

**Malkerns Town Board**  
Financial statements  
for the year ended 31 March 2021



*Kobla Quashie and Associates*

CHARTERED ACCOUNTANTS (ES)

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## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### General Information

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<b>Country of incorporation and domicile</b>	Eswatini
<b>Councillors</b>	Cllr. Similo Mavimbela - Chairperson-Deceased Cllr. Petros Vilakati - Vice Chairperson Cllr. Bongani Mabuza - Member Cllr. Banele Dlamini - Member Cllr. Philip Lorentz - Member Cllr. Billee Fitz Patrick - Member Cllr. Kenneth Mngomezulu- Member
<b>Senior Management</b>	Appolo Maphalala- Town Clerk Appointed July 2021 Ernest M.Dlamini-Town Treasurer Appointed July 2021
<b>Business address</b>	Portion 59 of Farm 65, Mahlanya-Luyengo road
<b>Postal address</b>	P.O. Box 100 Malkerns Eswatini
<b>Bankers</b>	Standard Bank (Eswatini) Limited
<b>Auditors</b>	Kobla Quashie and Associates Chartered Accountants (Eswatini)



# Malkerns Town Board

Financial Statements for the year ended 31 March 2021

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## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Councillors' Responsibilities and Approval

The Councillors are required by Section 102(3) of the Urban Local Government Act, 1969 and Section 93 of the Urban Government Financial Reporting Regulations of 1969 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the board as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.



The Councillors acknowledge that they are ultimately responsible for the system of internal financial control established by the board and place considerable importance on maintaining a strong control environment. To enable the Councillors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss 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 board and all employees are required to maintain the highest ethical standards in ensuring the board's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the board is on identifying, assessing, managing and monitoring all known forms of risk across the board. While operating risk cannot be fully eliminated, the board endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Councillors have reviewed the board's cash flow forecast for the year ending 31 March 2022 and, in the light of this review and the current financial position, they are satisfied that the board has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the board's annual financial statements. The annual financial statements have been examined by the board's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 19, which have been prepared on the going concern basis, were approved by the Councillors on 10 September 2021 and were signed on its behalf by:

  
Cllr. Petros Makati-Vice Chairperson  
Ernest Dlamini-Town Treasurer  
Appolo Maphalala-Town Clerk





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## **Independent Auditors' Report**

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**To the members of Malkerns Town Board**

### ***Opinion***

We have audited the financial statements of Malkerns Town Board, which comprise the statement of financial position as at 31 March 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the town board as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by Section 102(3) of the Urban Local Government Act, 1969 and Section 93 of the Urban Government Financial Reporting Regulations Act of 1969.

### ***Emphasis of matter***

Without qualifying our opinion, we draw attention to an amount of E4, 382,913.00 which is related to rate debtors that have been outstanding since 2016. This amount forms part of the total debtors as at 31 March 2021, as disclosed in note 3.

### ***Responsibilities of the Councillors and Those Charged with Governance for the Financial Statements***

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the councillors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Councillors either intend to liquidate the council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the council's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

**Partners: Kobla Quashie (Chairman), Daniel Bediako (Managing), Farai Machakata**

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Supplementary Information**

The supplementary schedules set out on page 20 do not form part of the financial statements and are presented as additional information.



**Kobla Qwashi and Associates**  
**Chartered Accountants (Eswatini)**  
**Manzini**  
**Registered Auditor: Daniel Bediako**

**10 September, 2021**



## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Statement of Financial Position

Figures in Lilangeni	Note(s)	2021	2020
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	4,698,775	2,508,773
<b>Current Assets</b>			
Trade and other receivables	3	21,120,678	39,892,855
Cash and cash equivalents	4	40,155,256	7,813,356
		<b>61,275,934</b>	<b>47,706,211</b>
<b>Total Assets</b>		<b>65,974,709</b>	<b>50,214,984</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Capital Reserves	5	5,687,323	2,859,904
Designated funds	6	6,758,038	871,171
Accumulated funds		52,867,600	45,893,077
		<b>65,312,961</b>	<b>49,624,152</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	661,748	590,832
<b>Total Equity and Liabilities</b>		<b>65,974,709</b>	<b>50,214,984</b>



## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Statement of Comprehensive Income

Figures in Lilangeni	Note(s)	2021	2020
Revenue		14,900,683	13,896,678
Other income		241,169	202,075
Operating expenses		(8,615,426)	(5,974,106)
<b>Operating surplus</b>		<b>6,526,426</b>	<b>8,124,647</b>
Investment revenue		448,097	745,639
<b>Profit for the year</b>		<b>6,974,523</b>	<b>8,870,286</b>
Other comprehensive income		-	-
<b>Surplus</b>		<b>6,974,523</b>	<b>8,870,286</b>
		6,974,523	8,870,286





## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Statement of Cash Flows

Figures in Lilangeni	Note(s)	2021	2020
<b>Cash flows from operating activities</b>			
Cash generated from operations	8	31,893,803	(716,909)
Interest income		448,097	745,639
<b>Net cash from operating activities</b>		<b>32,341,900</b>	<b>28,730</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(2,827,419)	(1,108,497)
<b>Cash flows from financing activities</b>			
Movement in capital reserves	5	2,827,419	928,292
<b>Total cash movement for the year</b>		<b>32,341,900</b>	<b>(151,475)</b>
Cash at the beginning of the year		7,813,356	7,964,832
<b>Total cash at end of the year</b>	4	<b>40,155,256</b>	<b>7,813,357</b>



## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Accounting Policies

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#### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared on the historical cost basis as modified by the revaluation of land and buildings, and incorporate the principal accounting policies set out below. They are presented in Emalangeni.

These accounting policies are consistent with the previous period.

##### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

##### 1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the town board; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Property, plant and equipment are depreciated on the over their expected useful lives to their estimated residual value.

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

Item	Average useful life
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## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Accounting Policies

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#### 1.2 Property, plant and equipment (continued)

Tools and equipment	10%
Furniture and fixtures	10%
Motor vehicles	25%
Office equipment	10%
Modular Offices	10%
Computer equipment	33.33%
Waste stationed equipment	10%
High mast streetlights	10%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

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

Assets which the (company/group) holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

#### 1.3 Financial Instruments

##### Initial recognition and measurement

The board classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

##### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

##### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.





# Malkerns Town Board

Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

### 1.5 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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.

### 1.6 Government grants

Government grants are recognised when there is reasonable assurance that:

- the town board will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

### 1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business.

Revenue is mainly derived from Government subventions, rates levied in terms of the Ratings Act 1995 and service charges. These are accounted for on an accrual basis.

#### Government Capital

Government grants for carrying capital projects are not charged against the cost of the capital projects but are accumulated in the capital gifts and grants account.

#### Government Subvention

Government rates revenue grants are netted off against the cost of the capital projects but are accumulated in the capital gifts and grants account.

#### Rates Income

Rates income is levied on all rateable properties of the Board based on values extracted from the valuation roll and amended when a supplementary valuation roll is prepared.

#### Interest Income

Interest is recognised on an accrual basis unless collectibility is in doubt.





## **Malkerns Town Board**

Financial Statements for the year ended 31 March 2021

### **Accounting Policies**

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#### **1.8 Government grant**

Government grants are recognised when there is reasonable assurance that:

- the board will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Government grants related to assets, including non monetary grants at fair value, are presented in the balance sheet by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.



## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Notes to the Financial Statements

Figures in Lilangeni

2021

2020

#### 2. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	363,133	(126,551)	236,582	363,133	(100,264)	262,869
Motor vehicles	1,758,108	(1,025,305)	732,803	1,572,440	(796,510)	775,930
Office equipment	279,326	(37,083)	242,243	127,516	(15,790)	111,726
Modular offices	510,124	(114,116)	396,008	510,124	(70,115)	440,009
Computer equipment	207,829	(145,517)	62,312	201,079	(116,386)	84,693
High mast streetlights	2,987,704	(238,197)	2,749,507	504,513	(21,021)	483,492
Waste stationed equipments	137,693	(59,824)	77,869	137,693	(11,474)	126,219
Tools and equipment	285,026	(83,575)	201,451	285,026	(61,191)	223,835
<b>Total</b>	<b>6,528,943</b>	<b>(1,830,168)</b>	<b>4,698,775</b>	<b>3,701,524</b>	<b>(1,192,751)</b>	<b>2,508,773</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	262,869	-	(26,287)	236,582
Motor vehicles	775,930	185,668	(228,795)	732,803
Office equipment	111,726	151,810	(21,293)	242,243
Modular offices	440,009	-	(44,001)	396,008
Computer equipment	84,693	6,750	(29,131)	62,312
High mast streetlights	483,492	2,483,191	(217,176)	2,749,507
Waste stationed equipments	126,219	-	(48,350)	77,869
Tools and equipment	223,835	-	(22,384)	201,451
	<b>2,508,773</b>	<b>2,827,419</b>	<b>(637,417)</b>	<b>4,698,775</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	292,076	-	(29,207)	262,869
Motor vehicles	676,967	286,086	(187,123)	775,930
Office equipment	55,656	66,967	(10,897)	111,726
Modular offices	488,899	-	(48,890)	440,009
Computer equipment	59,696	56,610	(31,613)	84,693
High mast streetlights	-	504,513	(21,021)	483,492
Waste stationed equipment	-	137,693	(11,474)	126,219
Tools and equipment	186,476	56,628	(19,269)	223,835
	<b>1,759,770</b>	<b>1,108,497</b>	<b>(359,494)</b>	<b>2,508,773</b>



## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Notes to the Financial Statements

Figures in Lilangeni	2021	2020
<b>3. Trade and other receivables</b>		
Trade receivables	21,118,644	39,888,339
Salary advance	2,034	4,516
	<b>21,120,678</b>	<b>39,892,855</b>

Included in the trade and receivables is an amount of E4,382,913.00 that has been outstanding since 2016. No legal proceedings has been taken as per section 32 of the Rating Act, 1995.

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Standard Bank Eswatini Limited- Current account	453,006	135,069
Standard Bank Eswatini Limited-Capital projects account	9,812,517	4,185,164
Standard Bank Eswatini Limited- Call account 1	29,880,670	3,488,693
Petty cash	9,063	4,430
	<b>40,155,256</b>	<b>7,813,356</b>

### 5. Capital Reserves

Balance brought forward	2,859,903	1,931,612
Addition	2,827,419	928,291
	<b>5,687,322</b>	<b>2,859,903</b>

The Capital reserve additions arise from the purchase of motor vehicle and Installation of street Illuminaires (Street lights) out of capital grants received from the Government of Eswatini.

Capital reserves	5,687,323	2,859,904
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### 6. Designated funds

	Opening balance	Additions during the year	Utilised during the year	Closing balance
Government of Eswatini-Capital grants	871,172	6,000,000	(2,827,419)	4,043,753
Covid-19 Relief	-	2,714,286	-	2,714,286
	<b>871,172</b>	<b>8,714,286</b>	<b>(2,827,419)</b>	<b>6,758,039</b>

The designated funds represent funds from the Government of Eswatini earmarked for future projects.

### 7. Trade and other payables

Trade payables	473,744	489,799
Accrued leave pay	143,004	56,033
Accrued audit fees	45,000	45,000
	<b>661,748</b>	<b>590,832</b>



## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Notes to the Financial Statements

Figures in Lilangeni	2021	2020
<b>8. Cash generated from operations</b>		
Profit before taxation	6,974,523	8,870,286
<b>Adjustments for:</b>		
Depreciation and amortisation	637,417	359,494
Interest received	(448,097)	(745,639)
Transfer to capital reserves	(2,827,419)	(928,292)
Transfer to designated fund	8,714,286	-
Debtors write off	-	(31,115)
<b>Changes in working capital:</b>		
Trade and other receivables	18,772,177	(8,582,140)
Trade and other payables	70,916	340,497
	<b>31,893,803</b>	<b>(716,909)</b>

### 9. Comparative figures

Certain comparative figures have been reclassified to afford a proper comparison.





## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Detailed Statement of Financial Performance

Figures in Lilangeni	Note(s)	2021	2020
<b>Revenue</b>			
Rates		14,324,727	13,376,678
Eswatini Government Subvention		466,266	520,000
CLGF Grant		109,690	-
		<b>14,900,683</b>	<b>13,896,678</b>
<b>Other income</b>			
Advertising		107,964	89,415
Interest received		448,097	745,639
Licences and permits		20,650	13,620
Market fees		48,431	40,847
Rates clearance fees		920	900
Scrutiny fees		8,260	9,310
Solid waste removal fees		21,174	5,997
Subdivisions		5,320	6,280
Tender Fees		28,450	35,706
		<b>689,266</b>	<b>947,714</b>
<b>Operating expenses</b>			
Advertising		361,166	337,393
Auditors remuneration		45,000	45,000
Bank charges		39,834	24,816
Cleaning		22,293	35,323
Community events		807,578	323,174
Computer consumables		33,455	22,827
Consulting and professional fees		597,702	212,890
Councillors remuneration		397,550	464,847
Courier and postage		704	476
Depreciation		637,417	359,494
Electricity and Water		74,116	45,446
Employee costs		2,675,794	2,265,185
Equipment and tools		36,109	21,479
Hospitality		115,442	63,808
Insurance		168,526	115,769
Legal expenses		70,898	47,800
Marketing and communication expenses		3,763	7,915
Motor vehicle expenses		378,717	146,389
Printing and stationery		57,311	42,243
Protective clothing		100,211	104,921
Refuse collection		256,503	199,857
Rent paid		122,132	105,615
Repairs and maintenance		301,254	152,803
Road maintenance		63,049	92,063
Security expenses		464,774	144,945
Strategic plan- budget		363,813	251,982
Subscriptions		72,381	77,374
Telephone and fax		132,255	107,570
Training expenses		24,674	52,375



## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Detailed Statement of Financial Performance

Figures in Lilangeni	Note(s)	2021	2020
Travelling expenses		191,005	102,327
		<b>8,615,426</b>	<b>5,974,106</b>
<b>Surplus for the year</b>		<b>6,974,523</b>	<b>8,870,286</b>

## Malkerns Town Board

Financial Statements for the year ended 31 March 2021



### Detailed Statement of Financial Performance - Budget Vs Actual

Figures in Lilangeni	Budget	Actual	Variance
<b>Income</b>			
Rates revenue	15,761,355	14,324,727	1,436,628
Government subvention	520,000	466,266	53,734
CLGF Grant	-	109,690	109,690
	<b>16,281,355</b>	<b>14,900,683</b>	<b>1,490,362</b>
<b>Other Income</b>			
Advertising income	51,750	107,964	(56,214)
Collection fee	1,250	920	330
Interest received	547,987	448,097	99,890
Licences and permits	24,960	20,650	4,310
Market fees	57,600	48,431	9,169
Scrunity fees	57,000	8,260	48,740
Solid waste removal fees	34,140	21,174	12,966
Subdivisions	-	5,320	(5,320)
Tender Fees	15,000	28,450	(13,450)
	<b>789,687</b>	<b>689,266</b>	<b>100,421</b>
Advertising	555,507	361,166	194,341
Auditors remuneration	55,000	45,000	10,000
Bank charges	42,000	39,834	2,166
Cleaning	105,352	22,293	83,059
Community events	3,052,050	807,578	2,244,472
Computer consumables	86,950	33,455	53,495
Consulting and professional fees	1,855,000	597,702	1,257,298
Councillors remuneration	523,128	397,550	125,578
Courier and postage	5,375	704	4,671
Depreciation	-	637,417	(637,417)
Electricity and Water	74,400	74,116	284
Employee costs	5,700,838	2,675,794	3,025,044
Equipment and tools	34,650	36,109	(1,459)
Hospitality expenses	108,852	115,442	(6,590)
Insurance	152,400	168,526	(16,126)
Legal expenses	72,000	70,898	1,102
Marketing and communication expenses	518,870	3,763	515,107
Motor vehicle repairs & maintenance	571,920	378,717	193,203
Printing and stationery	148,029	57,311	90,718
Protective clothing	127,252	100,211	27,041
Refuse collection	246,000	256,503	(10,503)
Rent paid	115,200	122,132	(6,932)
Repairs and maintenance	233,250	301,254	(68,004)
Security	459,800	464,774	(4,974)
Strategic plan -budget	196,500	363,813	(167,313)
Subscriptions	88,370	72,381	15,989
Telephone and fax	169,000	132,255	36,745
Training & team building	234,650	24,674	209,976
Travelling expenses	250,700	191,005	59,695
Upgrading road pavements	74,750	63,049	11,701
	<b>15,857,793</b>	<b>8,615,426</b>	<b>7,242,367</b>
<b>Surplus for the year</b>	<b>1,213,249</b>	<b>6,974,523</b>	<b>(5,651,584)</b>



## Malkerns Town Board

Financial Statements for the year ended 31 March 2021

### Supplementary Information

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#### 1. Subvention

Eswatini Government	466,266
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#### 2. Auditors remuneration

Kobla Quashie and Associates	45,000
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#### 3. Rent paid

Mgijija Properties	122,132
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#### 4. Subscriptions

Amicaal	12,500
Imfo	12,000
Pastel Sage	21,602
Siga	10,379
Swalga	12,500
Times of Eswatini	3,400
	<b>72,381</b>

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#### 5. Legal expenses

SV. Mdladla and Associates	70,898
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