	2,885,379,300	2,880,471,906	2,876,410,220	2,814,878,940

This committed expenditure relates to the acquisition of property, plant and equipment for the 2024/2025 financial year (Approved Capital Expenditure Programme) based on the projects values as approved by Council for the group's Capital Budget programme for the following year for which supplier's contracts are in place. These commitments will be financed by appropriated grants, internally generated funds (revenue or accumulated surplus), and other borrowings options where applicable.

Commitments not yet contracted for and authorised, relate to capital projects as approved by Council on the group Capital Budget which there is no contracts in place at the end of the financial year.

Operating leases - as lessee (expense)

Operating lease payments represent rentals payable by the group for certain of its office buildings. Leases are negotiated for periods ranging from one year to five years, for office buildings. The rentals escalate on average by the CPI index for office buildings.

The actual lease contract amounts range between R177,371 and R589,985 (2024: R177,371 and R589,985) per month on the office buildings. All operating lease contracts are on month to month basis, as a result of Council resolution to move all spaces to internal buildings.

Operating leases - as lessor (income)

Minimum lease payments due				
- within one year	10,958,474	9,533,285	9,136,004	8,742,588
- in second to fifth year inclusive	17,017,037	22,332,138	15,888,445	20,272,339
- later than five years	18,312,937	23,728,463	18,312,937	23,728,463
	46,288,448	**55,593,886**	**43,337,386**	**52,743,390**

Certain of the group's property generates lease rental income. The majority of these leases are on a month to month basis. Lease periods range from month-to-month up to 99 years. Monthly lease payments range from R0.08 (2024: R0.08) (social benefit) up to R190,916 (2024: R190,916).

58. Prior period errors

Net increase in PPE of R83,208,808 is made up as follows:

PPE land decreased by R28,843,597 due to reclassification of land to investment properties as land is now held to earn rental income.

Infrastructure assets increased by R94,003,428 due to capitalisation of donated assets. Information/documents on donated assets were only provided to the City in the current year in order to determine fair values of the donated assets and update the City's records.

Community assets decreased by R59,932,495 due to unbundling of one-liners projects capitalisation in prior years and impairments of projects vandalised in previous years, and the .unbundling resulted in adjustments to accumulated depreciation.

Operational and Housing buildings increased by R77,963,568 due to capitalisation of projects completed in prior years.

Movable assets increased by R17,844 due to correction of expected useful lives of assets that were assumed to be not in use in prior year.

Net decrease in land inventory of R24,495,942 is made up as follows:

Land inventory decreased due to derecognition of land inventory that was transferred to residents under social housing scheme administered by human settlement department and reclassification of land to investment properties as land is now held to earn rental income.

Net increase in investment properties of R36,466,906 is made up as follows:

Investment properties increased due to reclassification of land from land inventory and PPE land to investment properties as land is now held to earn rental income..

The impact of the donated assets and additional capitalisation above resulted in restatement of the Statement of Financial Performance as follows: an increase in the public contribution of R250,275,092, and increase in additional depreciation of R28,142,603 and the impact also resulted in an increase of R12,090,637 on the opening balance of the Accumulated Surplus.

All these changes resulted in the closing balance of accmulated surplus decreasing by R179.864,471.

During the 2024 financial year, management made an error on the disclosure note number 55, mistatement resulted in the amount owing to the agent being disclosed as R186,723,071 instead of R273,656,720. The comparative figures have been reinstated to reflect the amendments. The opening balance for 2025 have been corrected.

The disclosure of the MFMA note 48 has been restated to be aligned with the reporting format of PAYE, UIF and SDL, including Medical and Pension deductions.

ERWAT
The carrying value of some assets classified under Property, plant and equipment were overstated due to errors related to capitalisation and depreciation of assets;

The carrying value of some assets classified under Intangible assets were overstated due to errors related to amortisation of assets;

Payments made in advance to Johannesburg Water for Waste water treatment services were incorrectly classified as expenditure under bulk purchases. The error has been corrected by classifying the prepayments as other receivables form exchange transactions;

As a consequence of the de-recogntion of service charges to Johanessburg Water, the related trade receivable previously recognised on relation to these charges had to be de-recognised;

Included within the debt impairment provision was an amout relating to Johannesburg Water. This amount had to reversed as the related receivable were de-recognised as part of the service charges;

Included within interest income was an amount previously raised on long outstanding invoices for Johanessburg Water which were adjusted as part of of the de-recognition of service charges;

General expenses has been restated as a result of expenditure incurred to repairs and maintanence.

The contingent liability disclosure was updated with ERWAT and EHC disclosure items.

The correction of the error(s) results in adjustments as follows:

58. Prior period errors (continued)

Statements of financial position and financial performance

Economic Entity - 2024

	Note	Balance as previously reported	Balance restated	Adjustment
Inventories	11	1,720,821,048	1,696,325,106	(24,495,942)
Other receivables from exchange transactions	12	9,827,911,452	9,868,030,365	40,118,913
Investment property	3	711,132,796	747,599,703	36,466,907
Property, plant and equipment	4	62,852,666,242	62,931,921,899	79,255,657
Intangible assets	5	1,335,575,052	1,335,592,585	17,533
Trade and other payables	20	(12,987,622,344)	(12,988,266,795)	(644,451)
Accumulated surplus		(52,220,045,661)	(52,347,655,366)	(127,609,705)
Non- controlling interest		(80,922,510)	(84,031,422)	3,108,912
Service charges	25	(30,863,493,975)	(30,973,326,606)	109,832,631
Interest earned - oustanding debtors	24	(1,031,736,167)	(1,032,701,292)	965,125
Other income	28	(319,990,833)	(320,946,729)	955,894
Interest revenue	29	(223,825,944)	(222,860,819)	(965,125)
Public contributions	24	(170,606,747)	(420,881,839)	(250,275,092)
Depreciation and amortisation	38	2,809,110,349	2,841,188,570	32,078,221
Impairment of assets	35	115,907,192	122,391,242	6,484,050
Bulk purchases	40	21,822,659,729	21,824,173,069	1,513,340
General expenses	43	5,499,211,714	5,509,594,036	10,382,322
Other: Agency by principals and agents	60	186,723,071	273,656,720	86,933,649
Contigent liabilities	46	-	24,646,167	24,646,167

Controlling Entity - 2024

	Note	Balance as previously reported	Balance restated	Adjustment
Inventories	11	1,720,821,048	1,696,325,106	(24,495,942)
Investment property	3	464,799,246	501,266,153	36,466,907
Proprty, plant and equipment	4	60,805,412,204	60,888,621,012	83,208,808
Accumulated surplus		(49,408,493,782)	(49,434,628,255)	(26,134,473)
Public contributions	24	(170,606,747)	(420,881,839)	(250,275,092)
Depreciation and amortisation	38	2,692,698,351	2,720,840,954	28,142,603
Impairment of assets		12,930,631	19,414,681	6,848,050
Other: Agency by principals and agents	60	186,723,071	273,656,720	86,933,649

59. Change in estimate

Property, plant and equipment

The useful life review for 2025 had the following impact:

Depreciation expense before remaining useful life review	R381 441 298
Depreciation expense after remaining useful life review	R228 020 079
Future decrease in depreciation due to the review	R153 423 910

	Economic entity		Controlling entity	
Figures in Rand	2025	2024 Restated	2025	2024 Restated

60. Accounting by principals and agents

The controlling entity is a party to a principal-agent arrangement. The controlling entity acts as an agent for the Gauteng department of transport, whereby it administers the registration of vehicles and collection of funds thereof, on behalf of the department within the controlling entity's jurisdictions.

The controlling entityis not exposed to any significant risks in the provision of these services, nor were the terms and conditions of the arrangement amended.

Entity as agent

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R339,766,334 (2024: R329,710,220).

Reconciliation of the carrying amounts of payables				
Amount owed at the beginning of the financial year	273,656,720	86,643,590	273,656,720	86,643,590
Revenue received on behalf of the principal	1,307,746,150	1,236,433,027	1,307,746,150	1,236,433,027
Amounts transferred to the principal	(888,128,693)	(1,049,419,897)	(888,128,693)	(1,049,419,897)
	693,274,177	**273,656,720**	**693,274,177**	**273,656,720**

Disclosure of agency transactions

All categories				
Revenue received on behalf of the principal	1,307,746,150	1,236,433,027	1,307,746,150	1,236,433,027
Amounts transferred/remmitted to the principal	(614,471,973)	(1,049,709,956)	(614,471,973)	(1,049,709,956)
Amounts still owed to principal	(693,274,177)	(186,723,071)	(693,274,177)	(186,723,071)
Expensed paid on behalf of the agent	-	-	-	-
	-	-	-	-

61. In-kind donations and assistance

No donations or assistance were received in the current financial year.

62. Budget differences - Appropriation Statement

Material differences between budget and actual amounts

62. Budget differences - Appropriation Statement (continued)

A. ADJUSTMENT BUDGET PROCESS

The City of Ekurhuleni and its entities had one main adjustment budget and one special adjustment budget during the 2024/25 financial year.

These adjustment budgets were approved as follows:

1) Main, normal adjustment budget – Item A-F (14-2025) on 27 February 2025; and
2) First special adjustment budget – Item A-F (31-2025) on 05 June 2025

NORMAL ADJUSTMENT BUDGET (27 FEBRUARY 2025): A-F (14-2025)

The main adjustment budget is required by section 28 of the Municipal Finance Management Act and was influenced by the outcome of mid-year performance assessment as per section 72 of the MFMA.

This adjustment budget was necessitated by the following factors:

- Actual performance of the budget for the first six months of the financial year and re-classification of items within revenue.
- Approved rollovers of operating grants (HSDG amounting to R6.1 million) which had to be appropriated.
- Approved roll overs of Capital grants (Provincial Grant (SRAC) amounting to R1 million) which had to be appropriated.
- Reallocation of PTNG (R50m) from Capex to Opex;
- Reallocations between projects – acceleration of performing projects with identified savings from non-performing projects.

Operating Revenue

The net increase in operating revenue amounted to R838.8 million, from R60.672 billion to R61.511 billion.

The operating revenue changes were due to the following factors:

- Reduction on services charges due to re-classification of fixed/availability charges to non-exchange revenue operational revenue in compliance with mSCOA,
- Agency services re-classified from licenses and permits,
- Interest from receivables re-classified to non-exchange revenue interest in compliance with mSCOA,
- Increase on property rates was based on mid-year performance resulting from supplementary valuations,
- Increase on transfers and subsidies was due to approved roll-over for HSDG, transfer of PTNG from Capex to Opex, and
- Adjustments to other revenue items such as interest earned from current assets, rental from fixed assets and operational revenue were based on mid-year performance.

Operating Expenditure

The operating expenditure increases from R60.071 billion to R60.899 billion, an increase of R828.8 million. The changes in the various line items on operating expenditure are attributable to reduction on employee related costs based on mid-year performance, increase on contracted services to appropriate grant funded expenditure and to address service delivery backlogs and re-allocation of funds within the expenditure items.

Capital budget

The proposed adjustments to the City and its entities result in a net decrease of R11,464 million. The capital budget, therefore, decreases from R2.910 billion to R2.898 billion.

The adjustments were a combination of:

- Reallocations between projects – acceleration of performing projects with identified savings from non-performing projects.
- Reallocation of PTNG (R50m) from Capex to Opex;
- Approved roll over (R1m) related to the 2023/24 unspent funds for the Provincial Grant (SRAC)
- Additional Own Revenue for Entities (R12.5m).
- Additional Own Revenue for the City required for the procurement of ICT Equipment, vehicles, grass cutting equipment and waste bins.

SPECIAL ADJUSTMENT BUDGET (05 JUNE 2025): ITEM A-F (31-2025)

These special adjustments are due to issuance by National Treasury of Government Gazette 52381 dated 25 March 2025.

62. Budget differences - Appropriation Statement (continued)

Operating Revenue

Operating Revenue was adjusted from R61.511 billion to R60.285 billion, a reduction of R1.226 billion. The adjustment was mainly as a result of reduction on service charges, adjustments on transfers and subsidies are as a result of a decrease in Program and Project Preparation Support Grant (PPPSG), Urban Settlement Development Grant (USDG) and Informal Settlements Upgrading Grant (ISUPG).

Operating Expenditure

The operating expenditure budget was reduced from R60.899 billion to R59.673 billion.

The adjustments were mainly as a result of a decrease in Program and Project Preparation Support Grant (PPPSG), Urban Settlement Development Grant (USDG) and Informal Settlements Upgrading Grant (ISUPG) funded expenditure, debt impairment and depreciation & assets impairment.

Capital Budget

The effect of the Special Adjustments decreases Capital Budget from R2.898 billion to R2.786 billion, a net decrease of R112.2 million. Urban Settlement Development Grant (USDG) and Informal Settlement Upgrading Program Grant (ISUPG) were reduced by R61.1 million and R51.1 million respectively.

C. EXPLANATION OF VARIANCES ON APPROPRIATION STATEMENT: FINAL BUDGET AND ACTUAL AMOUNTS

Variances of 8% and above a regarded as significant and explained

Revenue

The actual revenue, excluding capital grants, amounts to R53.069 billion whilst the budgeted revenue amounts to R58.516 billion, with the underperformance variance of R5.446 billion or 9% below budget.

Significant variances are in the following areas:

Services charges

The deviation on electricity service charges was due interim readings on AMR meters linked to high consuming customers and these represented the largest portion of Electricity billing. The revenue shortfall will be subjected to back billing in the new financial year, in line with the policy as it requires at least 3 months actual reading.

Other own revenue

Fewer traffic fines issued during the financial year due to implementation of the internal traffic management system.

Expenditure

The actual expenditure amounts to R55.820 billion whilst the budgeted expenditure amounts to R57.809 billion, with the under-performance variance of 3%.

Significant variances are due to the following:

Debt impairment

The calculation for the provision for debt impairment 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. Furthermore, savings were realised on debt impairment relating to traffic fines as explained on the revenue item.

Finance charges

Savings were realised on interest provided for overdraft facility and employee benefits.
These savings were utilised on redemption of capital portion borrowing.

Transfers and grants

Savings were realised in the cost of providing ablution facilities to informal settlements due to the implementation of efficiencies.

62. Budget differences - Appropriation Statement (continued)
Public Contributions and Donations

No budget was provided for assets donations as it was not certain during the budget process whether donations will be received.

63. Segment information

General information

Identification of segments

The group is organised and reports to management on the basis of Community and Public Safety, Economic and Environmental Services, Municipal Governance and Administration, Trading Services and other sundry services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes in line with National Treasury Budget guidelines.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The group does not have any geographical segments as it operates within it's area of jurisdiction in the Gauteng Province. Segments were aggregated on the basis of services delivered to its residents.

Segment assets and liabilities

Assets and liabilities are allocated to the finance and administration segment in line with the accounting and reporting processes as the current reporting channels makes it difficult to allocate to other segments.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	**Goods and/or services**
Community and Public Safety	Responsible for community and social services, sports and recreation, public safety, housing and health.
Economic and Environmental Services	Responsible for planning and development, road transport and environmental protection.
Municipal Governance and Administration	Responsible for executive and council, finance and administration and Internal audit.
Trading Services	Responsible for energy sources, warter management, waste water management and waste management.
Other	Responsible for licensing and regulation, markets and tourism.
Segment 6	Goods and/or services 3
Segment 7	Goods and/or services 4
Segment 8	Goods and/or services 5
Segment 9	Goods and/or services 6
Segment 10	Goods and/or services 7

63. Segment information (continued)

Segment surplus or deficit, assets and liabilities

Economic entity 2025

	Community and Public safety	Economic and environmental services	Municipal governance and administration	Other	Trading services	Total
Revenue						
Revenue from exchange transactions	189,640,871	120,232,783	135,621,391	376,266,514	33,138,761,997	33,960,523,556
Revenue from non-exchange transactions	1,004,080,489	1,225,912,879	11,150,509,768	-	6,832,264,756	20,212,767,892
Interest revenue	19,271,457	-	213,339,781	229,324	1,033,389,100	1,266,229,662
Total segment revenue	**1,212,992,817**	**1,346,145,662**	**11,499,470,940**	**376,495,838**	**41,004,415,853**	**55,439,521,110**
Expenditure						
Debt impairment	305,765,843	-	1,363,325,952	-	3,537,365,915	5,206,457,710
Depreciation and amortisation	313,012,853	980,321,977	700,737,940	-	833,698,850	2,827,771,620
Interest expense	5,468,654	241,573,050	561,724,592	-	291,163,488	1,099,929,784
Other expenditure	8,128,485,531	2,153,003,733	3,873,057,844	337,431,140	31,971,610,982	46,463,589,230
Income tax expense	(3,941,115)	-	-	-	-	(3,941,115)
Total segment expenditure	**8,748,791,766**	**3,374,898,760**	**6,498,846,328**	**337,431,140**	**36,633,839,235**	**55,593,807,229**
Total segmental surplus/(deficit)	**(7,535,798,949)**	**(2,028,753,098)**	**5,000,624,612**	**39,064,698**	**4,370,576,618**	**(154,286,119)**
Total assets						
Non - current assets	6,998,030,680	21,920,266,597	10,728,776,479	-	25,697,297,255	65,344,371,011
Current assets	-	-	16,691,162,319	-	-	16,691,162,319
Total assets	**6,998,030,680**	**21,920,266,597**	**27,419,938,798**	**-**	**25,697,297,255**	**82,035,533,330**
Total liabilities						
Non - current liabilities	-	-	(10,116,356,146)	-	-	(10,116,356,146)
Current liabilities	-	-	(19,641,776,518)	-	-	(19,641,776,518)
Total segment liabilities	**-**	**-**	**(29,758,132,664)**	**-**	**-**	**(29,758,132,664)**

63. Segment information (continued)

Economic entity 2024

	Community and Public safety	Economic and environmental services	Municipal governance and administration	Other	Trading services	Total
Revenue						
Revenue from exchange transactions	257,829,565	76,202,758	156,094,708	371,882,605	31,047,874,888	31,909,884,524
Revenue from non-exchange transactions	1,285,956,248	1,276,671,891	12,272,034,921	-	5,870,098,067	20,704,761,127
Interest revenue	16,256,588	-	191,368,196	172,264	1,047,765,063	1,255,562,111
Total segment revenue	**1,560,042,401**	**1,352,874,649**	**12,619,497,825**	**372,054,869**	**37,965,738,018**	**53,870,207,762**
Expenditure						
Debt impairment	746,481,584	-	858,963,096	-	5,291,628,721	6,897,073,401
Depreciation and amortisation	252,062,197	1,001,271,694	738,065,004	-	972,180,917	2,963,579,812
Interest expense	3,766,882	271,087,926	846,127,171	-	350,569,949	1,471,551,928
Other expenditure	8,016,385,341	1,605,243,685	2,822,134,661	325,653,500	28,903,409,264	41,672,826,451
Income tax expense	(11,140,217)	-	-	-	-	(11,140,217)
Total segment expenditure	**9,007,555,787**	**2,877,603,305**	**5,265,289,932**	**325,653,500**	**35,517,788,851**	**52,993,891,375**
Total segmental surplus/(deficit)	**(7,447,513,386)**	**(1,524,728,656)**	**7,354,207,893**	**46,401,369**	**2,447,949,167**	**876,316,387**
Total assets						
Non - current assets	6,901,204,674	21,662,093,136	10,580,331,206	-	26,126,102,399	65,269,731,415
Current assets	-	-	14,225,572,954	-	-	14,225,572,954
Total assets	**6,901,204,674**	**21,662,093,136**	**24,805,904,160**	**-**	**26,126,102,399**	**79,495,304,369**
Total liabilities						
Non - current liabilities	-	-	(10,576,710,406)	-	-	(10,576,710,406)
Current liabilities	-	-	(16,446,907,175)	-	-	(16,446,907,175)
Total liabilities	**-**	**-**	**(27,023,617,581)**	**-**	**-**	**(27,023,617,581)**

63. Segment information (continued)

Controlling entity 2025

	Community and Public safety	Economic and environmental services	Municipal governance and administration	Other	Trading services	Total
Revenue						
Revenue from exchange transactions	124,772,731	120,232,783	135,621,391	376,266,514	33,152,145,586	33,909,039,005
Revenue from non-exchange transactions	1,026,641,315	1,225,775,568	11,150,509,788	-	6,806,757,098	20,209,683,769
Interest revenue	-	-	213,339,761	229,324	960,915,694	1,174,484,779
Total segment revenue	**1,151,414,046**	**1,346,008,351**	**11,499,470,940**	**376,495,838**	**40,919,818,378**	**55,293,207,553**
Expenditure						
Debt impairment	248,206,751	-	1,363,325,952	-	3,481,523,303	5,093,056,006
Depreciation and amortisation	260,856,377	980,321,977	694,572,177	-	716,512,646	2,652,263,177
Interest expense	-	241,573,050	561,724,592	-	258,804,461	1,062,102,103
Other expenses	8,188,264,092	2,153,007,687	3,873,053,859	337,431,140	32,590,548,814	47,142,305,592
Total segment expenditure	**8,697,327,220**	**3,374,902,714**	**6,492,676,580**	**337,431,140**	**37,047,389,224**	**55,949,726,878**
Total segmental surplus/(deficit)	**(7,545,913,174)**	**(2,028,894,363)**	**5,006,794,360**	**39,064,698**	**3,872,429,154**	**(656,519,325)**
Total assets						
Non - current assets	6,759,445,744	21,171,292,006	10,362,194,214	-	24,819,268,575	63,112,200,539
Current assets	-	-	16,452,902,758	-	-	16,452,902,758
Total assets	**6,759,445,744**	**21,171,292,006**	**26,815,096,972**	**-**	**24,819,268,575**	**79,565,103,297**
Total liabilities						
Non - current liabilities	-	-	(9,873,466,631)	-	-	(9,873,466,631)
Current liabilities	-	-	(20,913,527,733)	-	-	(20,913,527,733)
Total segment liabilities	**-**	**-**	**(30,786,994,364)**	**-**	**-**	**(30,786,994,364)**

Notes to the Consolidated Annual Financial Statements

Figures in Rand

63. Segment information (continued)

Controlling entity 2024

	Community and Public safety	Economic and environmental services	Municipal governance and administration	Other	Trading services	Total
Revenue						
Revenue from exchange transactions	197,722,242	76,202,758	156,094,708	371,882,605	30,915,839,541	31,717,741,854
Revenue from non-exchange transactions	1,278,431,977	1,276,671,891	12,272,034,921	-	5,851,062,162	20,678,200,951
Interest revenue	-	-	191,368,196	172,264	976,075,352	1,167,615,812
Total segment revenue	**1,476,154,219**	**1,352,874,649**	**12,619,497,825**	**372,054,869**	**37,742,977,055**	**53,563,558,617**
Expenditure						
Debt impairment	686,388,038	-	871,893,727	-	4,243,921,408	5,802,203,173
Depreciation and amortisation	245,931,848	1,001,271,694	725,134,373	-	748,503,039	2,720,840,954
Interest expense	-	271,087,926	846,127,171	-	312,046,694	1,429,261,791
Other expenses	8,102,050,070	1,605,243,685	2,822,134,661	325,653,500	30,211,021,388	43,066,103,304
Total segment expenditure	**9,034,369,956**	**2,877,603,305**	**5,265,289,932**	**325,653,500**	**35,515,492,529**	**53,018,409,222**
Total segmental surplus/(deficit)	**(7,558,215,737)**	**(1,524,728,656)**	**7,354,207,893**	**46,401,369**	**2,227,484,526**	**545,149,395**
Total assets						
Non - current assets	6,656,799,391	20,856,349,467	10,205,630,127	-	25,200,849,818	62,919,628,803
Current assets	-	-	13,940,894,004	-	-	13,940,894,004
Total assets	**6,656,799,391**	**20,856,349,467**	**24,146,524,131**	**-**	**25,200,849,818**	**76,860,522,807**
Total liabilities						
Non - current liabilities	-	-	(10,309,174,234)	-	-	(10,309,174,234)
Current liabilities	-	-	(17,116,720,318)	-	-	(17,116,720,318)
Total liabilities	**-**	**-**	**(27,425,894,552)**	**-**	**-**	**(27,425,894,552)**

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.