Malkerns Town Council

Financial statements
for the year ended 31 March 2025

Kobla Quashie and Associates
CHARTERED ACCOUNTANTS (ES)

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General Information

Country of incorporation and domicile	Eswatini
Councillors	Cllr. Bongani M. Mabuza - Chairperson Cllr. Kevin Charles-Vice Chairperson Cllr. Thokozane Zwane - Member Cllr. Sipho Shongwe - Member Cllr. Kenny Kunene - Member Cllr. Billee Fitz Patrick - Member Cllr. Mbuso Dlamini- Member Cllr. Makhosazana Nxumalo- Member
Senoir Management	Cinisela Dlamini - Town Clerk Nokuthula Mkhonta-Town Treasurer (Resigned January 2025) Philile Khumalo - Acting Town Treasurer
Business address	Portion 59 of Farm 65, Mahlanya-Luyengo road
Postal address	P.O. Box 100 Malkerns Eswatini
Bankers	Standard Bank (Eswatini) Limited
Auditors	Kobla Quashie and Associates Chartered Accountants (Eswatini)

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The following supplementary information does not form part of the financial statements and is unaudited:

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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 council 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 council and place considerable importance on maintaining a strong control environment. To enable the Councillors to meet these responsibilities, the council 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 council and all employees are required to maintain the highest ethical standards in ensuring the council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Counci is on identifying, assessing, managing and monitoring all known forms of risk across the council. While operating risk cannot be fully eliminated, the council 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 council's cash flow forecast for the year ending 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the council 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 council's annual financial statements. The annual financial statements have been examined by the council's external auditors and their report is presented on page4.

The annual financial statements set out on pages 6 to 20, which have been prepared on the going concern basis, were approved by the Councillors on 02 September 2025 and were signed on its behalf by:

Cllr.Bongani M. Mabuza-Chairperson

Cinisela Dlamini-Town Clerk

Philile Khumalo - Acting Town Treasurer

KOBLA QUASHIE
AND ASSOCIATES
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Independent Auditors' Report

To the members of Malkerns Town Council

Opinion

We have audited the financial statements of Malkerns Town Council, which comprise the statement of financial position as at 31 March 2025, 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 council as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the council in accordance with International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Eswatini, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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.

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

18 September, 2025

Statement of Financial Position

Figures in Lilangeni	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	2	14 959 003	14 153 903
Current Assets			
Trade and other receivables	3	33 610 517	35 567 651
Cash and cash equivalents	4	46 744 648	36 417 468
		80 355 165	**71 985 119**
Total Assets		**95 314 168**	**86 139 022**
Equity and Liabilities			
Capital Reserves	5	8 670 594	7 122 905
Designated funds	6	4 944 160	3 671 010
Accumulated funds		80 748 990	74 612 267
		94 363 744	**85 406 182**
Liabilities			
Current Liabilities			
Trade and other payables	7	950 424	732 840
Total Equity and Liabilities		**95 314 168**	**86 139 022**

Statement of Comprehensive Income

Figures in Lilangeni	Note(s)	2025	2024
Revenue		15 875 903	14 468 585
Other income		929 816	1 008 668
Operating expenses		(13 828 389)	(11 543 482)
Operating surplus		**2 977 330**	**3 933 771**
Investment revenue		3 159 393	2 387 308
Profit for the year		**6 136 723**	**6 321 079**
Other comprehensive income		-	-
Total comprehensive income		**6 136 723**	**6 321 079**

Statement of Changes in Equity

Figures in Lilangeni	Capital reserves	Designated fund	Accumulated funds	Total equity
Balance at 01 April 2023	**6 982 748**	**5 462 613**	**63 818 903**	**76 264 264**
Changes in equity				
Total comprehensive income for the year			6 321 079	6 321 079
Transfer to designated funds	(512 494)	3 333 333		2 820 839
Transfer to capital reserves	5 124 936	(5 124 936)		
Prior year deferred income	(4 472 285)		4 472 285	
Total changes	140 157	(1 791 603)	10 793 364	9 141 918
Balance at 01 April 2024	**7 122 905**	**3 671 010**	**74 612 267**	**85 406 182**
Changes in equity				
Total comprehensive income for the year			6 136 723	6 136 723
Transfer to designated funds		3 333 333		3 333 333
Transfer to capital reserves	2 060 183	(2 060 183)		
Amortisation of capital reserves	(512 494)			(512 494)
Total changes	1 547 689	1 273 150	6 136 723	8 957 562
Balance at 31 March 2025	**8 670 594**	**4 944 160**	**80 748 990**	**94 363 744**
Note(s)	5	6		

Statement of Cash Flows

Figures in Lilangeni	Note(s)	2025	2024
Cash flows from operating activities			
Cash generated from operations	8	7 809 510	6 254 807
Interest income		3 159 393	2 387 308
Net cash from operating activities		**10 968 903**	**8 642 115**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 189 412)	(5 282 734)
Sale of property, plant and equipment	2	-	9 948
Net cash from investing activities		**(2 189 412)**	**(5 272 786)**
Cash flows from financing activities			
Movement in capital reserves	5	1 547 689	140 157
Total cash movement for the year		**10 327 180**	**3 509 486**
Cash at the beginning of the year		36 417 468	32 907 982
Total cash at end of the year	4	**46 744 648**	**36 417 468**

Accounting Policies

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 council; 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

Accounting Policies

1.2 Property, plant and equipment (continued)

Tools ,Plant and Machinery	10%
Furniture and fixtures	10%
Motor vehicles	25%
Office equipment	10%
Modular Offices	10%
Computer equipment	33.33%
Waste stationed equipments	10%
High mast streetlights	10%
Roads	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 (council/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 Council 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.

Accounting Policies

1.4 Impairment of assets

The select entity assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the select entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the select entity also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.5 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.

Accounting Policies

1.6 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.

1.7 Government grants

Government grants are recognised when there is reasonable assurance that:
the town Council 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.

1.8 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 Council based on values extracted from the valuation roll and amended when a supplimentry valuation roll is prepared.

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

1.9 Government grant

Government grants are recognised when there is reasonable assurance that:
- the Council will comply with the conditions attaching to them; and
- the grants will be received.

Accounting Policies

1.9 Government grant (continued)

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.

Notes to the Financial Statements

Figures in Lilangeni	2025	2024

2. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer equipment	511 916	(386 142)	125 774	471 521	(336 115)	135 406
Furniture and fixtures	475 325	(237 370)	237 955	475 325	(210 930)	264 395
High mast streetlights	4 940 098	(1 792 979)	3 147 119	4 940 098	(1 443 299)	3 496 799
Land	2 919 400	-	2 919 400	2 919 400	-	2 919 400
Modular offices	510 124	(250 303)	259 821	510 124	(221 434)	288 690
Motor vehicles	1 758 108	(1 525 952)	232 156	1 758 108	(1 448 667)	309 441
Office equipment	429 317	(135 444)	293 873	336 590	(108 845)	227 745
Road works	7 181 225	(686 702)	6 494 523	5 124 936	-	5 124 936
Tools,Plant and Machinery	1 652 997	(552 113)	1 100 884	1 652 997	(429 793)	1 223 204
Waste stationed equipments	257 305	(109 807)	147 498	257 305	(93 418)	163 887
Total	**20 635 815**	**(5 676 812)**	**14 959 003**	**18 446 404**	**(4 292 501)**	**14 153 903**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Total
Computer equipment	135 406	40 395	(50 027)	125 774
Furniture and fixtures	264 395	-	(26 440)	237 955
High mast streetlights	3 496 799	-	(349 680)	3 147 119
Land	2 919 400	-	-	2 919 400
Modular offices	288 690	-	(28 869)	259 821
Motor vehicles	309 441	-	(77 285)	232 156
Office equipment	227 745	92 728	(26 600)	293 873
Road works	5 124 936	2 056 289	(686 702)	6 494 523
Tools,Plant and Machinery	1 223 204	-	(122 320)	1 100 884
Waste stationed equipments	163 887	-	(16 389)	147 498
	14 153 903	**2 189 412**	**(1 384 312)**	**14 959 003**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	134 935	71 714	(9 948)	(61 295)	135 406
Furniture and fixtures	255 290	37 288	-	(28 183)	264 395
High mast streetlights	3 885 332	-	-	(388 533)	3 496 799
Land	2 919 400	-	-	-	2 919 400
Modular offices	320 766	-	-	(32 076)	288 690
Motor vehicles	412 188	-	-	(102 747)	309 441
Office equipment	225 495	24 800	-	(22 550)	227 745
Road works	-	5 124 936	-	-	5 124 936
Tools and equipment	1 332 799	23 996	-	(133 591)	1 223 204
Waste stationed equipment	182 096	-	-	(18 209)	163 887
	9 668 301	**5 282 734**	**(9 948)**	**(787 184)**	**14 153 903**

Notes to the Financial Statements

Figures in Lilangeni	2025	2024

3. Trade and other receivables

	2025	2024
Trade receivables	33 610 517	35 564 818
Salary advance	-	2 833
	33 610 517	**35 567 651**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025	2024
Cash on hand	649	1 618
Bank balances	7 960 643	7 527 853
African Alliance Asset Management	19 638 992	14 520 636
Stanlib Eswatini	19 144 364	14 367 361
	46 744 648	**36 417 468**

Bank balances	2025	2024
Standard bank Eswatini (Limited) -Current Account	1 840 416	324 611
Standard bank Eswatini (Limited) -Call Account	3 314 847	1 921 304
Standard bank Eswatini (Limited) -Call Account	2 805 380	5 281 938
	7 960 643	**7 527 853**

5. Capital Reserves

	2025	2024
Balance brought forward	7 122 904	6 982 747
Addition	2 060 183	5 124 936
Deferred income	(512 494)	(512 494)
Prior years deferred income	-	(4 472 285)
	8 670 593	**7 122 904**

The Capital Reserves additions arise from purchasing assets out of capital grants received from the Government of Eswatini.

	2025	2024
Capital reserves	8 670 594	7 122 905

6. Designated funds

	Opening balance	Additions during the year	Utilised during the year	Closing balance
Government of Eswatini-Capital grants	3 671 010	3 333 333	(2 060 183)	4 944 160

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

Notes to the Financial Statements

Figures in Lilangeni	2025	2024

7. Trade and other payables

Trade payables	178 056	246 092
Unknown Bank credits	5 357	-
Provision for gratuity	478 482	316 292
Accrued leave	222 404	112 310
Accrued audit fees	66 125	58 146
	950 424	**732 840**

8. Cash generated from operations

Profit before taxation	6 136 723	6 321 079
Adjustments for:		
Depreciation and amortisation	1 384 312	787 186
Interest received	(3 159 393)	(2 387 308)
Transfer to capital reserves	(2 060 183)	(5 124 936)
Transfer to designated fund	3 333 333	3 333 333
Prior year deferred income	-	4 472 285
Changes in working capital:		
Trade and other receivables	1 957 134	(923 992)
Trade and other payables	217 584	(222 840)
	7 809 510	**6 254 807**

Detailed Statement of Financial Performance

Figures in Lilangeni	Note(s)	2025	2024
Revenue			
Rates		15 355 903	13 948 585
Eswatini Government Subvention		520 000	520 000
		15 875 903	**14 468 585**
Other income			
Advertising		128 560	144 395
Capital grant amortisation		512 494	512 494
Insurance Claim		35 420	-
Interest received		3 159 393	2 387 308
Licences and permits		15 852	17 630
Market fees		73 702	81 317
Rates clearance and inspection fees		6 400	4 144
Scrutiny fees		21 113	61 610
Solid waste removal fees		77 167	95 081
Subdivisions		6 060	7 020
Sundry Income		24 248	55 177
Tender Fees		28 800	29 800
		4 089 209	**3 395 976**
Operating expenses			
Advertising		190 882	250 911
Auditors remuneration		66 125	58 146
Bad debts		3 016	1 172 860
Bank charges		59 775	55 477
Cleaning		22 112	28 968
Community events		743 742	758 796
Computer consumables		52 063	18 308
Consulting and professional fees		136 479	63 378
Councillors remuneration		860 573	583 254
Courier and postage		1 137	901
Depreciation		1 384 312	787 186
Electricity and Water		72 753	75 831
Employee costs		5 341 948	4 545 542
Equipment and tools		26 004	1 913
Hospitality		100 221	51 111
Insurance		172 549	244 066
Legal expenses		105 337	79 098
Marketing and communication expenses		12 278	7 397
Motor vehicle expenses		516 752	556 889
Printing and stationery		52 213	85 493
Protective clothing		91 174	118 187
Refuse collection		337 600	318 479
Rent paid		202 373	188 575
Repairs and maintenance		1 195 122	187 489
Security expenses		605 911	586 021
Strategic plan- budget		-	23 336
Subscriptions		56 029	84 342

The supplementary information presented does not form part of the financial statements and is unaudited

Detailed Statement of Financial Performance

Figures in Lilangeni	Note(s)	2025	2024
Telephone and fax		130 354	131 348
Training expenses		456 178	89 421
Travelling expenses		833 377	390 759
		13 828 389	**11 543 482**
Surplus for the year		**6 136 723**	**6 321 079**

Detailed Statement of Financial Performance - Budget Vs Actual

Figures in Lilangeni	Budget	Actual	Variance
Income			
Rates revenue	15 196 645	15 355 903	(159 258)
Government subvention	520 000	520 000	-
	15 716 645	**15 875 903**	**(159 258)**
Other Income			
Advertising	75 600	128 560	(52 960)
Capital grant amortisation	-	512 494	(512 494)
Claim- SRIC	-	35 420	(35 420)
Interest received	2 124 000	3 159 393	(1 035 393)
Licences and permits	9 984	15 852	(5 868)
Market fees	62 640	73 702	(11 062)
Rates clearance and inspection fees	11 250	6 400	4 850
Scrutiny fees	30 000	21 113	8 887
Solid waste removal fees	66 060	77 167	(11 107)
Subdivisions	17 700	6 060	11 640
Sundry Income	1 480	24 248	(22 768)
Tender Fees	27 000	28 800	(1 800)
	2 425 714	**4 089 209**	**(1 663 495)**
Advertising	170 531	190 882	(20 351)
Auditors remuneration	58 146	66 125	(7 979)
Bad debts	-	3 016	(3 016)
Bank charges	72 000	59 775	12 225
Cleaning	179 622	22 112	157 510
Community events	699 680	743 742	(44 062)
Computer consumables	130 535	52 063	78 472
Consulting and professional fees	1 241 320	136 479	1 104 841
Councillors remuneration	849 510	860 573	(11 063)
Courier and postage	3 050	1 137	1 913
Depreciation	-	1 384 312	(1 384 312)
Electricity and Water	94 212	72 753	21 459
Employee costs	6 011 662	5 341 948	669 714
Equipment and tools		26 004	(26 004)
Hospitality	95 122	100 221	(5 099)
Insurance	435 943	172 549	263 394
Legal expenses	250 000	105 337	144 663
Marketing and communication expenses	266 505	12 278	254 227
Motor vehicle expenses	774 827	516 752	258 075
Printing and stationery	118 354	52 213	66 141
Protective clothing	172 260	91 174	81 086
Refuse collection	372 640	337 600	35 040
Rent paid	202 373	202 373	(0)
Repairs and maintenance	1 602 204	1 195 122	407 082
Security expenses	580 151	605 911	(25 760)
Subscriptions	98 968	56 029	42 939
Telephone and fax	176 616	130 354	46 262
Training expenses	367 666	456 178	(88 512)
Travelling expenses	621 740	833 377	(211 637)
	15 645 635	**13 828 389**	**1 817 246**
Surplus for the year	**2 496 724**	**6 136 723**	**(3 639 999)**

Supplementary Information

1. Subvention

Eswatini Government	520 000

2. Auditors remuneration

Kobla Quashie and Associates	66 125

3. Rent paid

Mgilija Properties	202 373

4. Subscriptions

Amicaal	11 000
Imfo	6 000
ESIA	900
Siga	10 379
Swalga	25 000
Times of Eswatini	2 750
	56 029