



MAKHUDUTHAMAGA

LOCAL MUNICIPALITY

Mmogo re šomela diphetogo!

Department	Budget and Treasury Office
Document Name	Financial Management Report
Period	31 December 2025

A. Table of Contents

ABBREVIATIONS AND ACRONYMS.....	IV
1. EXECUTIVE SUMMARY	5
1.1. OVERALL TOTAL REVENUE AND EXPENDITURE	5
1.2. BUDGETED REVENUE AND ACTUAL REVENUE TO DATE.....	5
1.3 BUDGETED EXPENDITURE AND ACTUAL EXPENDITURE TO DATE	9
1.3.1 <i>Operational Expenditure.</i>	9
1.3.2 <i>Capital Expenditure</i>	10
1.3.3 <i>Grants Receipts and expenditure</i>	11
i. <i>Overall Spending per departments</i>	13
C. GOING CONCERN AND LIQUIDITY RATIOS.	13
D. STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 DECEMBER 2025	18
E. CASH FLOW STATEMENT AS AT 31 DECEMBER 2025.....	19
6. NOTES TO THE 31 DECEMBER 2025 FINANCIAL REPORT (STATEMENTS)	20
6.1 CASH AND CASH EQUIVALENTS.....	20
6.2 INVENTORIES.....	20
6.3 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS.....	21
6.4 RECEIVABLES FROM EXCHANGE TRANSACTIONS	21
6.5 OTHER DEBTORS (VAT RECEIVABLE & RECEIVABLES FROM EXCHANGE TRANSACTION)	22
6.6 TOP TEN (10) BUSINESS DEBTORS.....	22
6.7 INTANGIBLE ASSETS	23
6.8 INVESTMENT PROPERTY	24
6.9 PROPERTY PLANT AND EQUIPMENT	25
6.10 PAYABLES FROM EXCHANGE TRANSACTIONS	28
6. 11 UNSPENT CONDITIONAL GRANTS AND RECEIPTS	28
6.12 REVENUE	28
6.13 DEFINED BENEFIT OBLIGATION	29
6.14 GOVERNMENT GRANTS AND SUBSIDIES	29
6.15 INTEREST ON OUTSTANDING DEBTORS	30
6.16 PROPERTY RATES	30
6.17 ACTUARIAL GAIN/ (LOSS).....	30
6.18 TRAFFIC FINES.....	30

6.19 EMPLOYEE RELATED COSTS	30
6.20 REMUNERATION AND ALLOWANCES OF COUNCILLORS	35
6.21 DEPRECIATION AND AMORTISATION	37
6.22 ASSETS IMPAIRMENT	37
6.23 FINANCE COSTS	37
6.24 CONTRACTED SERVICES	37
6.25 GRANTS AND SUBSIDIES PAID.....	38
6.26 CAPITAL EXPENDITURE WRITTEN-OFF (D ROADS)	38
6.27 GENERAL EXPENSES	38
6.28 PROVISION - REHABILITATION OF LANDFILL SITE.....	39
6.29 RENTAL OF FACILITIES AND EQUIPMENT	39
6.30 OPERATING LEASE	39
6.32 RISK MANAGEMENT	40
6.33 UNAUTHORISED EXPENDITURE	42
6.34 FRUITLESS AND WASTEFUL EXPENDITURE	42
6.35 IRREGULAR EXPENDITURE	42
6.36 ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT	42
6.36 Additional disclosure in terms of Municipal Finance Management Act.....	42

Abbreviations and Acronyms

APC	Audit and Performance Committee
BPC	Budget Planning Committee
BTO	Budget and Treasury Office
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
CY	Current Year
DFS	Government Financial Statistics
DOE	Department of Energy
DoRA	Division of Revenue Act
EE	Employment Equity
FBS	Free basic services
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IGF	Internally Generated Funds
IT	Information Technology
IYM	In Year Monitoring
KM	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MBRR	Municipal Budget and Reporting Regulations
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
mSCOA	Municipal Standard Chart of Accounts
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PY	Prior Year
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises
YTD	Year To Date



1. Executive Summary

1.1. Overall total revenue and expenditure

The municipality’s total actual operational revenue as at end of **December 2025** amounts to **R 330 699 663** and total actual operational expenditure of **R 242 298 775** translating into an operational surplus of **R 88 400 888**. Capital transfer and grants as at the end of **December 2025** amounted to **R 53 825 905**. The following table summarises the overall revenue and expenditure performance as at the end of **December 2025**:

N.B. Amounts are in “R000”

Description	2024/25 Audited outcome	2025/26 YTD Budget	2025/26 YTD Actual	2025/26 YTD Variance
Total Operational revenue	452 113	348 509	330 700	17 809
Total operational expenditure	(530 061)	(256 774)	(242 299)	(14 475)
Operating Surplus/Deficit	(77 948)	91 736	88 401	3 335
Capital transfers and grants	97 858	54 234	53 826	408
Net Surplus/Deficit after capital transfers	19 910	145 970	142 227	3 743

1.2. Budgeted Revenue and Actual Revenue to date

The municipality’s total actual revenue as at 31 December 2025 is **R 384 525 568** which amounts to 95% of the total to date budgeted revenue to the amount of **R 402 743 496**.

From the total actual revenue recorded as at the end of December 2025, **R 350 377 905** is from government grants and transfers and the remaining balance of **R 34 147 663** is from own revenue.

The following table shows a summary of the total revenue per source:

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Waste management		388	10,700	-	38	261	5,350	(5,089)	-95%	10,700
Sale of Goods and Rendering of Services		1,674	1,425	-	4	183	713	(530)	-74%	1,425
Agency services		6,340	7,500	-	628	3,809	3,750	59	2%	7,500
Interest from Current and Non Current Assets		2,852	4,000	-	174	1,056	2,000			4,000
Rental from Fixed Assets		229	250	-	5	111	125	(14)	-11%	250
Operational Revenue		15,246	-	-	-	-	-	-	-	-
Non-Exchange Revenue										
Property rates		40,011	53,000	-	3,338	20,024	26,500	(6,476)	-24%	53,000
Fines, penalties and forfeits		1,932	1,400	-	81	782	700	82		1,400
Transfers and subsidies - Operational		367,860	409,743	-	121,092	296,552	300,872	(4,320)		409,743
Interest		14,339	13,000	-	1,355	7,922	8,500	(578)		13,000
Gains on disposal of Assets		825	-	-	-	-	-	-		-
Other Gains		418	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		452,113	501,018	-	126,712	330,700	348,509	(17,810)	-5%	501,018
Transfers and subsidies - capital (monetary allocations)		97,858	78,469	-	19,446	53,826	54,234	(408)	-1%	78,469
Total Revenue (including capital transfers and contributions)		549,971	579,487	-	146,158	384,526	402,743	(18,218)	-6%	579,487

- The municipality's overall collection rate is **36%** as at 31 December 2025 when comparing the actual cash received from the different sources of our revenue to the billed revenue to date. The Collection on property rates and interests on outstanding debts are the highest contributors to the poor collection rate. The following table summarises the collection from own sources of revenue per source:



Collection on own sources of revenue

Source of revenue	2025/26 (Current Year)			2024/25		
	Actual revenue billed (R000)	Actual revenue collected (R000)	% collected	Actual revenue	Actual revenue collected (R000)	% Collected
Property rates	27 946	6 434	23%	53 322	27 914	52%
Refuse removal	261	192	74%	404	269	67%
Rental of facilities & Equipment	111	111	100%	221	221	100%
Interests on bank and investments	1 055	1 055	100%	2 757	2 757	100%
Traffic fines	782	421	54%	1 994	609	31%
Agency income and other income	3 992	3 992	100%	9 361	9 361	100%
Totals	34 147	12 205	36%	68 059	41 131	60%

- **Included on the Agency Income and other income amount of R 3 992 077.00 is an amount of R 172 389, (Plan Approval, Permission to Occupy, LG Seta and Auction), Tender documents R 10 226.16, R 3 808 519 (License and permits) and R 11 169 for vehicles that were tested at the Nebo VTS for road worthy as at 31 December 2025.**
- The following are the challenges and recommendations for implementation to improve revenue generation and collection for the remaining periods of the financial year 2025/26 and the MTREF:

No	Challenges	Progress made to date	Recommendations
1	Non-payment of property rates by the high-capacity businesses within our municipality.	<ul style="list-style-type: none"> - Settlement letters were issued to all business people within the municipality to settle the outstanding debts however the respond turnaround was very poor - The letter was written to Municipal debt collector to start with collection process for the first top 20 business debtors 	<ul style="list-style-type: none"> - To hand over top 20 business debtors to Municipal debt collector to start with collection process - To write Off debts for those business debtors who signed settlement agreements
2	Majority of billed properties are unregistered and on communal land.	<ul style="list-style-type: none"> - Department of Public work is at advanced stage to register all unregistered properties - Magoshi are engaged on quarterly basis to ensure proper land use management 	<ul style="list-style-type: none"> - Formalise key economic points (areas) within the municipality to ensure subdivision of the land and issuing of tittle deeds. - Engage Magoshi to prevent uncoordinated developments and allocation of stands in inappropriate areas.
3.	Non-payment of unregistered properties by Department of Public Work	<ul style="list-style-type: none"> - Department is currently registering all unregistered properties 	<ul style="list-style-type: none"> - Municipality to continue billing those unregistered properties

(Figures in RSA Rand)

2026

2025

4.	Limited sources of own revenue resulting in no growth in revenue generation.	<ul style="list-style-type: none"> - Revenue enhancement strategies developed and approved. - LED strategy developed and approved. - Magoshi are engaged on quarterly basis to ensure proper land use management 	<ul style="list-style-type: none"> - Consult all stakeholders with the revenue enhancement strategies and to get their buy in on the implementation of credit control policy and rates policy (rental of municipal facilities). - Provide budget to build a grade A DLTC around Masemola nodal point. - Engage Magoshi to prevent uncoordinated developments and allocation of stands in inappropriate areas.
----	--	---	--

1.3 Budgeted Expenditure and Actual Expenditure to date

The municipality's total actual expenditure amounts to **R 293 076 585** as at 31 December 2025. This amounts to **94%** of the total budgeted expenditure to date to the amount of **R 313 144 720**.

1.3.1 Operational Expenditure.

The total operational expenditure as at 31 December 2025 amounts to **R 242 298 775** which equates to **94%** of the total operational budget to date of **R 256 773 582**. The municipality has under spent by **6%** as compared to the budgeted expenditure to date.

2 The following table indicates the operational expenditure per standard classification:

(Figures in RSA Rand)

2026

2025

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		131,294	143,979	-	12,942	66,609	67,990	(1,381)	-2%	143,979
Remuneration of councillors		28,179	28,904	-	2,268	13,838	14,452	(614)	-4%	28,904
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		2,395	1,500	-	-	536	750	(214)	-	1,500
Debt impairment		19,777	19,836	-	-	-	9,918	(9,918)	-100%	19,836
Depreciation and amortisation		35,496	36,851	-	3,055	18,230	18,425	(195)	-1%	36,851
Interest		2,681	-	-	-	-	-	-	-	-
Contracted services		210,156	160,518	-	23,780	99,627	100,259	(632)	-1%	160,518
Transfers and subsidies		2,473	10,728	-	239	3,267	4,364	(1,097)	-25%	10,728
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		97,610	57,230	-	8,104	40,191	40,615	(424)	-1%	57,230
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		530,061	459,546	-	50,388	242,299	256,774	(14,475)	-6%	459,546
Total Capital Expenditure - Functional Classification	3	126,817	161,743	-	3,697	50,778	56,371	(5,593)	-10%	161,743
Total Expenditure		656,878	621,289	-	54,086	293,077	313,145	(20,068)	-6%	621,289

1.3.2 Capital Expenditure

- a. The total capital expenditure as at 31 December 2025 amounts to **R 50 777 810** which equates to **90%** of the **R 56 371 138** to-date budget. The municipality has underspent by **10%** on capital expenditure.
- b. The following table indicates the capital expenditure per functional classification:

LIM473 Makhuduthamaga - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		4,496	11,274	-	-	2,804	3,637	(833)	-23%	11,274
Executive and council		-	474	-	-	-	237	(237)	-100%	474
Finance and administration		4,496	10,800	-	-	2,804	3,400	(596)	-18%	10,800
Internal audit		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		179	-	-	-	-	-	-		-
Public safety		179	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		120,618	142,033	-	3,697	47,974	48,516	(542)	-1%	142,033
Road transport		120,618	142,033	-	3,697	47,974	48,516	(542)	-1%	142,033
<i>Trading services</i>		1,089	8,436	-	-	-	4,218	(4,218)	-100%	8,436
Energy sources		0	6,436	-	-	-	3,218	(3,218)	-100%	6,436
Waste management		1,089	2,000	-	-	-	1,000	(1,000)	-100%	2,000
<i>Other</i>		434	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	126,817	161,743	-	3,697	50,778	56,371	(5,593)	-10%	161,743
Funded by:										
National Government		126,817	161,743	-	3,697	50,778	56,371	(5,593)	-10%	161,743
Transfers recognised - capital		126,817	161,743	-	3,697	50,778	56,371	(5,593)	-10%	161,743
Total Capital Funding		126,817	161,743	-	3,697	50,778	56,371	(5,593)	-10%	161,743

1.3.3 Grants Receipts and expenditure.

- a. The following table shows the expenditure on grants as at 31 December 2025 per grant

LIM473 Makhuduthamaga - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		14,663	17,323	–	971	7,774	7,923	(149)	-1.9%	8,163
Expanded Public Works Programme Integrated Grant	–	2,648	2,443	–	497	1,710	1,721	(11)	-0.7%	2,443
Local Government Financial Management Grant	–	1,800	1,900	–	69	1,041	960	81	8.5%	1,900
Municipal Infrastructure Grant	–	10,215	3,820	–	405	2,030	2,220	(190)	-8.6%	3,820
Municipal Disaster Grant	–	–	9,160	–	–	2,993	3,022	(29)	-1.0%	–
Other grant providers:		258	–	–	–	–	–	–	–	–
National Departmental Agencies-Construction, Education and Training	–	258	–	–	–	–	–	–	–	–
<i>National Departmental Agencies_Construction, Education and Training SETA Receipts</i>		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		14,921	17,323	–	971	7,774	7,923	(149)	-1.9%	8,163
Capital expenditure of Transfers and Grants										
National Government:		98,013	78,469	–	19,041	51,796	55,274	(3,478)	-6.3%	78,469
Integrated National Electrification Programme Grant	–	10,370	5,436	–	–	–	2,718	(2,718)	-100.0%	5,436
Municipal Infrastructure Grant	–	87,643	73,033	–	19,041	51,796	52,556	(760)	-1.4%	73,033
Total capital expenditure of Transfers and Grants		98,013	78,469	–	19,041	51,796	55,274	(3,478)	-6.3%	78,469
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		112,934	95,792	–	20,012	59,570	63,197	(3,627)	-5.7%	86,632

- b. The following table shows the receipts and expenditure on grants as at 31 December 2025 per grant:
The municipality's spending per conditional grant is as follows as at the end of December 2025:

Conditional Grant details	Budget for the year	Grant received	Grant expenditure	Received %	Spending %
FMG	1 900 000	1 900 000	1 041 199	100%	55%
EPWP	2 443 000	1 710 000	1 710 000	70%	100%
MIG	73 032 650	63 977 000	53 825 905	88%	84%
INEP	5 436 000	2 446 000	-	44%	-
DISASTER	9 160 000	9 160 000	2 993 036	100%	33%



(Figures in RSA Rand)

2026

2025

Agency Allocation					
WRM(SDM)	40 000 000	16 835 352	16 835 352	42%	100%

i. Overall Spending per departments

a. The following table indicates the spending performance per department from the highest performance to the least performance:

Expenditure Performance Per Department				
Department	To date Actual Expenditure	To date budget	To date variance	Spending %
MM's Office	6,779,514.00	7,100,028.00	320,514.00	95%
Economic Planning & Development	26,352,146.00	27,759,269.00	1,407,123.00	95%
Executive support	43,462,929.24	45,993,856.00	2,530,926.76	94%
Corporate Services	54,470,536.96	57,926,789.00	3,456,252.04	94%
Budget & Treasury Office	59,252,572.00	63,292,192.00	4,039,620.00	94%
Infrastructure Development	54,070,900.00	57,999,376.00	3,928,476.00	93%
Community Services	48,687,987.00	53,073,210.00	4,385,223.00	92%
	293,076,585.20	313,144,720.00	20,068,134.80	94%

c. Going concern and Liquidity ratios.

▪ **Going concern**

a. After the assessment of the key factors to the going concern of the municipality it is assumed and concluded that the municipality shall continue operating as a Going Concern as of 31 December 2025

▪ **Liquidity ratios**

a. **Current ratio**



(Figures in RSA Rand)

2026

2025

Current Assets/Current Liabilities (Norm is 2:1)

2026	2025
R 53 508: R 93 829	R 51 077: R 154 006
0.57: 1	0.33: 1

This ratio measures the Municipality's ability to pay its short-term debt with liquid assets which are assets easily converted into cash. The above ratio indicates a current ratio of **0.57:1** that suggest that the municipality's liquid assets are currently not easy to be converted into cash to cover the current liabilities as & when they become due.

b. Debt ratio

Total Liabilities/Total Assets) x 100

2026	2025
R 103 494 / R 593 894 X 100%	R 177 166 / R 556 207 X 100%
=17%	=32%

This ratio measures how much the municipality's total liabilities are covered by the total assets the results of which measures the solvency of the municipality. The results above show that the municipality is solvent as the total liabilities are covered by the total assets and total liabilities makes a small percentage portion of the total assets which decreased from 32% to **17%** in the current year and the means our debt ratio is sound.



(Figures in RSA Rand)

2026

2025

c. Net Operating surplus margin.

NORM: Equal to or greater than zero

(Total Operating revenue – Total Operating expenditure)/Total Operating revenue x 100

2026	2025
(R 330 700 – R 242 299) / R 330 700 x 100	(R 452 113 – R 466 187) / R 452 113 x 100
=26.73%	= - 3.11%

d. The Ratio assesses the extent to which the Municipality generates Operating Surpluses. The above ratio indicates that the municipality reported a net surplus of **26.73%** for the period ended 31 December 2025.

e. Collection rate.

NORM: 95%

Formula

= Actual Revenue Received / Billed Revenue x 100

2026	2025
R 12 205 / R 34 147 x 100%	R 41 131 / R 68 059 x 100%
= 36%	= 60%



(Figures in RSA Rand)

2026

2025

The Ratio indicates the collection rate, i.e. level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written off is taken into consideration.

The municipality's collection rate is low as compared to the norm of 95% as per MFMA circular No. 71. However, it must be noted that the municipality fund more than 80% of its expenditure through Government Grants and there have not been any indication that the municipality will not be receiving the grants in the foreseeable future.

The revenue billed from customers is used to fund mostly the non-cash expenditure items such as depreciation and impairments when preparing the MTREF budget for the municipality to guard against the cash flow risk in cases of poor collection.



A.1.1.1.1 Statement of Financial Position as at 31 December 2025

LIM473 Makhuduthamaga - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		4,394	3,776	–	32,965	3,776
Trade and other receivables from exchange transactions		9,262	6,046	–	6,799	6,046
Receivables from non-exchange transactions		27,016	53,385	–	4,986	53,385
Inventory		186	4,128	–	460	4,128
VAT		10,218	27,943	–	8,298	27,943
Total current assets		51,077	95,279	–	53,508	95,279
Non current assets						
Investment property		462	539	–	462	539
Property, plant and equipment		503,700	659,872	–	539,293	659,872
Intangible assets		968	7,872	–	632	7,872
Total non current assets		505,130	668,284	–	540,386	668,284
TOTAL ASSETS		556,207	763,563	–	593,894	763,563
LIABILITIES						
Current liabilities						
Trade and other payables from exchange transactions		152,784	60,346	–	52,947	60,346
Trade and other payables from non-exchange transactions		320	10,458	–	27,439	10,458
Provision		903	12,541	–	13,442	12,541
Total current liabilities		154,006	83,344	–	93,829	87,676
Non current liabilities						
Provision		9,665	9,718	–	9,665	9,718
Other non-current liabilities		13,494	–	–	–	–
Total non current liabilities		23,159	9,718	–	9,665	9,718
TOTAL LIABILITIES		177,166	93,062	–	103,494	97,393
NET ASSETS	2	379,041	670,500	–	490,400	666,169
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		379,041	670,500	–	490,400	666,169
TOTAL COMMUNITY WEALTH/EQUITY	2	379,041	670,500	–	490,400	666,169

d. Statement of Financial Performance as at 31 December 2025

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Waste management		388	10,700	–	38	261	5,350	(5,089)	-95%	10,700
Sale of Goods and Rendering of Services		1,674	1,425	–	4	183	713	(530)	-74%	1,425
Agency services		6,340	7,500	–	628	3,809	3,750	59	2%	7,500
Interest from Current and Non Current Assets		2,852	4,000	–	174	1,056	2,000	–	–	4,000
Rental from Fixed Assets		229	250	–	5	111	125	(14)	-11%	250
Operational Revenue		15,246	–	–	–	–	–	–	–	–
Non-Exchange Revenue										
Property rates		40,011	53,000	–	3,338	20,024	26,500	(6,476)	-24%	53,000
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1,932	1,400	–	81	782	700	82	–	1,400
Licence and permits		–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational		367,860	409,743	–	121,092	296,552	300,872	(4,320)	–	409,743
Interest		14,339	13,000	–	1,355	7,922	8,500	(578)	–	13,000
Gains on disposal of Assets		825	–	–	–	–	–	–	–	–
Other Gains		418	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		452,113	501,018	–	126,712	330,700	348,509	(17,810)	-5%	501,018
Expenditure By Type										
Employee related costs		131,294	143,979	–	12,942	66,609	67,990	(1,381)	-2%	143,979
Remuneration of councillors		28,179	28,904	–	2,268	13,838	14,452	(614)	-4%	28,904
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–
Inventory consumed		2,395	1,500	–	–	536	750	(214)	–	1,500
Debt impairment		19,777	19,836	–	–	–	9,918	(9,918)	-100%	19,836
Depreciation and amortisation		35,496	36,851	–	3,055	18,230	18,425	(195)	-1%	36,851
Interest		2,681	–	–	–	–	–	–	–	–
Contracted services		210,156	160,518	–	23,780	99,627	100,259	(632)	-1%	160,518
Transfers and subsidies		2,473	10,728	–	239	3,267	4,364	(1,097)	-25%	10,728
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–
Operational costs		97,610	57,230	–	8,104	40,191	40,615	(424)	-1%	57,230
Total Expenditure		530,061	459,546	–	50,388	242,299	256,774	(14,475)	-6%	459,546
Surplus/(Deficit)		(77,948)	41,472	–	76,324	88,401	91,736	(3,335)	(0)	41,472
Transfers and subsidies - capital (monetary allocations)		97,858	78,469	–	19,446	53,826	54,234	(408)	(0)	78,469
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		19,910	119,941	–	95,770	142,227	145,970			119,941
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		19,910	119,941	–	95,770	142,227	145,970			119,941
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		19,910	119,941	–	95,770	142,227	145,970			119,941
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		19,910	119,941	–	95,770	142,227	145,970			119,941



e. Cash Flow Statement as at 31 December 2025

LIM473 Makhuduthamaga - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		28,417	41,870	-	494	4,538	20,935	(16,397)	-78%	41,870
Service charges		860	8,453	-	20	192	4,227	(4,035)	-95%	8,453
Other revenue		57,689	64,948	-	636	19,494	32,474	(12,980)	-40%	64,948
Transfers and Subsidies - Operational		368,108	415,179	-	-	152,369	207,590	(55,221)	-27%	415,179
Transfers and Subsidies - Capital		97,858	73,033	-	-	53,826	36,516	17,310	47%	73,033
Interest		2,897	4,000	-	-	-	2,000	(2,000)	-100%	4,000
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(439,510)	(425,279)	-	-	(160,596)	(177,465)	(16,869)	10%	(612,784)
NET CASH FROM/(USED) OPERATING ACTIVITIES		116,318	182,203	-	1,150	69,823	126,276	56,454	45%	(5,301)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1,326	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		(61,030)	-	-	-	-	-	-		-
Payments										
Capital assets		(66,140)	(187,504)	-	(3,697)	(50,778)	(53,752)	(2,974)	6%	(187,504)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(125,844)	(187,504)	-	(3,697)	(50,778)	(53,752)	(2,974)	6%	(187,504)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		(9,526)	(5,301)	-	(2,548)	19,045	72,524			(192,806)
Cash/cash equivalents at beginning:		13,920	13,901	-	-	13,920	13,901			13,920
Cash/cash equivalents at month/year end:		4,394	8,600	-	(2,548)	32,965	86,425			13,920

(Figures in RSA Rand)

2026

2025

6. Notes to the 31 December 2025 Financial Report (Statements).

6.1 Cash and cash equivalents

Cash and cash equivalents consists of:

Cash on hand	2	2
Bank balances	32 964 593	4 394 380
	32 964 595	4 394 382

Short-term Investments

The municipality had no short-term investments with any financial institution during the 2025/26 financial year and the municipality as at the ended of 31 December 2025.

Details

The municipality had the following bank accounts during the year under review

Account number / description	Bank statement balances		Cash book balances	
	31-DEC-25	30-JUNE-25	31-DEC -25	30-Jun-25
ABSA BANK - 4050384145 - (Primary Cheque Account)	34 273 628	3 074 076	31 635 932	3 752 650
ABSA BANK - 4076690079 - (Salaries)	7 901	500	8 445	500
ABSA BANK - 4098981597 - (Solidarity Fund)	200 658	201 278	201 890	201 278
ABSA BANK - 2078073033 Term Deposit Investment	1 118 326	1 118 526	1 118 326	1 023 405
	35 600 508	4 394 380	32 964 593	4 977 833

6.2 Inventories

Inventories consist of:

Consumable stores	460 317	186 186
	460 317	186 186

Reconciliation of Inventory

Opening Balance	186 186	627 614
Add: Receipts	810 542	1 954 041
Less: Issues	(536 411)	(2 395 466)
CLOSING BALANCE	460 317	186 186

(Figures in RSA Rand)

2026

2025

6.3 Receivables from non-exchange transactions

Gross balances

Rates	145 631 716	136 796 682
Traffic fines	4 481 087	3 836 587

150 112 803	140 633 269
--------------------	--------------------

Less: Allowance for impairment

Property Rates	(140 994 127)	(85 591 566)
Traffic Fines	(4 132 513)	(3 811 437)

(145 126 640)	(89 403 003)
----------------------	---------------------

Net balances

Property Rates	4 637 589	51 205 116
Traffic Fines	348 574	25 150

4 986 163	51 230 266
------------------	-------------------

6.4 Receivables from exchange transactions

Accrued income (interest on bank)	-	37 007
Accrued income (Primedia)	-	11 136
Other debtors-Employee	272 065	266 715
Other debtors-ABSA	255 921	370 093
Other debtor- Caseware	-	89 253
Waste collection	140 850	313 044
SALGA Levy	-	1 117 253
SDM water reticulation	6 130 235	8 038 610
6 799 071	9 079 068	

(Figures in RSA Rand)

2026

2025

6.5 Other debtors (VAT receivable & receivables from exchange transaction)

VAT	8 298 031	17 362 266
	8 298 031	17 362 266
VAT Reconciliation		
Balance at the beginning of the year	17 362 265	18 587 291
Add: Net Refunds as per VAT receivable	10 557 101	46 740 914
Add: Current year VAT suspense - Retention amount	5 155 878	5 405 187
Less: Prior year suspense - Retention amount	(5 405 187)	(5 678 536)
Less: VAT Payments by SARS - Current year	(10 557 101)	(37 925 988)
Less: VAT payments by SARS - Previous year	(8 814 925)	(9 766 602)
Adjustments	-	-
	8 298 031	17 362 266

VAT is payable on invoice basis and claimed from SARS when a tax invoice is received.

6.6 Top ten (10) Business Debtors

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance	
Group By Rep: (Bus)									
0008001143 (BAPEDI STORES AND TC	3,411,505.24	37,410.20	36,278.73	37,750.29	37,485.84	36,731.78	38,218.94	3,635,381.02	
0008001142 (BAPEDI GARAGE AND S	2,963,414.47	35,159.12	34,149.95	35,454.79	35,224.88	34,594.27	35,914.16	3,173,911.63	
0008001153 (HYPER SAVE)	2,785,673.04	39,309.22	38,298.73	39,587.78	39,371.17	38,835.78	40,142.46	3,021,218.18	
0006000444 (BUILD IT, TOP CASH AND	2,720,783.10	43,104.22	42,070.73	43,376.75	43,164.83	42,685.10	44,011.00	2,979,195.72	
0006001766 (KGOLANE SHOPPING CE	2,666,480.21	35,705.25	34,780.58	35,984.42	35,244.67	34,718.78	35,920.69	2,878,834.61	
0008001128 (MASANTENG LODGE AN	2,515,324.92	27,429.91	26,597.18	27,680.64	27,485.68	26,928.30	28,023.18	2,679,469.81	
0008001123 (JANE FURSE MEAT AND	2,309,108.75	26,408.89	25,632.30	26,639.19	26,460.11	25,959.69	26,977.75	2,467,186.68	
0008001253 (MORENA SHOPPING COI	1,794,340.97	29,416.27	28,724.91	29,596.10	29,456.26	29,148.95	30,033.80	1,970,717.25	
0006000655 (LOVELIFE CENTRE)	1,589,693.25	24,194.07	23,600.02	24,353.21	24,229.47	23,940.09	24,704.34	1,734,714.46	
0006001042 (MORENA VERGELEGEN	1,534,254.49	23,859.49	23,281.12	24,013.12	23,893.66	23,619.04	24,362.00	1,677,282.91	
TOTALS	24,290,578.44	321,996.64	0.00	313,414.25	324,436.29	322,016.57	317,161.78	328,308.32	26,217,912.27

Top ten (10) Government Debtors

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance	
Group By Rep: GVT									
0006000280 (MAMULUBE PRIMARY)	2,068,768.61	28,220.02	27,479.20	28,426.80	28,266.01	27,859.48	28,819.64	2,237,839.76	
0006000587 (JANE FURSE HOSPITAL)	3,400.99	6,904.24	1,200.00	343,622.50	343,724.55	343,732.76	348,339.25	1,390,924.29	
0006000032 (LOBAMBA SECONDARY)	829,615.80	13,089.14	12,774.54	13,172.23	13,107.62	12,960.85	13,364.56	908,084.75	
0006000590 (JANE FURSE COMPREH	600,425.23	32,176.10	31,726.92	32,238.51	32,157.30	32,257.35	32,784.80	793,766.21	
0006000012 (SERAHENI PRIMARY)	655,029.53	8,203.30	7,975.97	8,268.70	8,217.85	8,082.42	8,378.71	704,156.49	
80000004 (RSA)	556,589.85	18,428.17	18,203.96	18,567.03	17,938.73	17,948.35	18,302.87	665,978.95	
0008001235 (SWIKE PRIMARY SECON	552,866.91	10,078.63	9,855.58	10,134.14	10,090.97	10,005.59	10,288.93	613,320.74	
0006002124 (MOREKO SECONDARY)	326,576.88	27,753.58	27,406.43	27,788.52	27,761.36	27,910.81	28,307.94	493,505.52	
0006001569 (MASEMOLA HIGH SCHO	277,515.17	30,458.04	30,095.11	30,488.40	30,464.79	30,654.82	31,064.74	460,741.08	
0006001095 (MATSUMANE SECONDA	302,913.96	24,924.32	24,610.40	24,956.65	24,931.51	25,062.63	25,422.36	452,821.82	
TOTALS	6,173,702.93	200,235.54	0.00	191,328.11	537,663.48	536,660.69	536,475.06	545,073.80	8,721,139.61

6.7 Intangible assets

	2026			2025		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 000 937	(1 369 255)	631 682	2 000 937	(1 033 331)	967 606
Work In Progress	0.00	0.00	0.00	0.00	0.00	0.00
	2 000 937	(1 369 255)	631 682	2 000 937	(1 033 331)	967 606

Reconciliation of intangible assets – 2026

	Opening balance	Additions	Disposal Cost	Amortisation	Total
Computer software	967 606	0.00	0.00	(335 924)	631 682
Work In Progress	0.00	0.00	0.00	0.00	0.00
	967 606	0.00	0.00	(335 924)	631 682

Reconciliation of intangible assets – 2025

	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	1 633 977	0.00	0.00	(666 372)	967 606
Work In Progress	0.00	0.00	0.00	0.00	0.00
	1 633 977	0.00	0.00	(666 372)	967 606

Other information

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality. No intangible assets were pledged as security for liabilities as at year end.

6.8 Investment Property

	2026			2025		
	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount	Cost/Valuation	Accumulated amortisation and accumulated impairment	Carrying Amount
Investment property	461 500	0.00	461 500	461 500	0.00	461 500
	461 500	0.00	461 500	461 500	0.00	461 500

Reconciliation of investment property- 2026

	Opening balance	Additions	Transfers	Amortisation	Total
Investment property	461 500	0.00	0.00	0.00	461 500
	461 500	0.00	0.00	0.00	461 500

Reconciliation of investment property - 2025

	Opening balance	Additions	Transfers	Amortisation	Total
Investment property	513 500	0.00	0.00	(77 789)	461 500
	513 500	0.00	0.00	(77 789)	461 500

Details of valuation

Investment property was valued by Montani Property Valuers, an independent professional valuer with registration number PTY2012/199862/07. The Municipal Valour has experience of properties within the jurisdiction of Makhuduthamaga Local Municipality. The valuation was based on an open market value for existing use:

Details of property

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 municipality. No revenue was earned from the investment property as the property is vacant land held for long term capital appreciation

No investment property was pledged as security for liabilities as at year end.

6.9 Property Plant and Equipment

Details	2026			2025		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 265 000	0.00	1 265 000	1 265 000	0.00	1 265 000
Land – Landfill Site	2 379 604	(1 587 973)	791 631	2 379 604	(1 579 390)	800 214
Buildings	74 439 464	(27 433 455)	47 006 009	74 439 464	(25 719 926)	30 945 333
Furniture and fixtures	10 694 727	(6 395 330)	4 299 397	10 546 236	(5 986 498)	4 559 738
Motor vehicles	58 196 468	(29 414 047)	28 782 421	58 196 468	(27 251 135)	30 945 333
Road Infrastructure	509 595 207	(216 553 734)	293 041 473	509 595 207	(205 476 980)	304 118 227
IT equipment	31 733 096	(19 006 456)	12 726 640	30 086 997	(17 512 134)	12 574 863
Loose tools	7 045 140	(3 844 718)	3 200 422	7 045 140	(3 547 582)	3 497 558
Community Halls	33 894 567	(11 289 901)	22 604 666	33 894 567	(10 557 498)	23 337 069
Capital work in progress	125 574 854	0.00	125 574 854	73 882 865	0.00	78 946 231
	854 818 128	(315 525 614)	539 292 515	801 331 548	(297 631 143)	503 700 405



(Figures in RSA Rand)

2026

2025

**Reconciliation of Property, Plant and Equipment -
2026**

Details	Opening balance	Additions	Disposals - Cost	Disposals - Depreciation	Transfers from WIP	Depreciation	Total
Land	1 265 000	-	-	-	-	-	1,265,000
Landfill Site Asset	800 214	-	-	-	-	(8 583)	791 631
Buildings	48 719 538	-	-	-	-	(1 713 529)	47 006 009
Furniture and Fixtures	4 559 736	148 492	-	-	-	(408 831)	4 299 397
Motor Vehicles	30 945 333	-	-	-	-	(2 162 912)	28 782 421
IT Equipment	12 574 863	1 646 099	-	-	-	(1 494 322)	12 726 639
Road Infrastructure	304 118 227	-	-	-	-	(11 076 754)	293 041 473
Other Assets - Loose tools	3 497 657	-	-	-	-	(297 136)	3 200 522
Community Assets	23 337 070	-	-	-	-	(732 403)	22 604 666
Capital Work in progress	73 882 864	51 691 990	-	-	-	-	125 574 854
TOTAL	503 700 504	53 486 581				(17 894 469)	539 292 615



MAKHUDUTHAMAGA
LOCAL MUNICIPALITY

LIM473 -

Budget and Treasury Office – Financial Management Report

2025/26

(Figures in RSA Rand)

2026

2025

Reconciliation of Property, Plant and Equipment – 2025

Details	Opening balance	Additions	Disposals - Cost	Disposals - Depreciation	Transfers from WIP	Depreciation	Total
Land	1 265 000	-	-	-	-	-	1 265 000
Landfill Site Asset	1 929 672	-	(1 089 253)	-	-	(40 205)	800 214
Buildings	47 499 841	-	-	-	4 637 278	(3 283 914)	48 719 538
Furniture and Fixtures	3 213 473	2 071 002	(673 239)	586 531	-	(725 551)	4 559 738
Motor Vehicles	21 196 461	13 351 561	(2 191 720)	2 191 720	-	(3 602 689)	30 945 333
IT Equipment	13 114 801	2 864 217	(3 091 249)	2 721 031	179 000	(3 212 938)	304 118 227
Road Infrastructure	326 091 339	-	-	-	-	(21 973 112)	12 574 862
Other Assets - Loose tools	3 276 618	803 500	(599 052)	555 378	-	(538 787)	3 497 658
Community Assets	24 789 934	-	-	-	-	(1 452 865)	23 337 069
Capital Work in progress	34 846 972	43 852 171	-	-	(4 816 278)	-	73 882 865
TOTAL	477 311 633	62 942 451	(6 555 260)	6 054 660	-	(34 830 061)	503 700 504

(Figures in RSA Rand)

2026

2025

6.10 Payables from exchange transactions

Trade Creditors	13 992 540	97 517 561
Income received in advance	1 161 768	1 122 695
Creditor: Ward committee	13 201	13 201
Accrued (SDL, UIF, PAYE, Salary, Party Levies, Pension)	5 319 950	5 147 106
Leave provision	10 662 183	10 662 183
Bonus provision	2 780 116	2 780 116
Unknown deposits	11 837	341 294
Retentions	28 473 374	28 169 292
Other creditor (Accrued -Employees Deductions)	377 950	375 572
SDM Water reticulation	3 388 632	6 447 153
Solidarity fund	207 534	207 534
	66 389 085	152 783 707

6.11 Unspent Conditional grants and receipts

Unspent conditional grants and receipts comprises of:

LG SETA Discretionary Grant	549 244	319 514
Financial Management Grant	1 075 820	-
DOE (Integrated National Electrification)	2 446 000	-
EPWP Grant	-	-
Municipal Infrastructure Grant	14 208 420	-
WRM(SDM)	-	-
Disaster Grant	9 160 000	-
	27 439 484	319 514

6.12 Revenue

The amount included in revenue arising from exchanges of goods or services are as follows:

Rental of facilities and equipment	111 493	262 732
Licences and permits	3 819 688	6 339 848
Interests earned on Bank & Investment accounts	1 055 461	2 852 208
Refuse Removal	191 920	387 783
Other Income	172 389	19 228 390
Gains on disposal of assets	9 252	825 423
Actuarial gain/Lo	-	349 909

(Figures in RSA Rand)

2026

2025

5 360 203

30 246 293

The amount included in revenue arising from non-exchange transactions is as follows:

Property rates	20 024 235	40 011 070
Interest on outstanding debtors	7 921 934	14 338 687
Traffic fines	420 740	2 162 350
Transfers and subsidies	59 353 121	465 717 500
Actuarial (Gain)/loss	-	8 557 357
Gain/loss on disposal of Assets	-	-
	87 720 030	530 853 530
	93 080 233	561 066 325

6.13 Defined benefit obligation

Post-employment Medical Aid Benefits	576 253	8 631 000
	576 253	8631 000

Long service awards

Long Service Awards Liability

Long service awards - current liability	903 000	903 000
Long service awards – Non -current liability	4 931 000	4 931 000
	5 834 000	5 834 000

6.14 Government grants and subsidies

Equitable share	271 185 000	363 154 000
Municipal Infrastructure Grant (MIG)	63 977 000	97 858 000
Finance Management Grant (FMG)	1 900 000	1 800 000
Integrated National Electrification (DOE Grant)	2 446 000	10 370 000
EPWP Grant	1 710 000	2 648 000
Disaster Grant	9 160 000	-
LGSETA	-	505 609
	350 378 000	476 335 609

(Figures in RSA Rand)

2026**2025****6.15 Interest on outstanding debtors**

Interest charged on trade and other receivables

7 921 934

14 338 687

7 921 934**14 338 687**

NB. All interests relates to property rates outstanding debts.

6.16 Property rates**Rates – revenue**

Commercial

3 003 635

6 001 330

State

16 019 388

32 007 096

Agricultural

1 001 212

2 000 444

20 024 235**40 011 070****6.17 Actuarial gain/ (Loss)**

Long service awards - Actuarial Gain/(Loss)

-

(29,909)

Post-employment medical aid - Actuarial gain/(Loss)

-

(320,000)

-

(349,909)**6.18 Traffic fines**

Traffic fines

781 950

1 931 700

781 950**1 931 700**

The municipality issued traffic fines to a total value of R 781 950.00 as at 31 December 2025, and the amount collected for the traffic fines as at 31 December 2025 is R 420 740.00 which is 54 % of the value amount of tickets issued as at end of the 31 December 2025.

6.19 Employee related costs

Basic

37 325 455

75 808 016

Bonus & P/Bonus

3 204 885

5 950 800

Medical aid - company contributions

3 338 384

6 593 499

UIF

224 458

505 603

SDL

537 383

1 075 569

Leave pay provision charge

236 953

1 096 234

Pension contribution

6 683 950

12 682 607

Overtime payments

831 830

1 629 307

Post-employment benefits costs

312 357

1 467 000

Car allowance

8 315 458

17 112 202

Housing benefits and allowances

2 116 357

4 197 618

(Figures in RSA Rand)

2026

2025

Bargaining Council	15 523	30 544
Clothing allowance	44 260	57 377
Cell phone allowance	1 590 337	3 070 994
Acting allowance	90 881	16 695
	66 608 833	131 294 065

Municipal Manager (Mr Moganedi R.M)

Basic salary	449 250	799 137
Travel allowance	224 625	399 569
Cell phone allowance	37 438	66 595
Contributions to medical aid	37 438	66 595
Travel Claim	7 952	
Basic B/P	-	314 269
Travel B/P	-	157 135
Cell B/P	-	26 189
Medical B/P	-	26 189
B/P non pensionable salary	-	20 340
Remote B/P	-	20 951
Contributions to UIF	1 063	2 125
SDL	7 346	18 389
SALGBE	75	143
Remote allowance	29 950	53 276
	795 137	1 970 903

Acting Chief Financial officer for BTO (Mr Mathabathe C.S.)

Acting allowance	-	2 507
Remote allowance	-	9 351
B/P Remote	-	-
B/P Cash gratuity	-	-
SDL	-	-
	-	11 858

(Figures in RSA Rand)

2026

2025

Chief Financial officer: Budget & Treasury (Mr Mothapo K.T)

Basic salary	302 694	434 681
B/P Basic	103 250	
Travel allowance	129 000	189 000
B/P Travel	24 000	
Cell phone	15 500	22 500
B/P Cell	4 000	
Travel claim	31 886	34 489
Housing	31 796	42 287
B/P Housing	28 833	
Medical aid contributions	25 500	36 000
B/P Medical	12 000	
UIF	1 063	1 594
SALGBE	75	108
SDL	6 007	6 000
Remote	20 180	28 979
B/P Remote	6 883	
	742 667	795 638

Senior manager: Corporate services (Mr Matsetse P.E)

Basic salary	323 807	618 502
Basic back pay	69 467	26 845
Travel allowance	110 534	206 167
Back pay travel	25 918	8 948
Cell phone	8 165	12 165
Back pay cell	15 737	528
Travel claim	30 928	57 025
Pension	46 905	90 919
Back pay pension	4 658	3 946
Medical aid contributions	50 267	103 084
Back pay medical	-	4 474
Acting allowance	-	3 943
UIF	1 063	2 125
SALGBE	75	143
SDL	6 592	10 948
Remote	21 587	41 234

(Figures in RSA Rand)

2026

2025

Back pay remote	4 631	1 790
Non pensionable salary	-	15 255
	720 335	1 208 041

Senior manager: Community services (Ms Mashao A.M)

Basic salary	323 807	618 502
Travel allowance	110 534	206 167
Cell phone	8 165	12 165
Pension	52 070	103 084
Travel claim	7 900	14 569
Medical aid contributions	45 103	90 919
B/P basic	69 469	26 845
B/P Travel	30 576	8 948
B/P cell	15 737	528
B/P pension	-	4 474
B/P medical	-	3 946
B/P non pensionable salary	-	15 255
B/P remote	4 631	1 790
UIF	1063	2 125
SALGBE	75	143
SDL	6 535	10 908
Remote	21 587	41 234
	697 252	1 161 602

Acting Senior Manager: Corporate services (Mrs Make M.M.)

B/P Acting allowance	-	-
B/P Remote	-	-
SDL	-	-
	-	-

Senior Manager: Infrastructure Development (Ms Lubisi NB)

Basic salary	289 787	568 775
Travel allowance	96 596	189 574
Cell allowance	24 149	47 402
Housing allowance	24 149	47 402
Medical aid	48 298	94 804

(Figures in RSA Rand)

2026

2025

	2026	2025
B/P basic	-	13 886
B/P travel	-	4 629
B/P Cell	-	1 157
B/P medical	-	2 314
B/P housing	-	1 157
B/P non pensionable salary	-	3 390
Travel claim	16 719	28 678
Acting allowance	-	-
SDL	4 104	8 283
UIF	1063	2 125
Remote	19 319	37 918
Acting Remote	-	-
SALGBE	75	143
B/P remote	-	926
	524 259	1 052 563

Senior Manager: Economic Development & Planning (Mrs Tong K.T)

Basic salary	302 694	338 085
B/P Basic	103 249	
Travel allowance	95 000	105 000
B/P Travel	40 000	
Pension	60 000	70 000
B/P Pension		
Travel claim	12 280	17 627
Medical aid contributions	43 796	50 390
B/P Medical	4 834	
Cellphone	3 000	
B/P Cellphone	24 000	
UIF	1 063	1 240
SALGBE	75	84
SDL	6 028	4 817
Remote	20 180	22 539
B/P Remote	6 883	
	723 081	609 782

Acting Senior Manager: Economic Development and Planning (Mrs Tong K.T)

Acting allowance	-	9 626
Remote	-	9 351
	-	-

(Figures in RSA Rand)

2026

2025

- 18 977

Senior Manager: Executive Manager (Mr Mampuru S.I)

Basic salary	193 192
Travel allowance	54 397
Cellphone Allowance	10 000
Pension	32 199
Housing Allowance	32 199
Travel claim	13 634
Medical aid contributions	-
UIF	709
SALGBE	-
SDL	3 043
Remote	12 879

352 252

6.20 Remuneration and allowances of councillors

Mayor	532 022	1 073 155
Council speakers	430 535	871 079
Executive Committee Members	2 864 916	5 479 345
Other councillors basic salary	5 539 274	11 450 005
Councillors pension contribution	1 363 352	1 953 509
Travel allowance	2 136 765	4 492 062
Travel claims	114 433	308 358
Cell phone allowance	1 062 000	2 198 381
Skills development levy	105 889	159 246
Data cards (61 councillors)	115 652	
	13 838 241	28 178 721

Remuneration and allowances of selected members of the council

Remuneration and allowances for the Cllr Maitula B.M

B/P basic	-	7615
B/P non pens	-	2986
SDL and Data card	-	106
	-	10 707

(Figures in RSA Rand)

2026

2025

Remuneration and allowances for the Cllr Mahlase M.M

Basic salary	342 612	895 873
Travel Allowance	105 096	
Cell phone allowance	23 502	47 004
Contributions to pension fund	56 752	111 006
SDL and Data card	4 060	8 564
	532 022	1 062 447

Remuneration and allowance for the council speaker Cllr Nkgadima M.J

Basic salary	358 168	728 210
Cell phone allowance	21 600	43 200
Contributions to pension	45 402	88 805
SDL and Data card	5 365	10 864
	430 535	871 079

Remuneration and allowances of members of the executive committee

Basic salary	1 633 025	3 317 720
Travel allowance	640 402	1 299 770
Cell phone allowance	216 000	432 000
Pension fund Medical & SDL	309 797	608 316
Travel claims and Data card	65 692	227 095
	2 864 916	5 884 901

The remuneration and allowances of the political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

**Related party transactions
Section 57 Employees**

(Figures in RSA Rand)

2026

2025

Municipal Manager: (Mr Moganedi R.M)	795 137	1 970 902
Senior Manager: Corporate Services (Mr Matsetse P.E)	720 334	1 208 041
Senior Manager: Community Services (Ms Mashao A.M)	697 252	1 161 602
Senior Manager: Budget & Treasury (CFO) (Mr Mothapo K.T)	742 667	795 638
Senior Manager: Economic Development & Planning (Mrs Tong K.T)	723 081	609 782
Senior Manager: Infrastructure Development (Ms Lubisi N)	524 259	1 052 563
Senior Manager: Executive Support (Mampuru S.I)	352 252	

4 554 982 **5 849 478**

South African Local Government Association

Annual membership fee

- -

- -

Councillors

Remuneration of Councillors

13 838 241 28 173 290

13 838 241 **28 173 290**

6.21 Depreciation and amortisation

Property, plant and equipment

17 894 469 34 830 061

Intangible assets

335 924 666 372

18 230 393 **35 496 433**

6.22 Assets impairment

Property, plant and equipment

- -

Intangible Assets

- -

Investment Property

- -

- -

6.23 Finance Costs

Interest cost: Employee benefit obligations

- 1 644 000

Interest cost: Landfill site provision

- 1 036 914

- **2 680 914**

6.24 Contracted Services

Repairs and Maintenance: Other Assets

43 336 671 14 913 900

(Figures in RSA Rand)**2026****2025**

Repairs and Maintenance: Infrastructure Assets	21 205 467	54 982 144
Operating Lease and Cash collection	6 534 965	7 353 107
Solid waste collection	11 357 700	17 448 805
Development of valuation roll	86 957	-
Cleaning and Security services & other	11 874 000	36 272 780
Publications, Spatial Planning & GIS	5 231 143	1 617 313
	99 626 903	132 588 049

6.25 Grants and subsidies paid

Indigents grants (Free Basic Electricity)	781 144	2 472 846
	781 144	2 472 846

6.26 Capital expenditure written-off (D Roads)

Property, Plant and Equipment	15 012 146	63 873 838
	15 012 146	63 873 838

6.27 General expenses

1. Advertising	806 418	2,494,458
2. Bank charges	105 627	249,089
3. Consulting and professional fees	2 012 712	4,703,725
4. Consumables	536 411	2,453,066
5. Entertainment	-	-
6. Insurance	1 922 331	3,370,374
7. IT operating expenses	-	738 940
8. Marketing		8,480,131
9. Promotions and sponsorships	639 925	8,682,064
10. Fleet Management & System	160 430	225,932
11. Fuel and oil	1 907 767	4,342,406
12. Staff welfare	-	-
13. Telephone and Fax	1 242 620	2,028,741
14. Training	915 573	3,046,210
15. Travel and accommodation	2 048 009	4,923,689
16. Spatial planning - demarcation of sites	-	-
17. Water and electricity	2 840 472	6,421,857
18. SMME Support	-	180,354
19. Sitting allowance ex-officio	-	-

(Figures in RSA Rand)

	2026	2025
20. Publications	901 739	1,617,313
21. Audit committee support	421 579	996,357
22. Bursary fund	2 325 884	3,973,791
23. Legal costs and Development of by-laws	782 866	13,309,879
24. Customer care	304 130	1,327,270
25. Financial System support	997 097	6,152,570
26. Vehicle tracking	61 231	121,613
27. Disaster relief fund	824 090	2,609,614
28. EPWP	4 112 736	7,852,005
29. NYDA	-	1 000 000
	40 190 912	86 309 456

6.28 Provision - Rehabilitation of Landfill Site

Opening Balance	9 717 660	8 037 416
Interest charged	1 036 913	918 000
Change in landfill closure provision	(1 089 252)	762 244
	9 665 321	9 717 660

The cost of rehabilitating the Landfill Site was determined to be R9,665,321 as at June 30, 2025 and the change in landfill closure provision was recognised as property, plant & equipment in the statement of financial position at the amount of R(1,089,252). A non-current liability of R9,665,321 was also recognised in the statement of the financial position for the year ended June 30, 2025.

6.29 Rental of facilities and equipment

Site rentals and facilities	111 493	21 111
	111 493	21 111

The amount for site rentals is for the advertising billboards from PRIMEDIA around Makhuduthamaga municipal area

6.30 Operating lease

The Municipality has entered into an operating lease with Velaphanda Trading & Projects for Photocopier machines for a period of three years.

The total future minimum operating lease payments payable under existing operating lease arrangements are categorised in the following categories:

(Figures in RSA Rand)

2026

2025

Within one year of the operating date	1 185 629	2 317 257
More than one year but less than five years of the reporting date	-	592 814
	1 185 629	2 910 071

6.31 COMMITMENT

CAPITAL COMMITMENTS	320 510 731.40
OPERATIONAL COMMITMENTS	160 765 491.09
TOTAL COMMITMENTS	481 276 222.49

6.32 Risk management

Financial risk management

The municipality'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.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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

Cash flow forecasts are prepared monthly and monitored.

2026	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Trade payables	13 992 540	-	-	-	13 992 540
Retentions	28 473 374	-	-	-	28 473 374
	42 465 914	-	-	-	42 465 914

(Figures in RSA Rand)

2026

2025

2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Trade payables	97 517 561	-	-	-	97 517 561
Retentions	28 169 292	-	-	-	28 169 292
	125 686 853	-	-	-	125 686 853

Credit risk

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

Financial instrument

2026	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Receivables from exchange transactions	6 799 071	-	-	-	6 799 071
Cash and cash equivalents	32 964 595				32 964 595
VAT receivables	8 298 031	-	-	-	8 298 031
	48 061 697	-	-	-	48 061 697

2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Receivables from exchange transactions	9 262 432	-	-	-	9 262 432
Cash and cash equivalents	4 394 220				4 394 220
VAT receivables	5 790 003	-	-	-	5 790 003
	19 446 655	-	-	-	19 446 655

(Figures in RSA Rand)

2026

2025

Market risk

Interest rate risk

The municipality's interest rate risk arises from short-term investments.

Concentration risk

Included in the payables there's an amount for retention which arises from projects which have been completed years ago which raises the concentration risk in a sense that should all those service providers appeal to the municipality claiming those retentions will the municipality be able to pay all that debt.

6.33 Unauthorised expenditure

Opening balance	-	30 511 957
Current year	-	-
Less amounts: written-off by council	-	(30 511 957)
	-	-

6.34 Fruitless and wasteful expenditure.

Opening balance	5 978 585	64 753
Current year	-	5 978 585
Recovered/written off by council	-	(64 753)
	5 978 585	5 978 585

6.35 Irregular expenditure

Opening balance	-	-
		1 537 829
Add: Irregular Expenditure - current year	-	-
Less: Amounts written-off by council	-	(1 537 829)
	-	-

6.36 Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Amount incurred current year	5 636 506	5 299 800
Amount paid - current year	(5 509 650)	(5 299 800)
	126 856	-

(Figures in RSA Rand)

2026**2025****PAYE and UIF**

Opening balance	2 157 501	2 137 876
Amount incurred current year	14 046 316	28 781 582
Amount paid - current year	(13 452 083)	(28 761 957)
	2 751 734	2 157 501

Pension and Medical Aid funds deductions

Opening balance	2 808 605	2 257 206
Amount incurred current year	17 228 696	32 960 430
Amount paid - current year	(17 139 946)	(32 409 031)
	2 897 355	2 808 605

TOP TEN CREDITORS

Supplier name	Project	Amount exclude VAT/VAT		Amount including VAT
1. Mawatle Business solutions	Cession : Construction of Cabrievie internal road	6 426 000.00	963 900.00	7 389 900.00
2. Mobile Batching	Cession: Construction of Cabrievie internal Road	2 062 288.00	309 343.20	2 371 631.20
3. Stonefound engineering solutions	Maintenance of Jane furse landfill site	1 498 297.83	224 744.67	1 723 042.50
4. Vanstone precast	Construction of cabrievie internal road	656 334.60	98 450.19	754 784.79
5. Tobc integration jv ngwanakgopa	Water reticulation network at tswaing village	534 710.01	80 206.50	614 916.51
6. Bra mesh group	Maintenance of yellow fleet	395 600.00	59 340.00	454 940.00
7. Winivox pty ltd	Procure i7 laptops	188 712.38	28 306.86	217 019.24
8. Karabelo enterprise projects	Lunch for MPAC public hearing	146 486.96	21 973.04	168 460.00
9. Sumi trading	Installation of traffic equipment	134 782.62	20 217.39	155 000.01
10. Auditor General	Audit fees	126 856.30	19 028.45	145 884.75

Number of invoices received**350****Number of invoices Paid****344**

6.37 Deviations as per section 36 of the SCM policy 2025/26 financial year.

The accounting officer may dispense with the official procurement processes established by SCM Policy and to procure any required goods which may include direct negotiations, but only –

(i) **In an emergency.**

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
TOTAL (Closing Balance as at 31st December 2025)				R 0.00

(ii) **If such goods or services are produced or available from a single provider only**

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
1.	04/07/2025	CCG System	Training for payroll training	R 174 018.00
TOTAL (Closing Balance as at 31st December 2025)				R 174 018.00

(iii) **In any other exceptional case where it is impractical or impossible to follow the official procurement processes; therefore, the below transactions are incurred.**

NO	Date	COMPANY NAME	DESCRIPTION	AMOUNT
1	01/07/2025	Renvest Properties	Student Accommodation	R 18 600.00
2	01/07/2025	Kingsway Place	Student Accommodation	R 31 075.00
3	01/07/2025	Focus 1	Student Accommodation	R 25 000.00
4	01/07/2025	Van Schaik Bookstore	Stationery	R 11 844.93

5	01/07/2025	Sefako Makgatho	Tuition Fees	R 88 742.28
6	02/07/2025	PNS Court	Student Accommodation	R 18 000.00
7	02/07/2025	Simonsberg	Student Accommodation	R 42 000.00
8	02/07/2025	Campus Central	Student Accommodation	R 37 000.00
9	02/07/2025	Van Schaik Bookstore	Stationery	R 12 077.71
10	02/07/2025	Eris Property Group	Student Accommodation	R 43 800.00
11	02/07/2025	KPA	Student Accommodation	R 36 885.00
12	03/07/2025	The Campus	Student Accommodation	R 39 000.00
13	03/07/2025	Ren Property	Student Accommodation	R 35 000.00
14	03/07/2025	Respublica Student Living	Student Accommodation	R 34 950.00
15	03/07/2025	Growth Point	Student Accommodation	R 26 750.00
16	03/07/2025	Van Schaik Bookstore	Stationery	R 24 880.84
17	03/07/2025	University of Pretoria	Tuition Fees	R 92 612.65
18	03/07/2025	University of Stellenbosch	Tuition Fees	R 229 879.52
19	04/07/2025	Van Schaik Bookstore	Stationery	R 30 941.71
20	04/07/2025	University of Pretoria	Tuition Fees	R 48 451.50
21	07/07/2025	Van Schaik Bookstore	Stationery	R 2 919.52
22	08/07/2025	Van Schaik Bookstore	Stationery	R 36 191.32
23	08/07/2025	University of Johannesburg	Tuition Fees	R 140 000.00

(Figures in RSA Rand)

2026

2025

24	09/07/2025	South Point Management	Student Accommodation	R 40 595.00
25	09/07/2025	University of Free State	Tuition Fees	R 86 249.55
26	10/07/2025	Wits	Tuition Fees	R 412 993.63
27	14/07/2025	Gateway	Student Accommodation	R 28 500.00
28	15/07/2025	Gateway	Student Accommodation	R 32 000.00
29	17/07/2025	Bookit	Stationery	R 745.00
30	21/07/2025	Tshwane University of Technology	Tuition Fees	R 139 365.00
31	29/07/2025	University of Johannesburg	Tuition Fees	R 152 062.56
32	29/07/2025	University of Cape Town	Tuition Fees	R 29 478.78
33	05/08/2025	University of Limpopo	Tuition Fees	R 89 790.00
34	07/08/2025	Bursaries		R 25 000.00
35	18/08/2025	RSE Electronics	Student Accommodation	R 1 217.39
36	26/08/2025	Ebenezer	Student Accommodation	R 12 500.00
37	03/09/2025	Bursaries	Bursary Holders	R 25 000.00
38	08/10/2025	Bursaries	Bursary Holders	R 25 000.00
39	19/11/2025	Wits School of Governance	Bursary Holders	R 62 000.00
40	28/11/2025	UNISA	Bursary Holders	R 31 824.00
41	26/11/2025	Bursars	Bursary Holders	R 25 000.00
42	23/12/2025	Bursars	Bursary Holders	R 25 000.00
TOTAL (Closing Balance as at 31st December 2025)				R 2 377 872.89

4. Contract Management

7.5.1 . SERVICE PROVIDERS STRATEGIC PERFORMANCE AS AT 31st DECEMBER 2025

Section 116(2) of the MFMA

(2) The accounting officer of a municipality or municipal entity must—

- (a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- (b) monitor on a monthly basis the performance of the contractor under the contract or agreement;
- (c) establish capacity in the administration of the municipality or municipal entity—
 - (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and
 - (ii) to oversee the day-to-day management of the contract or agreement; and
- (d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

The table below indicates service providers utilised according to functional areas:

MUNICIPAL MANAGER

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Multichoice DStv	Pay per view	Subscription to active internal television screen	Good	Good	N/A	Terminated
Re Basadi Creates (Pty) Ltd	3 Years	Provision of Marketing and Branding for a period of three (03) years	Good	Good	N/A	05/12/2026
Moetamoeletsi Investments (Pty) Ltd	3 Years	Provision of Social Media Services and SMSs for a period of three (03) years	Good	Good	N/A	05/12/2026

CORPORATE SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Telkom SA	3 Years	Provision of Telephone Services.	Good	Good	N/A	30/06/2027
Providence Software Solutions (Pty) Ltd	3 Years	Procurement of Electronic content digital system and maintenance plan.	Good	Good	N/A	08/12/2027
LCK Technologies	3 Years	Provision of maintenance and ICT systems and infrastructure.	Good	Good	N/A	28/09/2026
LCK Technologies	3 Years	LIM473/maintenance-access/22/23/043 Repair and Maintenance of access control.	Good	Good	N/A	21/04/2026
Segeru General Suppliers	3 Years	Provision of Printing and publication	Good	Good	N/A	12/09/2027
Regen Institute of Leadership JV Uan Projects	3 Years	Provision of Budget and treasury trainings.	Good	Good	N/A	Expired on the 30 th /10/2025
Dirane Trading (Pty) Ltd	3 Years	Provision of corporate, governance and admin trainings.	Good	Good	N/A	Expired on the 30 th /10/2025
Black Sky Investment and Holdings	3 Years	Provision of community services training.	Good	Good	N/A	Expired on the 30 th /10/2025
White Rock 75 Investment and Holdings	3 Years	Provision of infrastructural services training.	Good	Good	N/A	Expired on the 30 th /10/2025
Mahayi HRD Services	3 Years	Provision of planning and LED training.	Good	Good	N/A	Expired on the 30 th /10/2025
Marweshe Attorneys	3 Years	Provision of Civil litigation services.	Good	Good	N/A	Expired 04/12/2025
Kwena Mohlakoana attorneys	3 Years	Provision of commercial law services.	Good	Good	N/A	Expired 04/12/2025
Dr. LG Nemukongwe Incorporated	3 Years	Appointment of Occupational	Good	Good	N/A	16/05/2026

		Medicine Practitioner Services.				
Tabudi Komana Projects (Pty) Ltd	3 Years	Supply, delivery and installation of Fire System for registry office with maintenance plan.	Good	Good	N/A	19/10/2026
Melvin Margaret Enterprise & Winivox (Pty) Ltd JV	3 Years	Maintenance and support of IP Based CCTV Camera Surveillance System.	Good	Good	N/A	12/06/2027
Bonaledi Holdings (Pty) Ltd	3 Years	Renewal of Electronic document management system.	Good	Good	N/A	19/10/2026
Winivox (Pty) Ltd	3 Years	Supply and delivery of ICT equipment.	Good	Good	N/A	28/09/2026
M Patel Attorneys	3 Years	Provision of Civil Law litigation services.	Good	Good	N/A	05/12/2028
K Legodi Incorporated	3 Years	Provision of Labour Law litigation services.	Good	Good	N/A	05/12/2028

BUDGET AND TRASURY

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
ABSA Bank	5 Years	Provision of Banking services	Good	Good	N/A	05/09/2028
Montani Property Valuers (Pty) Ltd	5 years	Development and maintaining of property valuation roll for Makhuduthamaga Municipality.	Good	Good	N/A	30/06/2029
Pheladichuene Maintenance and General Supplier	3 Years	Provision of cleaning services	Good	Good	N/A	30/09/2026
Camelsa Consulting Group	3 Years	Provision of Integrated Financial System with support and maintenance	Good	Good	N/A	30/09/2028

Thlou Ya Di Thlou Security Services	3 Years	Provision of Security Services and access control services.	Good	Good	N/A	01/06/2028
Velaphanda Trading & Projects	3 Years	Provision of Lease for photocopy machines .	Good	Good	N/A	28/09/2026
G4S Cash Solutions (SA) (Pty) Ltd	3 Years	Provision of cash collection services.	Good	Good	N/A	31/10/2026
Bra Mesh Group (Pty) Ltd	3 Years	Provision of service, maintenance & repairs of yellow fleet.	Good	Good	N/A	31/10/2026
Cumo O Consulting	3 Years	Provision of Vetting System .	Good	Good	N/A	17/03/2027
Kunene Makopo Risk Solutions	3 Years	Provision of Short Term Comprehensive Insurance	Good	Good	N/A	12/06/2027
Fleet Horizon Solutions (Pty) Ltd	3 Years	Provision of tacking devices on all municipal vehicles with dash cam in and out.	Good	Good	N/A	01/09/2028
Fleet Horizon Solutions (Pty) Ltd	3 Years	Provision of tacking devices on all municipal vehicles.	Good	Good	N/A	Expired on the 31/08/2025
McDon Valor Group	3 Years	Supply and delivery of Stationery.	Good	Good	N/A	08/06/2026
Five Star Trading Enterprise	3 Years	Professional Auctioneer to provide auctioneering services.	Good	Good	N/A	31/05/2026
Pontsee Holdings (Pty) Ltd	3 Years	Supply and delivery of Tyres on all Municipal Fleet, Grader and Heavy Duty Trucks.	Good	Good	N/A	31/05/2026
Alex Construction, Maintenance & Air Conditioning Services	3 Years	Supply, Installation and maintenance of Air Conditioners with Three (03) years maintenance	Good	Good	N/A	16/11/2025 Expired – Project advertised and currently on

							Evaluation Stage.
Omega OS Segaswane Holdings (Pty) Ltd	3 Years	Provision of advertising agency	Good	Good	N/A		Expired 14/12/2025
Masa M Projects (Pty) Ltd	3 Years	Provision of Travel Agency.	Good	Good	N/A		31/10/2026

COMMUNITY SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Crystal Africa Venture (Pty) Ltd	3 Years	Supply and delivery of waste collection bags.	Good	Good	N/A	17/03/2027
Stonefound Engineering Solutions	3 Years	Maintenance of Landfill Site.	Good	Good	N/A	30/04/2028
4 Interconnect Project Developers	3 Years	Distribution of water services.	Good	Good	N/A	01/11/2025 Expired – Project advertised and currently on Evaluation Stage.
Deocon Business Enterprise	3 Years	Enviromental assessment for new landfill site	Good	Good	N/A	17/03/2027
Deocon Business Enterprise	3 Years	Enviromental assessment.	Good	Good	N/A	30/04/2028
Mampane Corporates (Pty) Ltd	3 Years	Supply and delivery of Blankets.	Good	Good	N/A	19/05/2027
Truvelo Africa Electronics division (Pty) Ltd	3 Years	Supply of Licenced K78 trailer with maintenance and support.	Good	Good	N/A	22/06/2026

(Figures in RSA Rand)

2026

2025

Environmental and Sustainability Solutions	3 Years	Provision for the final rehabilitation and disclosure costs for madibong landfill site.	Good	Good	N/A	22/06/2026
Tshwane Engineering and Hydraulic Supplies cc	3 Years	Supply and Installation of Temporary Shelters for disaster relief.	Good	Good	N/A	16/05/2027
Mahlako TM Holdings (Pty) Ltd	3 Years	Supply, delivery and Installation of Two speed measuring equipments for road safety management with three years maintenance	Good	Good	N/A	08/12/2027

INFRASTRUCTURE SERVICES

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
Jusben Engineering Services	3 Years	Repairs and Maintenance of All Municipal Electrical Infrastructure: Including Highmast, Traffic Lights, Streets Lights, and Lights on All Municipal Facilities.	Good	Good	N/A	08/12/2027
Kgwadi Ya Madiba General Trading & Projects	3 Years	Maintenance of roads and storm water within Makhuduthamaga Municipality.	Good	Good	N/A	19/11/2027
White Rock 75 Investment and Holdings	3 Years	Repairs and maintenance of Municipal facilities.	Good	Good	N/A	31/08/2026
Dikgale and Sebege Energies (Pty) Ltd	3 Years	Operation, repair, and maintenance of a sewage network pond	Good	Good	N/A	14/05/2028

		system Jane Furse(RDP), Ngwanamatlang Village .				
Dikgale and Sebege Ergies and Construction (Pty)Ltd	3 Years	Repairs and Maintenance of water and sanitation infrastructure at Jane Furse Cluster for the period of Three (3) years	Newley Appointed	Newley Appointed	N/A	07/11/2028
Black Sky Investment and Holdings (Pty) Ltd	3 Years	Repairs and Maintenance of water and sanitation infrastructure at Schoonord Cluster for the period of Three (3) years	Newley Appointed	Newley Appointed	N/A	07/11/2028
Millant Construction and Consulting Engineers (Pty) Ltd	3 Years	Design and Construction supervision of water and sanitation infrastructure within the Municipality for the period of three (3) years	Newley Appointed	Newley Appointed	N/A	07/11/2028
Pheladichuene Maintanace and General Projects	3 Years	Repairs and Maintenance of water and sanitation infrastructure at Phokoane Cluster for the period of Three (3) years	Newley Appointed	Newley Appointed	N/A	27/11/2028
Jusben Consulting Engineers	3 Years	Repairs and Maintenance of water and sanitation infrastructure at Masemola Cluster for the period of Three (3) years	Newley Appointed	Newley Appointed	N/A	27/11/2028

ECONOMIC DEVELOPMENT AND PLANNING

Description of service Rendered	Term Of Contract	Performance Areas	Performance Rating	Performance Comment	Corrective Measure	Contract Expiry Date
N/A		N/A		N/A		N/A

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY 31 DECEMBER 2025

Section 6.3 of the Supply chain management Policy” The Accounting Officer must, within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the executive committee”
Section 6.4 of the Supply Chain Management Policy” The reports must be made public in accordance with section 21A of the Municipal Systems Act”.

1. Adoption of SCM Policy
The Council has adopted an SCM policy in terms of SCM regulation 3
2. Staff Employed in SCM unit
The unit comprise of six filled posts.
3. Job descriptions
The posts have job descriptions
4. Implementation Plan for SCM
Detailed Procurement Plan has been developed. The plan is updated on daily basis and serves on monthly reports
5. Needs assessment.
Necessary needs assessment undertaken before each acquisition through user Dept.
6. Performance of Vendors
Performance of vendors performed regularly by the Contract management officer in consultation with the user department.

7. Monitoring of SCM Policy

SCM processes are independently monitored to ensure the SCM policy is followed and desired objectives are achieved

8. Threshold values

Threshold values contained in the SCM Policy are aligned with the values stipulated in regulation 12.

9. Municipal bid documents

Municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees. The documents made available for at least three days before the compulsory briefing date (if applicable).

10. Code of Conduct

All SCM Officials and Bid committee members have signed a Code of Conduct.

11. Invitations for bids.

All invitations for bids above R30 000 are advertised for at least 7 days on the website and official notice board (reg 18(a)).

12. In addition, all invitations for competitive bids are publically advertised

All invitations for competitive bids are publically advertised in newspapers commonly circulating locally (reg 22(1))

13. Training strategy for SCM practitioners

- Training strategy for SCM practitioners has been developed through corporate Services.
- SCM officials have completed a minimum requirement level (MFMP).

14. Bid Specification Committee.

Bid Specification Committee membership comply with regulation 27.

15. Bid Evaluation Committee

Bid Evaluation Committee membership comply with regulation 28.

16. Bid Adjudication Committee membership comply with regulation 29

Bid Adjudication Committee membership comply with regulation 29

17. Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor October not be a member of a bid adjudication committee

18. Circular 82 approved by council and implemented.