LEPELLE-NKUMPI LOCAL MUNICIPALITY

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TO : **PORTFOLIO COMMITTEE**

FROM : **CHIEF FINANCIAL OFFICER**

DATE : **OCTOBER 2025**

SUBJECT : **SECTION 52 (d) REPORT FOR QUARTER ENDING SEPTEMBER 2025**

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1. PURPOSE:

The purpose of this report is to inform the Committee of the 2025/2026 budget statement for the quarter ending September 2025 to comply with Section 52 (d) of the Municipal Finance Management Act.

2.LEGAL IMPLICATION(S)

In accordance with Section 52(d) of the MFMA the the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality to the relevant National and Provincial Treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars:

Actual revenue per revenue source;

a) Actual borrowings;
b) Actual expenditure; The underspending is as a results of service providers not appointed due non responsiveness of bids, inadequate capacity in supply chain management and key funded vacant positions. per vote;
c) Actual capital expenditure;

d) The amount of any capital expenditure; per vote;
e) Actual expenditure on those allocations;
f) When necessary an explanation of –

(i) any material variances from the municipality's projected revenue by source; and from the projected revenue by source ; and from the municipality's expenditure projections per vote;
(ii) any material variances from the service delivery and budget implementation plan; and
(iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

- The budget statement report is based on the financial information available as at September 2025.

3.BUDGET PERFORMANCE FOR THE 1ST QUARTER ENDING 30 SEPTEMBER 2025.

Description	Budget allocation	1st Quarter expenditure	% quarterly expenditure	% quarterly target
Operational expenditure	638,714,932.00	71,356,266.43	11%	25%
Capital expenditure	246,865,699.00	49,999,748.19	20%	25%
TOTAL EXPENDITURE	**885,580,631.00**	**121,356,014.62**	**14%**	**25%**

Operational expenditure-the actual operational expenditure for the 1st quarter is at 11% which is less than the 25% of the quarterly target.

Capital expenditure-The total capital expenditure to date amounts to R49 999 748.19 and the percentage spending is at 20% which is 5% lower than the quarterly target of 25%.

4.FINANCIAL IMPLICATION(S)

As outlined above.

Refer to the annexures

5.RECOMMENDATION(S)

It is recommended that: -

1.2 The Committee takes note of the Monthly Budget Statement (Tables C1-C7) for the first quarter ending 30 September 2025 as required in terms of S52(d) of the MFMA.

The attached supporting documents (SC1-SC13)

a) MBRR Table C1 – Monthly Budget Summary.
b) MBRR Table C2 - Budgeted Financial Performance (revenue and expenditure by standard.
c) MBRR Table C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)
d) MBRR Table C4 - Budgeted Financial Performance (revenue and expenditure)
e) MBRR Table C5 - Budgeted Capital Expenditure by vote standard classification and funding source
f) MBRR Table C6 - Budgeted Financial Position
g) MBRR Table C7 - Budgeted C Cash Flow Statement.

PREPARED BY:

RH 14-10-2025

RAMUHULU RH
ACCOUNTANT BUDGET CONTROL

REVIEWED BY:

Masemola

MASEMOLA MN 14/10/2025
DELEGATED CHIEF FINANCIAL OFFICER

APPROVED BY: 14/10/2025

CHAUKE ML
ACTING MUNICIPAL MANAGER

LIM355 Lepelle-Nkumpi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - 1st Quarter ending 30 September 2025

Description	Budget Year 2025/26												
	Original Budget	Adjusted budget	Quarterly budget	July	August	September	1st quarter actual	Quarterly balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
R thousands													
Revenue													
Exchange Revenue													
Service charges - Waste management	8,229,124.00	8,229,124.00	2,057,280.18	766,159.89	674,992.39	690,179.56	2,131,331.84	- 74,051.66	104%	2,131,331.84	6,097,792.16	35%	N/A
Sale of Goods and Rendering of Services	314,479,402.00	314,479,402.00	78,619,819.05	77,022.86	51,632.66	111,914.13	240,569.65	78,379,249.40	0.31%	240,569.65	314,238,832.35	0	Low collection is due to accumulated surplus of an amount of R313 701 360 from the previous financial year.
Agency services	15,348,575.00	15,348,575.00	3,837,142.22	2,298,804.54	773,514.81	408,862.67	3,481,182.02	355,960.20	91%	3,481,182.02	11,867,392.98	29%	Low collection is due to Introduction of online licensing services by Department of Transport.
Interest earned from Receivables	6,641,941.00	6,641,941.00	1,660,484.59	430,970.46	4,687,185.22	- 3,762,095.89	1,356,059.79	304,424.80	82%	1,356,059.79	5,285,881.21	26%	The actual is interest billed on Refuse removal outstanding account for the month under review.
Interest from Current and Non Current Assets	47,346,055.00	47,346,055.00	11,836,509.02	4,033,464.03	4,317,028.88	3,619,103.02	11,969,595.93	- 133,086.91	101%	11,969,595.93	35,376,459.07	34%	Due to interest on Call account investment.
Rental from Fixed Assets	419,136.00	419,136.00	104,783.96	30,080.01	22,775.66	35,645.23	88,500.90	16,283.06	84%	88,500.90	330,635.10	27%	N/A
Licence and permits	161,903.00	161,903.00	40,475.73	3,905.00	1,585.00	9,620.00	15,110.00	25,365.73	37%	15,110.00	146,793.00	10%	Due to number of application of License and permits for the month under review
Operational Revenue	25,236,251.00	25,236,251.00	6,309,060.23	177,086.33	47,434.04	179,553.61	404,073.98	5,904,986.25	6%	404,073.98	24,832,177.02	2%	Low collection is due to Sale of property which is not planned for the months under review

LIM355 Lepelle-Nkumpi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - 1st Quarter ending 30 September 2025													
Description	Budget Year 2025/26												
	Original Budget	Adjusted budget	Quarterly budget	July	August	September	1st quarter actual	Quarterly balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
Non-Exchange Revenue			-				-	-			-		
Property rates	43,173,458.00	43,173,458.00	10,793,360.18	4,119,022.07	4,191,061.54	4,113,165.45	12,423,249.06	-1,629,888.88	115%	12,423,249.06	30,750,208.94	40%	Due to implementation of supplementary Valuations roll
Fines, penalties and forfeits	432,480.00	432,480.00	108,119.96	17,550.00	9,265.00	10,300.00	37,115.00	71,004.96	34%	37,115.00	395,365.00	9%	Low collection is due to low number of traffic fine issued and paid for the month under review. And also non-functionality of Cattle pound
Transfers and subsidies - Operational	348,623,198.00	348,623,198.00	87,155,764.64	139,318,000.00	653,983.75	474,142.36	140,446,126.11	-53,290,361.47	161%	140,446,126.11	208,177,071.89	67%	N/A
Interest	18,552,131.00	18,552,131.00	4,638,030.89	1,675,143.69	1,697,682.19	1,748,335.73	5,121,161.61	-483,130.72	110%	5,121,161.61	13,430,969.39	38%	The actual is interest billed on Property rates for the month under review.
Total Revenue (excluding capital transfers and contributions)	**828,643,654.00**	**828,643,654.00**	**207,160,830.64**	**152,947,208.88**	**17,128,141.14**	**7,638,725.87**	**177,714,075.89**	**29,446,754.75**	**86%**	**177,714,075.89**	**650,929,578.11**	**27%**	

LIM355 Lepelle-Nkumpi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - 1st Quarter ending 30 September 2025													
Description	Budget Year 2025/26												
	Original Budget	Adjusted budget	Monthly Projection	July	August	Monthly actual	1st quarter actual	Quarterly balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
Expenditure By Type								-					
Employee related costs	161,096,891.00	161,096,891.00	13,424,735.55	8,003,229.80	8,854,461.65	8,726,306.11	25,583,997.56	4,698,429.44	65%	25,583,997.56	135,512,893.44	16%	The recruitment process for the appointment of vacant positions currently in progress
Remuneration of councillors	27,052,599.00	27,052,599.00	2,254,382.35	2,098,102.46	2,100,491.18	2,098,102.46	6,296,696.10	156,279.89	93%	6,296,696.10	20,755,902.90	23%	Over projection of monthly budget
Inventory consumed	13,396,603.00	13,396,603.00	1,116,383.14	35,201.36	59,167.82	72,762.39	167,131.57	1,043,620.75	7%	167,131.57	13,229,471.43	1%	Projects not yet implemented as planned.
Depreciation and amortisation	51,269,463.00	51,269,463.00	4,272,453.54	2,718,830.22	2,270,444.22	2,427,146.41	7,416,420.85	1,845,307.13	57%	7,416,420.85	43,853,042.15	14%	Majority of capital projects still under construction
Interest	932,890.00	932,890.00	77,740.80	-	-	-	-	77,740.80	0%	-	932,890.00	0%	No finance lease agreements in place
Contracted services	203,542,436.00	203,542,436.00	16,961,862.88	2,924,546.33	1,895,937.05	11,906,123.18	16,726,606.56	5,055,739.70	70%	16,726,606.56	186,815,829.44	8%	Some Projects not yet implemented as planned

LIM355 Lepelle-Nkumpi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - 1st Quarter ending 30 September 2025													
Description	Budget Year 2025/26												
	Original Budget		Monthly Projection	July	August	Monthly actual	1st quarter actual	Quarterly balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
Irrecoverable debts written off	95,235,233.00	95,235,233.00	7,936,266.24	468,636.06	1,291,879.42	- 530,837.43	1,229,678.05	8,467,103.67	-7%	1,229,678.05	94,005,554.95	1%	The municipality is currently offering 50% discount with respect to settlement of accounts. The R 1 291 879.42 actuals is for 50% debts written off on settlement of account with regards to Property rate and Refuse removal debts.
Operational costs	86,188,817.00	86,188,817.00	7,182,398.54	5,469,099.19	3,276,686.75	5,189,949.80	13,935,735.74	1,992,448.74	72%	13,935,735.74	72,253,081.26	16%	Projects not yet implemented as planned
Total Expenditure	**638,714,932.00**	**638,714,932.00**	**53,226,223.04**	**21,717,645.42**	**19,749,068.09**	**29,889,552.92**	**71,356,266.43**	**23,336,670.12**	**56%**	**71,356,266.43**	**567,358,665.57**	**11%**	
Transfers and subsidies - capital (monetary allocations)	57,082,700.00	57,082,700.00	4,756,889.76	1,585,023.96	3,784,511.93	5,386,055.84	10,755,591.73	- 629,166.08	113%	10,755,591.73	46,327,108.27		
Surplus/(Deficit) after capital transfers & contributions	**581,632,232.00**	**581,632,232.00**	**48,469,333.28**	**20,132,621.46**	**15,964,556.16**	**24,503,497.08**	**60,600,674.70**	**23,965,836.20**	**57%**	**60,600,674.70**	**521,031,557.30**	**11%**	

Description	Budget Year 2025/26												
	Original Budget	Adjusted Budget	Quarterly budget	July	August	September	1st quarter actual	Balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
Operating Transfers and Grants													
National Government:	**347,923,300.00**	**347,923,300.00**	**142,991,142.36**	**140,044,000.00**	**2,473,000.00**	**474,142.36**	**142,991,142.36**	**–**	**100%**	**142,991,142.36**	**204,932,157.64**	**41%**	The municipality anticipates to receive the outstanding grants during the year as per the treasury schedule
Equitable Share	334,363,000.00	334,363,000.00	**139,318,000.00**	139,318,000.00		-	**139,318,000.00**		**100%**	139,318,000.00	195,045,000.00	**42%**	The municipality anticipates to receive the outstanding grants during the year as per the treasury schedule
Expanded Public Works Programme Integrated Grant	1,891,000.00	1,891,000.00	**947,142.36**		473,000.00	474,142.36	**947,142.36**	**–**	**100%**	947,142.36	943,857.64	**50%**	
Local Government Financial Management Grant	2,000,000.00	2,000,000.00	**2,000,000.00**		2,000,000.00	-	**2,000,000.00**		**100%**	2,000,000.00	-	**100%**	100% grant received in the month of August 2025.
Municipal Infrastructure Grant	9,669,300.00	9,669,300.00	**726,000.00**	726,000.00		-	**726,000.00**	**–**	**100%**	726,000.00	8,943,300.00	**8%**	The municipality anticipates to receive the outstanding grants during the year as per the treasury schedule

	Original Budget	Adjusted Budget	Quarterly budget	July	August	September	1st quarter actual	Balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
Provincial Government:	**699,898.00**	**699,898.00**	-	-		-	-	–		-	-	0%	
Capacity Building and Other Grants	699,898.00	699,898.00				-	-	–		-	-	0%	No projection for the 1st quarter
Total Operating Transfers and Grants	**348,623,198.00**	**348,623,198.00**	**142,991,142.36**	**140,044,000.00**	2,473,000.00	474,142.36	142,991,142.36	–	0%	**142,991,142.36**	205,632,055.64	41%	The municipality anticipates receiving outstanding grants during the year as per the treasury schedule
Capital Transfers and Grants							-	–					
National Government:	57,082,700.00	57,082,700.00	19,180,055.84	13,794,000.00		5,386,055.84	**19,180,055.84**	–	0	19,180,055.84	**37,902,644.16**	**34%**	
Municipal Infrastructure Grant	57,082,700.00	57,082,700.00	19,180,055.84	13,794,000.00		5,386,055.84	**19,180,055.84**	–	100%	19,180,055.84	**37,902,644.16**	**34%**	The municipality anticipates receiving outstanding grants during the year as per the treasury payment schedule
Total Capital Transfers and Grants	**57,082,700.00**	**57,082,700.00**	**19,180,055.84**	**13,794,000.00**	-	**5,386,055.84**	19,180,055.84		**0**	**19,180,055.84**	37,902,644.16	34%	
TOTAL RECEIPTS OF TRANSFERS & GRANTS	405,705,898.00	405,705,898.00	162,171,198.20	153,838,000.00		5,860,198.20	**159,698,198.20**		0	162,171,198.20	**243,534,699.80**	**40%**	

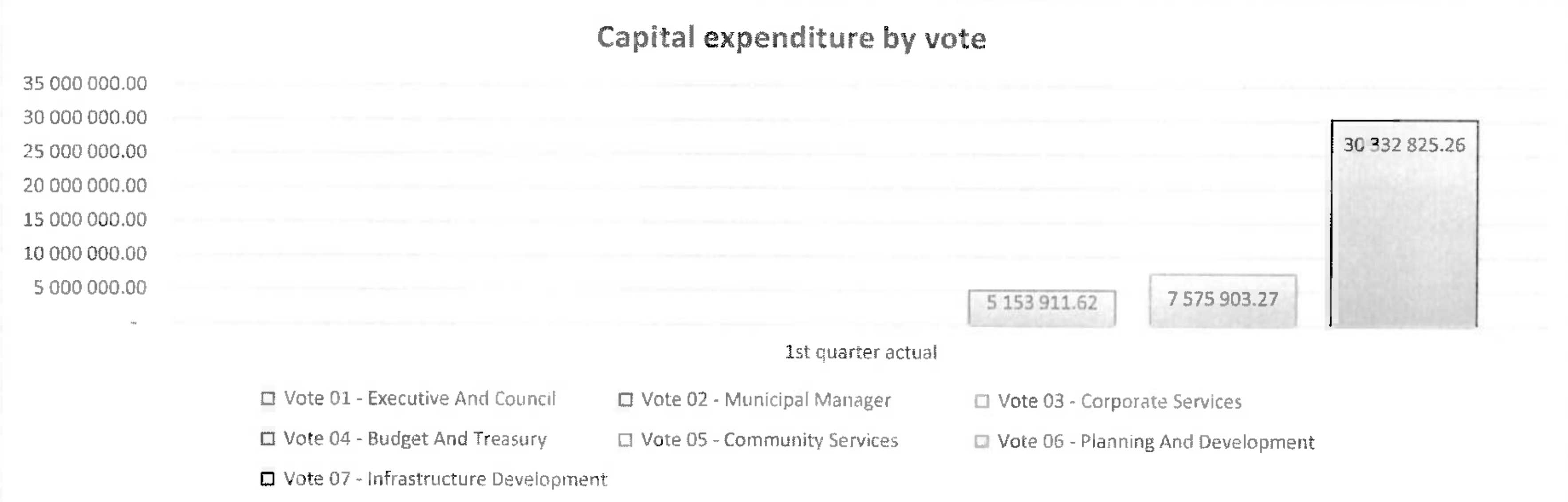
LIM355 Lepelle-Nkumpi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - 1st quarter ending 30 September 2025

Vote Description	Budget Year 2025/26												
	Original Budget	Adjusted Budget	Quarterly budget	July	August	September	1st quarter actual	Balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
R thousands							-						
Multi-Year expenditure appropriation							-						
Vote 01 - Executive And Council	-	-	-			-	-	-		-	-		
Vote 02 - Municipal Manager	-	-	-			-	-	-		-	-		
Vote 03 - Corporate Services	-	-	-			-	-	-		-	-		
Vote 04 - Budget And Treasury	-	-	-			-	-	-		-	-		
Vote 05 - Community Services	3,050,595.00	3,050,595.00	762,648.75			-	-	762,648.75	0%	-	3,050,595.00	0%	Projects not yet implemented as planned.
Vote 06 - Planning And Development	-	-	-			-	-	-		-	-		
Vote 07 - Infrastructure Development	18,622,983.00	18,622,983.00	4,655,745.75		2,986,165.15	-	2,986,165.15	1,669,580.60	64%	2,986,165.15	15,636,817.85	16%	Projects not yet implemented as planned.
Total Capital Multi-year expenditure	**21,673,578.00**	**21,673,578.00**	**1,806,130.78**	**3,950,942.89**	**2,986,165.15**	**-**	**6,937,108.04**	**5,418,394.50**	**0%**	**2,986,165.15**	**18,687,412.85**	**14%**	

LIM355 Lepelle-Nkumpi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - 1st quarter ending 30 September 2025

Vote Description	Budget Year 2025/26 Original Budget	Adjusted Budget	Quarterly budget	July	August	September	1st quarter actual	Balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
Single Year expenditure appropriation													
Vote 01 - Executive And Council	-	-	-			-	-	-		-	-		
Vote 02 - Municipal Manager	-	-	-			-	-	-		-			
Vote 03 - Corporate Services	15,300,000.00	15,300,000.00	3,825,000.00			-	-	3,825,000.00	0%	-	15,300,000.00	0%	Projects not yet implemented as planned.
Vote 04 - Budget And Treasury	-	-	-			-	-	-		-	-		
Vote 05 - Community Services	43,750,000.00	43,750,000.00	3,645,831.88		3,208,570.47	1,945,341.15	5,153,911.62	1,700,490.73	53%	5,153,911.62	38,596,088.38	12%	Projects not yet implemented as planned.
Vote 06 - Planning And Development	32,000,000.00	32,000,000.00	2,666,665.60	205,852.50	7,370,050.77	-	7,575,903.27	2,666,665.60	0%	7,370,050.77	24,629,949.23	23%	Projects not yet implemented as planned.
Vote 07 - Infrastructure Development	134,142,121.00	134,142,121.00	11,178,505.61		4,694,791.51	25,638,033.75	30,332,825.26	- 14,459,528.14	229%	34,283,768.15	99,858,352.85	26%	The reason for over performance is due to quarterly under projection
Total Capital single-year expenditure	**225,192,121.00**	**225,192,121.00**	**18,766,002.58**	**205,852.50**	**15,273,412.75**	**27,583,374.90**	**43,062,640.15**	**- 8,817,372.32**	**147%**	**46,807,730.54**	178,384,390.46	21%	**Projects not yet implemented as planned.**
Total Capital Expenditure	**246,865,699.00**	**246,865,699.00**	**20,572,133.35**	**4,156,795.39**	**18,259,577.90**	**27,583,374.90**	**49,999,748.19**	**- 7,011,241.55**	**134%**	**49,793,895.69**	197,071,803.31	20%	

GRAPHICAL ANALYSIS



LIM355 Lepelle-Nkumpi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - 1st quarter ending 30 September 2025

Budget Year 2025/26	Original Budget	Adjusted Budget	Quarterly budget	July	August	September	1st quarter actual	Balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
Capital Expenditure - Functional Classification			-					-					
Governance and administration	**15,300,000.00**	**15,300,000.00**	3,825,000.00			-	-	3,825,000.00	0%	-	15,300,000.00	0%	
Executive and council			-				-	-			-		
Finance and administration	15,300,000.00	15,300,000.00	3,825,000.00			-	-	3,825,000.00	0%	-	15,300,000.00	0%	Projects not yet implemented as planned.
Community and public safety	**14,400,000.00**	**14,400,000.00**	**3,600,000.00**			**986,879.31**	**986,879.31**	**2,613,120.69**	**27%**	**2,481,040.32**	**11,918,959.68**	**17%**	
Community and social services	14,400,000.00	14,400,000.00	3,600,000.00	-	1,494,161.01	986,879.31	2,481,040.32	2,613,120.69	69%	2,481,040.32	11,918,959.68	17%	Some projects not yet implemented as planned.
Economic and environmental services	**174,535,104.00**	**174,535,104.00**	**43,633,776.00**	**3,950,942.89**	**16,765,416.89**	**26,596,495.59**	**47,312,855.37**	**17,037,280.41**	**108%**	**47,312,855.37**	**127,222,248.63**	**27%**	
Planning and development	70,129,121.00	70,129,121.00	17,532,280.25	205,852.50	7,697,638.06	12,296,992.99	20,200,483.55	5,235,287.26	115%	20,200,483.55	49,928,637.45	29%	The reason for over performance is due to quarterly under projection. The projects have been awarded and are at implementation level.
Road transport	103,435,983.00	103,435,983.00	25,858,995.75	3,745,090.39	9,067,778.83	14,299,502.60	27,112,371.82	11,559,493.15	105%	27,112,371.82	76,323,611.18	26%	The reason for over performance is due to quarterly under projection. The projects have been awarded and are at implementation level.
Environmental protection	970,000.00	970,000.00	242,500.00			-	-	242,500.00	0%	-	970,000.00	0%	Projects not yet implemented as planned.

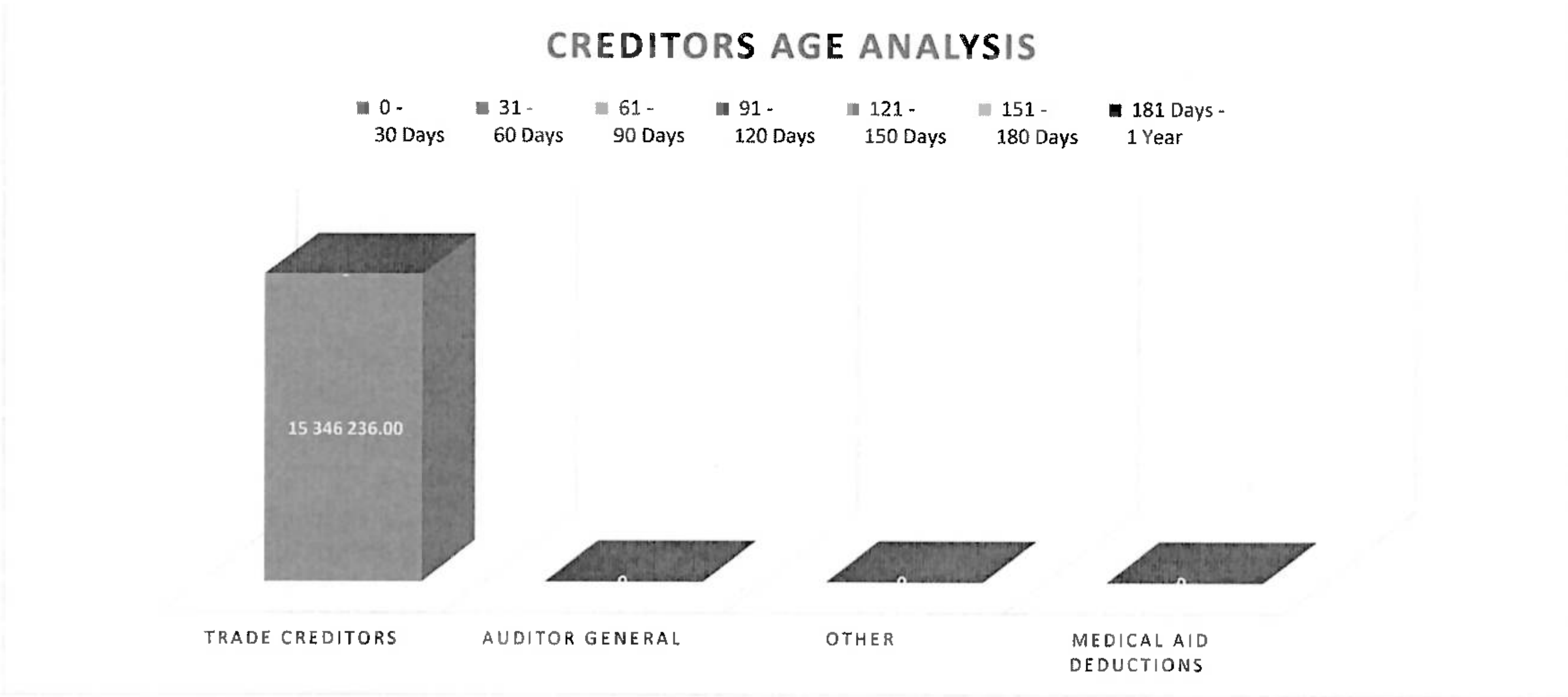
LIM355 Lepelle-Nkumpi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - 1st quarter ending 30 September 2025	Budget Year 2025/26												
Vote Description	Original Budget	Adjusted Budget	Quarterly budget	July	August	September	1st quarter actual	Balance	Q1 %	YearTD actual	Balance	YTD %	Reason for variance
Trading services	**42,630,595.00**	**42,630,595.00**	**10,657,648.75**			-	-	**10,657,648.75**	**0%**	-	**42,630,595.00**	**0%**	
Energy sources	21,200,000.00	21,200,000.00	5,300,000.00			-	-	5,300,000.00	0%	-	21,200,000.00	0%	Projects not yet implemented as planned.
Waste management	21,430,595.00	21,430,595.00	5,357,648.75			-	-	5,357,648.75	0%	-	21,430,595.00	0%	Projects not yet implemented as planned.
Total Capital Expenditure - Functional Classification	**246,865,699.00**	**246,865,699.00**	**61,716,424.75**			**27,583,374.90**	**27,583,374.90**	**34,133,049.85**	**45%**	**49,793,895.69**	**197,071,803.31**		
Funded by:							-						
National Government	57,082,699.00	57,082,699.00	14,270,674.75	205,852.50	3,313,752.44	12,296,992.99	15,816,597.93	- 1,545,923.18	86%	15,816,597.93	41,266,101.07	28%	The reason for over performance is due to quarterly under projection. The projects have been awarded and are at implementation level.
Transfers recognized - capital	**57,082,699.00**	**57,082,699.00**	**14,270,674.75**	**205,852.50**	**3,313,752.44**	**12,296,992.99**	**15,816,597.93**	**- 1,545,923.18**	**86%**	**15,816,597.93**	**41,266,101.07**	**28%**	
Internally generated funds	189,783,000.00	189,783,000.00	47,445,750.00	3,745,090.39	14,945,825.46	15,286,381.91	33,977,297.76	32,159,368.09	32%	33,977,297.76	155,805,702.24	18%	Projects are at different implementation stage.
Total Capital Funding	**246,865,699.00**	**246,865,699.00**	**61,716,424.75**	**3,950,942.89**	**18,259,577.90**	**27,583,374.90**	**49,793,895.69**	**30,613,444.91**	**45%**	**49,793,895.69**	**197,071,803.31**	**20%**	

- The overall capital expenditure performance for the quarter under review is at 20%. The under spending is because of projects that have not yet been implemented as planned.

LIM355 Lepelle-Nkumpi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September									
	Budget Year 2025/26								
R thousands									
Description	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	15,346,236.00	-	-	-	-	-	-	-	15,346,236.00
Auditor General									-
Other									-
Medical Aid deductions									-
Total By Customer Type	15,346,236.00	-	-	-	-	-	-	-	15,346,236.00

- Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice.
- From the table above it is clear that there are no creditors outstanding for more than 30 days. The total current creditor's amount at the end of the 1st quarter is at R 15 346 236.00.

Graphical analysis



LIM355 Lepelle-Nkumpi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - 1st quarter ending 30 September 2025

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [3]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realized	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Nedbank Bank		(02) Months	Nedbank	Yes	Variable	8.16	0	0	10/10/2025	101,314,544.09	1,264,821.87	–	–	102,579,366.00
TOTAL INVESTMENTS AND INTEREST	1									101,314,544.09	1,264821.87	–	–	102,579,366.00

The Municipality made fixed short-term investment with the following bank as follows: -

1. The amount of R 101 314 544.09 is currently invested with Nedbank for two months and maturing in October 2025 the interest to be realized amounts to R1,264,821.87.

2. The municipality invested R 150m with VBS Mutual Bank which was liquidated, and the position is that there is uncertainty that the municipality will receive the investment back. The municipality impaired R150m invested with VBS and to date an amount of R38 400 000 has been recovered.

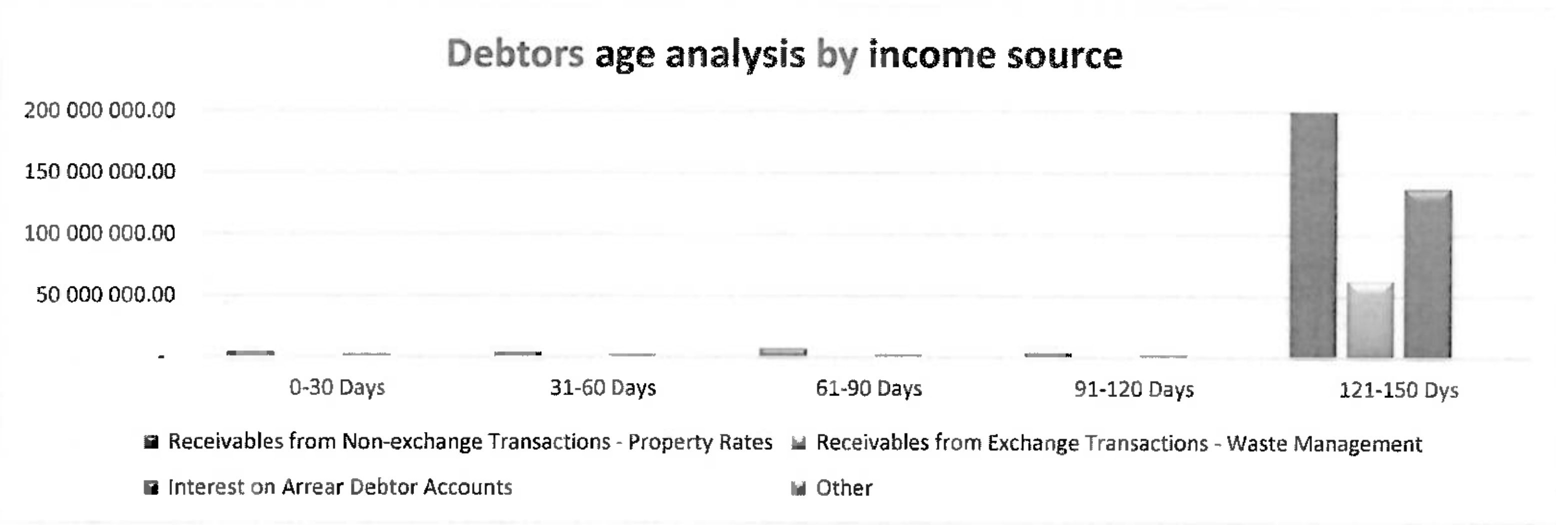
LIM355 Lepelle-Nkumpi - Supporting Table SC3 Monthly Budget Statement - aged debtors - 1st quarter ending 30 September 2025

Description	Budget Year 2025/26						
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	Total	Total over 90 days
Debtors Age Analysis By Income Source							
Receivables from Non-exchange Transactions - Property Rates	4,073,120.00	3,747,105.00	6,962,954.00	3,492,920.00	231,830,217.00	250,106,316.00	235,323,137.00
Receivables from Exchange Transactions - Waste Management	754,573.00	624,166.00	643,628.00	540,443.00	62,596,054.00	65,158,864.00	63,136,497.00
Interest on Arrear Debtor Accounts	2,216,136.00	2,157,738.00	2,204,582.00	2,103,121.00	137,626,228.00	146,307,805.00	139,729,349.00
Other	44,174.00	18,390.00	21,026.00	22,139.00	927,500.00	1,033,229.00	949,639.00
Total By Income Source	**7,088,003.00**	**6,547,399.00**	**9,832,190.00**	**6,158,623.00**	**432,979,999.00**	**462,606,214.00**	**439,138,622.00**

Debtors age analysis summary

The total debtors age analysis is at R 462 606 214.00 and debtors above 90 days are at R 439 138 622.00

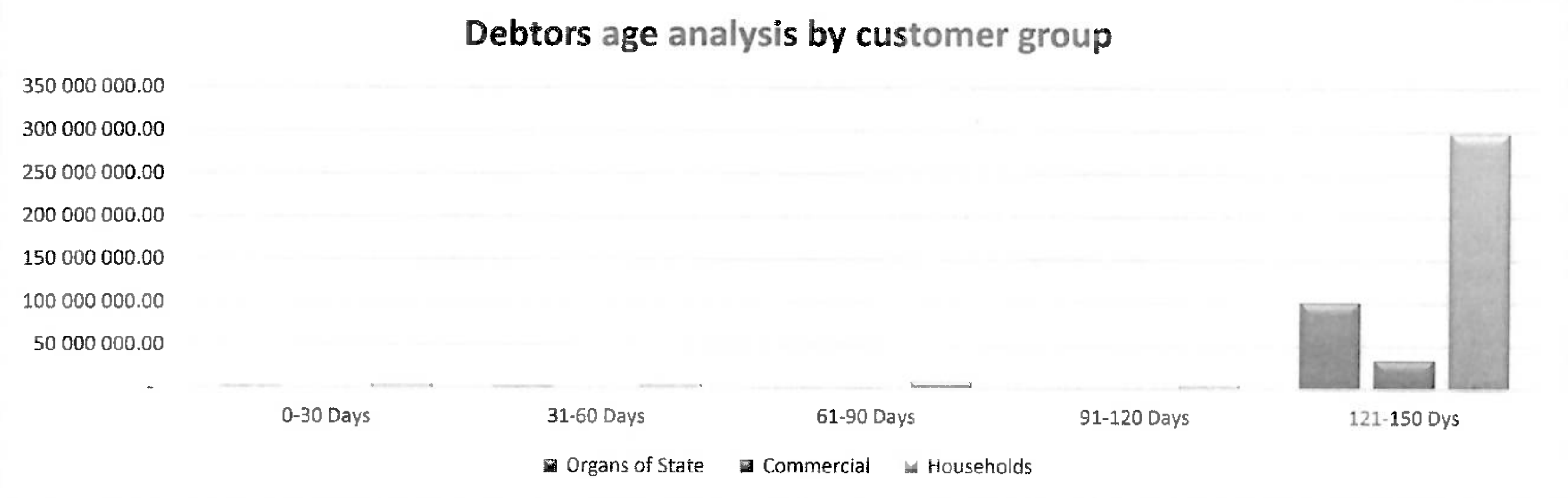
Graphical analysis



LIM355 Lepelle-Nkumpi - Supporting Table SC3 Monthly Budget Statement - aged debtors - 1st quarter ending 30 September 2025

Description	Budget Year 2025/26						
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	Total	Total over 90 days
Debtors Analysis By Customer Group							
Organs of State	1,937,399.00	1,850,818.00	1,632,669.00	1,469,805.00	101,289,738.00	108,180,429.00	102,759,543.00
Commercial	975,556.00	635,277.00	594,957.00	494,683.00	33,675,082.00	36,375,555.00	34,169,765.00
Households	4,175,047.00	4,061,305.00	7,604,564.00	4,194,136.00	298,015,178.00	318,050,230.00	302,209,314.00
Other						-	-
Total By Customer Group	7,088,002.00	6,547,400.00	9,832,190.00	6,158,624.00	432,979,998.00	462,606,214.00	439,138,622.00

Graphical analysis



CONSUMER DEBTORS

Consumer debtors as at the 30th of September 2025. The municipality's debtors are continually increasing which poses a serious threat to the municipality's future sustainability. A significant amount of debtors relates to household debtor's category which amount to R 318,050,230.00, of which R298,015,178.00 has been outstanding for more than 90 days.

Organ of state debtors are the second largest category of debtors owed to the municipality amounting to R 108,180,429.00 million, of which R101,289,738.00 of those debtors have been outstanding for more than 90 days.

The lowest category of debtors owed to the municipality relates to Commercial which amounts to R 36,375,555.00 of which

R 33,675,082.00 thousand has been outstanding for more than 90 days.