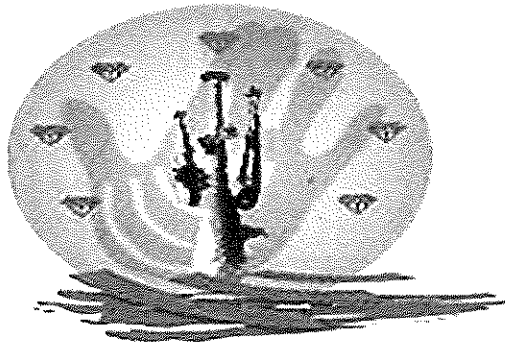


# **RICHTERSVELD**

## **MUNICIPALITY**



**MUNISIPALITEIT  
RICHTERSVELD  
MUNICIPALITY**

Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

## **ANNUAL FINANCIAL STATEMENTS**

### **30 JUNE 2024**

# RICHTERSVELD MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### GENERAL INFORMATION

#### ATTORNEYS

Tobie Kotze & Van Sitterts  
Schreuders  
Werksmans Attorney  
NSW Attorneys

#### RELEVANT LEGISLATION

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

#### MEMBERS OF THE RICHTERSVELD MUNICIPALITY

##### WARD

1  
2  
3  
4  
5  
6

##### COUNCILLOR

R Thomas  
M Fredericks  
C Sonamzi  
M Obies  
F Mabale  
C Knoph

**RICHTERSVELD MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 R	2023 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Taxation		10 653 710	34 986 463
Service Charges		27 731 555	19 987 162
Other Revenue		(3 657 255)	7 149 993
Government - Operating		29 994 833	28 285 506
Government - Capital		13 623 000	17 697 000
Interest		511 662	338 895
Cash payments			
Suppliers and Employees		(57 897 613)	(87 693 673)
Finance Charges		(4 528 584)	(6 317 055)
<b>Net Cash from Operating Activities</b>	<b>43</b>	<b>16 431 308</b>	<b>14 434 291</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(15 354 178)	(16 796 594)
Proceeds on Disposal of Fixed Assets		-	-
<b>Net Cash from Investing Activities</b>		<b>(15 354 178)</b>	<b>(16 796 594)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowing		(2 970 030)	(1 457 276)
<b>Net Cash from Financing Activities</b>		<b>(2 970 030)</b>	<b>(1 457 276)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1 892 900)</b>	<b>(3 819 579)</b>
Cash and Cash Equivalents at the beginning of the year		2 198 684	6 018 264
Cash and Cash Equivalents at the end of the year	<b>44</b>	<b>305 784</b>	<b>2 198 684</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1 892 900)</b>	<b>(3 819 579)</b>

	Community and public safety		Economic and environmental services		Trading Services				Other	Governance and Administration	Unallocated	Total
	R		R		Energy Sources	Water Management	Waste Water Management	Waste Management				
Taxation	(6 536 193)	(791 249)	(9 765 171)	8 250 631	(2 774 660)	(5 522 412)	(323 090)	7 370 711	(10 091 431)			
Surplus/(Deficit) after Taxation												
Attributable to Minorities												
Surplus/(Deficit) Attributable to Municipality	(6 536 193)	(791 249)	(9 765 171)	8 250 631	(2 774 660)	(5 522 412)	(323 090)	7 370 711	(10 091 431)			
Share of Surplus/(Deficit) of Associate												
Surplus/(Deficit) for the year	(6 536 193)	(791 249)	(9 765 171)	8 250 631	(2 774 660)	(5 522 412)	(323 090)	7 370 711	(10 091 431)			

	Community and public safety		Economic and environmental services		Trading Services				Other	Governance and Administration	Unallocated	Total
	R		R		Energy Sources	Water Management	Waste Water Management	Waste Management				
OTHER INFORMATION												
Segment Assets	-	-	-	-	-	-	-	-	-	215 275 629	215 275 629	
Segment liabilities	-	-	-	-	-	-	-	-	-	(127 407 377)	(127 407 377)	
Additions to non-current assets	-	-	-	-	-	-	-	-	-	-	-	
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	-	-	
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-	-	
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-	-	

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Revenue (including capital transfers and contributions)	103 413 832
Total Revenue as per Statement of Financial Performance	103 413 832
Difference	-

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Expenditure	(113 505 263)
Total Expenditure as per Statement of Financial Performance	(113 279 699)
Difference	(225 604)
Reconciling items	(225 711)
Gains/(Loss) on Sale of Fixed Assets	-
Impairment Loss	(225 711)

Reconciliation of the Statement of Financial Performance as at 30 June 2023 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus/(Deficit) for the year as per Segments	(10 091 431)
Surplus/(Deficit) for the year as per Statement of Financial Performance	(10 091 431)
Difference - as explained above	0

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Assets	215 275 629
Total Assets as per Statement of Financial Position	<u>215 275 629</u>

Difference

Management does not monitor assets per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Liabilities	(127 407 377)
Total Liabilities as per Statement of Financial Position	<u>(127 407 377)</u>

Difference

Management does not monitor liabilities per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

**RICHTERSVELD MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024**

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)		Virement (i.t.o. Council approved by-law)		Final Budget	Actual Outcome 2024	Actual Outcome as % of Final Budget
				R	R	R	R			
<b>ASSETS</b>										
<b>Current Assets</b>										
	17 965 132	(32 808 363)	(14 843 231)	-	-	-	-	(14 843 231)	305 784	-102%
Cash and cash equivalents	37 264 474	6 054 967	43 319 441	-	-	-	-	43 319 441	360 998	-98%
Trade and other receivables from exchange transactions	(27 635 995)	2 055 336	(25 780 659)	-	-	-	-	(25 780 659)	(533 560)	-98%
Receivables from non-exchange transactions	(468 705)	-	(468 705)	-	-	-	-	(468 705)	-	-100%
Current portion of non-current receivables	(147 115)	-	(147 115)	-	-	-	-	(147 115)	22 652	-115%
Inventory	-	-	-	-	-	-	-	-	5 661 046	100%
VAT	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>26 777 791</b>	<b>(24 698 060)</b>	<b>2 079 731</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 079 731</b>	<b>5 816 920</b>	<b>180%</b>
<b>Non-Current Assets</b>										
	19 080 509	-	19 080 509	-	-	-	-	19 080 509	7 309 342	-62%
Investment property	187 444 871	401 500	187 846 371	-	-	-	-	187 846 371	203 787 864	8%
Property, plant and equipment	(248 418)	-	(248 418)	-	-	-	-	(248 418)	-	-100%
Intangible assets	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>206 276 962</b>	<b>401 500</b>	<b>206 678 462</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206 678 462</b>	<b>211 097 206</b>	<b>2%</b>
<b>TOTAL ASSETS</b>	<b>233 054 753</b>	<b>(24 296 560)</b>	<b>208 758 193</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>208 758 193</b>	<b>216 914 126</b>	<b>4%</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
	1 731 719	-	1 731 719	-	-	-	-	1 731 719	2 970 030	100%
Financial liabilities	60 309 258	-	60 309 258	-	-	-	-	60 309 258	86 361 933	3%
Consumer deposits	473 681	-	473 681	-	-	-	-	473 681	56 760	43%
Trade and other payables from exchange transactions	3 474 394	-	3 474 394	-	-	-	-	3 474 394	4 935 338	-88%
Trade and other payables from non-exchange transactions	(4 156 308)	-	(4 156 308)	-	-	-	-	(4 156 308)	-	42%
Provisions	-	-	-	-	-	-	-	-	-	-100%
VAT	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>61 832 744</b>	<b>-</b>	<b>61 832 744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61 832 744</b>	<b>96 109 101</b>	<b>55%</b>
<b>Non-Current Liabilities</b>										
	339 835	-	339 835	-	-	-	-	339 835	1 306 563	284%
Borrowing	38 970 593	-	38 970 593	-	-	-	-	38 970 593	54 586 945	40%
Provisions	2 214 999	-	2 214 999	-	-	-	-	2 214 999	-	-100%
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>41 525 427</b>	<b>-</b>	<b>41 525 427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41 525 427</b>	<b>55 893 508</b>	<b>35%</b>
<b>TOTAL LIABILITIES</b>	<b>103 358 171</b>	<b>-</b>	<b>103 358 171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103 358 171</b>	<b>152 002 609</b>	<b>47%</b>
<b>NET ASSETS</b>										
	129 127 580	(24 296 560)	104 831 020	-	-	-	-	104 831 020	64 342 515	-39%
Accumulated Surplus/(Deficit)	569 002	-	569 002	-	-	-	-	569 002	569 001	0%
Reserves	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NET ASSETS</b>	<b>129 696 582</b>	<b>(24 296 560)</b>	<b>105 400 022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105 400 022</b>	<b>64 911 517</b>	<b>-38%</b>

**RICHTERSVELD MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget		Actual Outcome	Actual Outcome as % of Final Budget
						R	%		
<b>REVENUE</b>									
Exchange Revenue	23 802 364	(221)	23 802 143	-	-	23 802 143	15 697 757	-34%	
Service charges - Electricity	7 046 778	(1 502 324)	5 544 454	-	-	5 544 454	4 162 041	-25%	
Service charges - Water	4 510 396	(139 284)	4 371 112	-	-	4 371 112	2 633 150	-40%	
Service charges - Waste Water Management	3 572 046	(586 775)	2 985 271	-	-	2 985 271	2 501 562	-16%	
Service charges - Waste Management	530 000	791 256	1 321 256	-	-	1 321 256	1 153 620	-13%	
Sale of Goods and Rendering of Services	101 780	66 240	170 000	-	-	170 000	140 571	-17%	
Agency services	7 672 129	(164 784)	7 507 345	-	-	7 507 345	7 183 879	-4%	
Interest earned from Receivables	246 395	499 743	746 128	-	-	746 128	511 662	-31%	
Interest earned from Current and Non Current Assets	134 771	-	134 771	-	-	134 771	400 790	197%	
Rent on Land	2 639 669	(2 167 269)	472 400	-	-	472 400	345 636	-55%	
Rental from Fixed Assets	636	29 364	30 000	-	-	30 000	24 951	-17%	
Licence and permits	496 011	(410 805)	85 206	-	-	85 206	70 815	-17%	
Operational Revenue	20 018 336	(4 984 994)	15 033 342	-	-	15 033 342	20 568 803	37%	
Non-Exchange Revenue	126 140	(116 140)	10 000	-	-	10 000	4 174	-58%	
Property rates	8 904	(8 904)	-	-	-	-	32 171 045	6%	
Fines, penalties and forfeits	30 071 000	152 640	30 223 640	-	-	30 223 640	3 905 594	8%	
Licences or permits	1 544 664	2 055 336	3 600 000	-	-	3 600 000	9 641 853	-34%	
Transfer and subsidies - Operational	14 712 170	(5 070 317)	9 641 853	-	-	9 641 853	6 410 813	-34%	
Interest	-	-	-	-	-	-	-	#DIV/0!	
Operational Revenue	117 657	-	117 657	-	-	117 657	-	-100%	
Gains on disposal of Assets	-	-	-	-	-	-	-	-	
Other Gains	-	-	-	-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>47 216</b>	<b>(11 557 233)</b>	<b>106 094 578</b>	<b>-</b>	<b>-</b>	<b>106 094 578</b>	<b>97 886 352</b>	<b>-8%</b>	
<b>EXPENDITURE</b>									
Employee related costs	36 372 200	2 515 975	38 888 175	-	-	38 888 175	39 039 000	0%	
Remuneration of councillors	4 881 707	113 000	4 994 707	-	-	4 994 707	5 302 192	6%	
Bulk purchases - electricity	13 240 259	10 759 741	24 000 000	-	-	24 000 000	20 201 722	-16%	
Inventory consumed	4 652 500	(3 507 855)	1 344 645	-	-	1 344 645	691 794	-49%	
Debt impairment	12 004 476	-	12 004 476	-	-	12 004 476	19 931 317	66%	
Depreciation and amortisation	12 995 771	-	12 995 771	-	-	12 995 771	13 046 236	0%	
Interest	3 807 648	6 235 507	10 043 155	-	-	10 043 155	9 571 095	-5%	
Contracted services	10 599 392	(4 974 006)	5 625 386	-	-	5 625 386	6 731 869	20%	
Irrecoverable debts written off	1 640 574	-	1 640 574	-	-	1 640 574	2 094 528	28%	
Operational costs	18 079 413	1 149 960	19 229 373	-	-	19 229 373	16 976 475	-12%	
Other Losses	275 279	-	275 279	-	-	275 279	443 552	61%	
<b>Total Expenditure</b>	<b>47 217</b>	<b>12 292 322</b>	<b>131 041 541</b>	<b>-</b>	<b>-</b>	<b>131 041 541</b>	<b>134 029 580</b>	<b>2%</b>	
<b>Surplus/(Deficit)</b>	<b>(1 097 403)</b>	<b>(23 649 560)</b>	<b>(24 946 963)</b>	<b>-</b>	<b>-</b>	<b>(24 946 963)</b>	<b>(36 143 228)</b>	<b>45%</b>	
Transfers and subsidies - capital (monetary allocations)	17 726 000	(522 000)	17 204 000	-	-	17 204 000	13 565 000	-21%	
Transfers and subsidies - capital (in-kind - all)	-	75 000	75 000	-	-	75 000	-	-	
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>	<b>16 628 597</b>	<b>(24 296 560)</b>	<b>(7 667 963)</b>	<b>-</b>	<b>-</b>	<b>(7 667 963)</b>	<b>(22 578 228)</b>	<b>194%</b>	
Taxation	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after Taxation</b>	<b>16 628 597</b>	<b>(24 296 560)</b>	<b>(7 667 963)</b>	<b>-</b>	<b>-</b>	<b>(7 667 963)</b>	<b>(22 578 228)</b>	<b>194%</b>	
Attributable to Minorities	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) Attributable to Municipality</b>	<b>16 628 597</b>	<b>(24 296 560)</b>	<b>(7 667 963)</b>	<b>-</b>	<b>-</b>	<b>(7 667 963)</b>	<b>(22 578 228)</b>	<b>194%</b>	
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) for the year</b>	<b>16 628 597</b>	<b>(24 296 560)</b>	<b>(7 667 963)</b>	<b>-</b>	<b>-</b>	<b>(7 667 963)</b>	<b>(22 578 228)</b>	<b>194%</b>	

**RICHTERSVELD MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024**

Notes	Original Budget	Budget Adjustments (i.t.o. s29 and s31 of the MFMA)		Final Adjustment Budget		Shifting of Funds (i.t.o. s31 of the MFMA)		Virement (i.t.o. Council approved by-law)		Final Budget		Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	R	R	2024		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>													
<b>Receipts</b>													
Taxation	21 225 583	(6 030 717)	15 194 866	-	-	-	-	-	-	15 194 866	10 653 710	-29,89%	
Service Charges	55 082 497	(13 584 363)	41 498 134	-	-	-	-	-	-	41 498 134	27 731 555	-33,17%	
Other Revenue	4 287 435	(1 773 802)	2 513 633	-	-	-	-	-	-	2 513 633	(3 657 255)	-245,50%	
Government - Operating	19 517 239	3 179 557	22 696 796	-	-	-	-	-	-	22 696 796	29 994 833	32,15%	
Government - Capital	17 726 000	(522 000)	17 204 000	-	-	-	-	-	-	17 204 000	13 623 000	-20,81%	
Interest	3 573 979	(2 827 851)	746 128	-	-	-	-	-	-	746 128	511 662	100,00%	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Payments</b>													
Suppliers and Employees	(87 918 603)	(4 365 795)	(92 284 398)	-	-	-	-	-	-	(92 284 398)	(57 897 613)	-37,26%	
Finance costs	(3 807 648)	(6 235 507)	(10 043 155)	-	-	-	-	-	-	(10 043 155)	(4 528 584)	-54,91%	
Transfers and Grants	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net Cash from/(used) Operating Activities</b>	<b>29 686 482</b>	<b>(32 160 478)</b>	<b>(2 473 996)</b>	<b>-</b>	<b>-</b>	<b>(2 473 996)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 473 996)</b>	<b>16 431 308</b>	<b>-764,16%</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>													
<b>Receipts</b>													
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Debtors	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease/(Increase) in Other Non-Current Receivables	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Payments</b>													
Capital Assets	(17 986 000)	(401 500)	(18 387 500)	-	-	-	-	-	-	(18 387 500)	(15 354 178)	-16,50%	
<b>Net Cash from/(used) Investing Activities</b>	<b>(17 986 000)</b>	<b>(401 500)</b>	<b>(18 387 500)</b>	<b>-</b>	<b>-</b>	<b>(18 387 500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18 387 500)</b>	<b>(15 354 178)</b>	<b>-16,50%</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>													
<b>Receipts</b>													
Short Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	
Increase/(Decrease) in Consumer Deposits	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Payments</b>													
Repayment of Borrowing	-	-	-	-	-	-	-	-	-	-	(2 970 030)	100,00%	
<b>Net Cash from/(used) Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 970 030)</b>	<b>100,00%</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>11 700 482</b>	<b>(32 561 978)</b>	<b>(20 861 496)</b>	<b>-</b>	<b>-</b>	<b>(20 861 496)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20 861 496)</b>	<b>(1 892 900)</b>	<b>-80,93%</b>	
Cash and Cash Equivalents at the year begin:	6 018 265	-	6 018 265	-	-	6 018 265	-	-	-	6 018 265	2 198 684	-63,47%	
Cash and Cash Equivalents at the year end:	17 718 747	(32 561 978)	(14 843 231)	-	-	(14 843 231)	-	-	-	(14 843 231)	305 784	-102,06%	