Malkerns Town Council
Annual Financial Statements
for the year ended 31 March 2026

Kobla Quashie and Associates
CHARTERED ACCOUNTANTS (ES)

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General Information

Country of incorporation and domicile	Eswatini
Councillors	Cllr. Sipho Shongwe - Chairperson Cllr. Kevin Charles - Vice Chairperson Cllr. Thokozane Zwane - Member Cllr. Bongani M. Mabuza - Member Cllr. Kenny Kunene - Member Cllr. Billee Fitz Patrick - Member Cllr. Mbuso Dlamini- Member Cllr. Makhosazana Nxumalo- Member
Senior Management	Cinisela Dlamini - Town Clerk Thokozani Ngozo - 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)

Contents

The reports and statements set out below comprise the annual financial statements presented to the councillors:

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 2027 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 21, which have been prepared on the going concern basis, were approved by the Councillors on 09 September 2026 and were signed on its behalf by:

Cllr. Sipho Shongwe -Chairperson

Cinisela Dlamini - Town Clerk

Thokozani Ngozo - Town Treasurer

KOBLA QUASHIE AND ASSOCIATES

CHARTERED ACCOUNTANTS (SD)

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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 2026, 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 2026, 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

09 September 2026

Statement of Financial Position

Figures in Lilangeni	Note(s)	2026	2025
Assets			
Non-Current Assets			
Construction work in progress	2	495 135	-
Property, plant and equipment	3	15 587 504	14 959 003
		16 082 639	**14 959 003**
Current Assets			
Trade and other receivables	4	35 052 652	33 610 516
Cash and cash equivalents	5	53 338 976	46 744 648
		88 391 628	**80 355 164**
Total Assets		**104 474 267**	**95 314 167**
Equity and Liabilities			
Accumulated funds		86 074 682	80 652 194
Liabilities			
Non-Current Liabilities			
Deferred capital grants	6	10 239 733	8 670 594
Current Liabilities			
Trade and other payables	7	1 162 801	950 423
Deferred revenue grants	6	6 997 051	5 040 956
		8 159 852	**5 991 379**
Total Liabilities		**18 399 585**	**14 661 973**
Total Equity and Liabilities		**104 474 267**	**95 314 167**

Statement of Comprehensive Income

Figures in Lilangeni	Note(s)	2026	2025
Revenue		15 852 378	15 875 903
Other income		1 310 401	929 816
Operating expenses		(15 385 349)	(13 828 389)
Operating surplus		**1 777 430**	**2 977 330**
Investment revenue		3 410 248	3 062 597
Profit for the year		**5 187 678**	**6 039 927**
Other comprehensive income		-	-
Total comprehensive income		**5 187 678**	**6 039 927**

Statement of Changes in Equity

Figures in Lilangeni	Accumulated funds	Total equity
Balance at 01 April 2024	**74 612 267**	**74 612 267**
Changes in equity		
Total comprehensive income for the year	6 039 927	6 039 927
Total changes	6 039 927	6 039 927
Balance at 01 April 2025	**80 652 194**	**80 652 194**
Changes in equity		
Total comprehensive income for the year	5 187 678	5 187 678
Prior year adjustment	234 810	234 810
Total changes	5 422 488	5 422 488
Balance at 31 March 2026	**86 074 682**	**86 074 682**

Note(s)

Statement of Cash Flows

Figures in Lilangeni	Note(s)	2026	2025
Cash flows from operating activities			
Cash generated from operations	8	5 734 969	9 453 994
Interest income		3 410 248	3 062 597
Net cash from operating activities		**9 145 217**	**12 516 591**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(2 076 443)	(2 189 412)
Sale of property, plant and equipment	3	20 689	-
Purchase of construction work in progress	2	(495 135)	-
Net cash from investing activities		**(2 550 889)**	**(2 189 412)**
Cash flows from financing activities			
Total cash movement for the year		**6 594 328**	**10 327 179**
Cash at the beginning of the year		46 744 648	36 417 468
Total cash at end of the year	5	**53 338 976**	**46 744 647**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The annual 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 annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual 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 annual 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:

1.2 Property, plant and equipment (continued)

Item	Average useful life
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.

1.3 Financial instruments (continued)

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.

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 Annual Financial Statements

Figures in Lilangeni	2026	2025

2. Construction work in progress

	2026			2025		
	Cost / Valuation	Accumulated impairment	Carrying value	Cost / Valuation	Accumulated impairment	Carrying value
Work in progress	495 135	-	495 135	-	-	-

Reconciliation of construction work in progress 2026

	Opening balance	Additions	Total
Construction in work in progress	-	495 135	495 135

This represents costs incurred in respect of the Malkerns Town Council Offices (Civic Centre) project, which is currently at the architectural design stage. Upon completion of the design phase and subsequent construction of the project, the qualifying costs will be capitalised and transferred to the Buildings once the project is complete.

3. Property, plant and equipment

	2026			2025		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer equipment	729 992	(474 966)	255 026	511 916	(386 142)	125 774
Furniture and fixtures	498 925	(265 563)	233 362	475 325	(237 370)	237 955
High mast streetlights	4 940 098	(2 107 691)	2 832 407	4 940 098	(1 792 979)	3 147 119
Land	2 919 400	-	2 919 400	2 919 400	-	2 919 400
Modular offices	510 124	(276 285)	233 839	510 124	(250 303)	259 821
Motor vehicles	1 472 408	(1 311 340)	161 068	1 758 108	(1 525 952)	232 156
Office equipment	476 626	(168 343)	308 283	429 317	(135 444)	293 873
Road works	7 497 475	(1 338 790)	6 158 685	7 181 225	(686 702)	6 494 523
Tools,Plant and Machinery	3 100 546	(747 860)	2 352 686	1 652 997	(552 113)	1 100 884
Waste stationed equipments	257 305	(124 557)	132 748	257 305	(109 807)	147 498
Total	**22 402 899**	**(6 815 395)**	**15 587 504**	**20 635 815**	**(5 676 812)**	**14 959 003**

Notes to the Annual Financial Statements

Figures in Lilangeni	2026	2025

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	125 774	241 735	(3 291)	(109 192)	255 026
Furniture and fixtures	237 955	23 600	-	(28 193)	233 362
High mast streetlights	3 147 119	-	-	(314 712)	2 832 407
Land	2 919 400	-	-	-	2 919 400
Modular offices	259 821	-	-	(25 982)	233 839
Motor vehicles	232 156	-	(17 398)	(53 690)	161 068
Office equipment	293 873	47 309	-	(32 899)	308 283
Road works	6 494 523	316 250	-	(652 088)	6 158 685
Tools,Plant and Machinery	1 100 884	1 447 549	-	(195 747)	2 352 686
Waste stationed equipments	147 498	-	-	(14 750)	132 748
	14 959 003	**2 076 443**	**(20 689)**	**(1 427 253)**	**15 587 504**

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 and equipment	1 223 204	-	(122 320)	1 100 884
Waste stationed equipment	163 887	-	(16 389)	147 498
	14 153 903	**2 189 412**	**(1 384 312)**	**14 959 003**

Notes to the Annual Financial Statements

Figures in Lilangeni	2026	2025

4. Trade and other receivables

Trade receivables	37 923 044	36 469 405
Provision for doubtful debts - Rates	(2 877 817)	(2 877 817)
Receipting control	7 425	18 928
	35 052 652	**33 610 516**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2 226	649
Bank balances	11 276 553	7 960 643
African Alliance Asset Management	21 513 352	19 638 992
Stanlib Eswatini	20 546 845	19 144 364
	53 338 976	**46 744 648**

Bank balances

Standard bank Eswatini (Limited) -Current Account	1 066 824	1 840 416
Standard bank Eswatini (Limited) -Call Account	5 270 942	3 314 847
Standard bank Eswatini (Limited) -Call Account	4 938 787	2 805 380
	11 276 553	**7 960 643**

6. Deferred capital grants

Government grants	17 236 784	13 711 550

Net deferred capital grants

Capital grants	10 239 733	8 670 594
Revenue grants (deferred income)	6 997 051	5 040 956
	17 236 784	**13 711 550**

Capital grants

Opening balance	8 670 594	7 122 905
Additions	2 221 228	2 060 183
Deferred income	(652 089)	(512 494)
	10 239 733	**8 670 594**

Additions arise from purchasing assets out of capital grants received from the Government of Eswatini.

Notes to the Annual Financial Statements

Figures in Lilangeni	2026	2025

6. Deferred revenue grants (continued)

Revenue grants		
Opening balance	5 040 956	3 671 010
Eswatini Government (CIP)	4 000 000	3 333 333
Interest earned	177 323	96 796
Utillised on Capital Projects	(2 221 228)	(2 060 183)
	6 997 051	**5 040 956**

The revenue grants represents funds from the Government of Eswatini for capital projects.

7. Trade and other payables

Trade payables	461 774	178 055
Unknown Bank credits	5 357	5 357
Provision for gratuity	421 912	478 482
Accrued leave	207 633	222 404
Accrued audit fees	66 125	66 125
	1 162 801	**950 423**

8. Cash generated from operations

Profit before taxation	5 187 678	6 039 927
Adjustments for:		
Depreciation and amortisation	1 427 253	1 384 312
Interest received	(3 410 248)	(3 062 597)
Prior year adjustment	234 810	-
Changes in working capital:		
Trade and other receivables	(1 442 136)	1 957 135
Trade and other payables	212 378	217 582
Deferred revenue grants	3 525 234	2 917 635
	5 734 969	**9 453 994**

9. Comparative figures

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

Detailed Statement of Financial Performance

Figures in Lilangeni	Note(s)	2026	2025
Revenue			
Rates		15 332 379	15 355 903
Eswatini Government Subvention		519 999	520 000
		15 852 378	**15 875 903**
Other income			
Advertising		136 978	128 560
Capital grant amortisation		652 088	512 494
Insurance Claim		30 329	35 420
Interest received		3 410 248	3 062 597
Licences and permits		24 392	15 852
Market fees		71 482	73 702
Profit on sale of asset		49 055	-
Rates clearance and inspection fees		179 153	6 400
Scrutiny fees		85 561	21 113
Solid waste removal fees		45 559	77 167
Subdivisions		-	6 060
Sundry Income		1 754	24 248
Tender Fees		34 050	28 800
		4 720 649	**3 992 413**
Operating expenses			
Advertising		197 578	89 125
Auditors remuneration		66 125	66 125
Bad debts		-	3 016
Bank charges		58 904	59 775
Cleaning		57 912	22 112
Community events		997 769	743 742
Computer consumables		61 077	52 063
Consulting and professional fees		194 362	136 479
Councillors remuneration		775 135	860 573
Courier and postage		-	1 137
Branded Materials & Promotional Items		121 294	114 035
Depreciation		1 427 253	1 384 312
Electricity and Water		68 167	72 753
Employee costs		5 358 301	5 341 948
Equipment and tools		61 920	26 004
Hospitality		130 332	100 221
Insurance		303 387	172 549
Legal expenses		21 537	105 337
Motor vehicle expenses		581 070	516 752
Printing and stationery		81 730	52 213
Protective clothing		196 990	91 174
Refuse collection		322 280	337 600
Rent paid		206 711	202 373
Repairs and maintenance		1 578 462	1 195 122
Security expenses		643 006	605 911
Subscriptions		72 036	56 029

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

Detailed Statement of Financial Performance

Figures in Lilangeni	Note(s)	2026	2025
Telephone and fax		177 797	130 354
Training expenses		403 450	456 178
Travelling and accommodation		1 220 764	833 377
		15 385 349	**13 828 389**
Surplus for the year		**5 187 678**	**6 039 927**

Detailed Statement of Financial Performance - Budget Vs Actual

Figures in Lilangeni	Budget	Actual	Variance
Income			
Rates revenue	15 196 645	15 332 379	(135 734)
Government subvention	520 000	519 999	1
	15 716 645	**15 852 378**	**(135 733)**
Other Income			
Advertising	55 575	136 978	(81 403)
Capital grant amortisation	-	652 088	(652 088)
Claim- SRIC	-	30 329	(30 329)
Interest received	3 048 000	3 410 248	(362 248)
Licences and permits	10 560	24 392	(13 832)
Market fees	77 300	71 482	5 818
Profit on sale of asset	-	49 055	(49 055)
Rates clearance and inspection fees	5 400	179 153	(173 753)
Scrutiny fees	67 520	85 561	(18 041)
Solid waste removal fees	73 400	45 559	27 841
Sundry Income	-	1 754	(1 754)
Tender Fees	27 000	34 050	(7 050)
	3 364 755	**4 720 649**	**(1 355 894)**
Advertising	142 797	197 578	(54 781)
Auditors remuneration	260 000	66 125	193 875
Bank charges	60 000	58 904	1 096
Branded Materials & Promotional Items	182 261	119 134	63 127
Cleaning	58 818	57 912	906
Community events	1 042 983	997 769	45 214
Computer consumables	61 432	61 077	355
Consulting and professional fees	1 049 400	194 362	855 038
Councillors remuneration	985 555	775 135	210 420
Depreciation	-	1 427 253	(1 427 253)
Electricity and Water	104 660	68 167	36 493
Employee costs	7 118 967	5 358 301	1 760 666
Equipment and tools	64 563	61 920	2 643
Hospitality	171 370	130 332	41 038
Insurance	462 100	303 387	158 713
Legal expenses	240 000	21 537	218 463
Marketing and communication expenses	35 520	2 160	33 360
Motor vehicle expenses	656 499	581 070	75 429
Printing and stationery	92 636	81 730	10 906
Protective clothing	200 400	196 990	3 410
Refuse collection	317 120	322 280	(5 160)
Rent paid	222 605	206 711	15 894
Repairs and maintenance	2 110 027	1 578 462	531 565
Security expenses	641 991	643 006	(1 015)
Subscriptions	91 004	72 036	18 968
Telephone and fax	172 112	177 797	(5 685)
Training expenses	678 334	403 450	274 884
Travelling and accommodation	1 261 461	1 220 764	40 697
	18 484 613	**15 385 349**	**3 099 265**
Surplus for the year	**596 787**	**5 187 678**	**(4 590 891)**

Supplementary Information

1. Subvention

Eswatini Government	519 999

2. Auditors remuneration

Kobla Quashie and Associates	66 125

3. Rent paid

Mgilija Properties	206 711

4. Subscriptions

Amicaal	11 000
Imfo	3 220
ESIA	6 000
Lamas	12 500
Siga	11 416
Swalga	25 000
Times of Eswatini	2 900
	72 036

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