



MBHASHE LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for

THE YEAR ENDED 30 JUNE 2009

Annual Financial Statements

for

Mbhashe Local Municipality

for the year ended 30 June: **2009**

Province:

Eastern Cape

AFS rounding:

R (i.e. only cents)

Contact Information:

Name of Municipal Manager: Sabelo Dumezweni

Name of Chief Financial Officer: Sindiswa Mini

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Contact telephone number:

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Treasury:

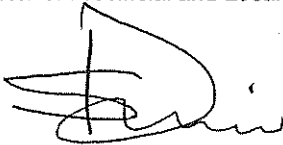
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Mbhashe Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 33, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 22 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



Municipal Manager:

31 August 2009

Mbhashe Local Municipality
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General Information

Members of the Council

Mvana F	Mayor
Jafa MS	Speaker
Xhungu N	Member of the Executive Committee
Stofile TV	Member of the Executive Committee
Tyali S	Member of the Executive Committee
Methu P	Member of the Executive Committee
Solontsi ZD	Member of the Executive Committee
Magodla DD	Member of the Executive Committee
Mayekiso MG	Member of the Executive Committee
Matshaya PT	Member of the Executive Committee
Sangqu M	Member of the Executive Committee
Sovita ST	Member
Nonxuba NNT	Member
Khadamile N	Member
Kalityiso SD	Member
Raxangana P	Member
Matshandaza GZ	Member
Nqwena N	Member
Maqondo S	Member
Badi CX	Member
Magoda AT	Member
Manqina EM	Member
Ntshonga N	Member
Genukile N	Member
Ngxelo MF	Member
Ngqula N	Member
Sihewula M	Member
Gungqe N	Member
Kona MW	Member
Bambiso A	Member
Madingana P	Member
Qasana NC	Member
Mtisi N	Member
Qina F	Member
Dyantyi PP	Member
Nyalambisa N	Member
Ntetho NL	Member
Dwakasa QN	Member
Juta N	Member
Gangam SN	Member
Mdyesha BC	Member
Micndleni N	Member
Stefana N	Member
Bantwini N	Member
Dubula IM	Member
Xana AL	Member
Voyi MA	Member
Macamba JR	Member
Mnqumeni N	Member
Nightingale N	Member
Tsengwa DT	Member

Municipal Manager

Sabelo Dumezweni

Chief Financial Officer

Sindiswa Mini

Grading of Local Authority

Grade 3

Auditors

Auditor-General

Bankers

Meeg Bank

Mbhashe Local Municipality
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General information (continued)

Registered Office: MBHASHE LOCAL MUNICIPALITY

Physical address:
100 Kiddell Street
Dutywa
5000

Postal address:
P.O.Box 25
Dutywa
5000

Telephone number: 047 489 5800

Fax number: 047 489 1137

E-mail address: dumezwenis@mbhashe.mun.gov.za

Mbhashe Local Municipality
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Mbhashe Local Municipality
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 2009

	Note	2009 R	2008 R
ASSETS			
Current assets			
Cash and cash equivalents	1	1 455 886	5 832 408
Trade and other receivables from exchange transactions	2	126 156	149 889
Prepayments	4	57 644	-
Investments	5	29 484 654	23 719 340
VAT receivable	8	1 743 748	6 663 441
Non-current assets			
Property, plant and equipment	6	51 246 019	53 235 704
Total assets		84 114 107	89 600 783
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	7	4 227 901	965 143
Current provisions	9	2 049 664	1 229 091
Bank overdraft	1	1 413 514	-
Current portion of unspent conditional grants and receipts	10	4 860 818	6 315 348
Total liabilities		12 551 897	8 509 582
Net assets		71 562 210	81 091 201
NET ASSETS			
Reserves		9 652 509	9 652 509
Accumulated surplus		61 909 702	71 438 692
Total net assets		71 562 211	81 091 201

Mbhashe Local Municipality
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2009

	Note	2009 R	2008 R
Revenue			
Property rates	11	2 661 768	2 587 187
Service charges	12	617 364	-
Rental of facilities and equipment	13	365 405	198 313
Interest earned - external investments	14	2 111 322	1 266 069
Government grants and subsidies	15	66 529 243	67 114 414
Other income	20	1 179 903	1 937 787
Total revenue		73 465 004	73 103 770
Expenses			
Employee related costs	21	20 263 451	13 537 865
Remuneration of councillors	22	9 291 245	9 214 465
Bad debts		2 712 078	5 893 613
Depreciation and amortisation expense	23	3 918 058	2 841 607
Repairs and maintenance		17 484 221	616 877
Grants and subsidies paid	24	-	4 614 228
General expenses	25	34 893 325	10 725 608
Total expenses		88 562 378	47 444 263
(Deficit)/Surplus for the period		(15 097 374)	25 659 507

Mbhashe Local Municipality
STATEMENT OF CHANGES IN NET ASSETS
as at 30 June 2009

		Government Grant Reserve	Accumulated Surplus/(Deficit)	Total: Net Assets
	Note	R	R	R
Balance at 30 June 2007		9 652 509	57 045 733	76 350 751
Correction of prior period error	28	-	-(11 266 548)	(11 266 548)
Restated balance		9 652 509	45 779 185	65 084 203
Surplus for the period		-	25 659 507	25 659 507
Balance at 30 June 2008		9 652 509	71 438 692	90 743 710
Other items		-	5 568 384	5 568 384
Deficit for the period		-	(15 097 374)	(15 097 374)
Balance at 30 June 2009		9 652 509	61 909 702	81 214 720

Mbhashe Local Municipality
CASH FLOW STATEMENT

as at 30 June 2009

Note

	R	R
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from ratepayers, government and other	73 488 737	77 500 002
Payments to Suppliers and Employees	81 996 991	(45 622 142)
Cash generated from (utilised in) operations	44 (8 508 254)	31 877 860
Interest Received	2 111 322	1 266 069
Net cash flows from operating activities	(6 396 932)	33 143 929
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1 928 373)	(13 105 155)
Proceeds from sale of fixed assets		
Proceeds from sale of investments		
Purchase of foreign currency securities		
Net cash flows from investing activities	(1 928 373)	(13 105 155)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Repayment of borrowings		
Proceeds from finance lease liability		
Repayment of finance lease liability		
Net cash flows from financing activities	-	-
Net increase / (decrease) in net cash and cash equivalents	(8 325 305)	20 038 774
Net cash and cash equivalents at beginning of period	37 852 331	17 813 557
Net cash and cash equivalents at end of period	45 29 527 026	37 852 331

Mbhashe Local Municipality
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
as at 30 June 2009

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5

STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008
GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IAS 19 Employee Benefits - effective 1 January 2009

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.3 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.4 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure		Other	
Roads and Paving	25 years	Buildings	30 years
		Other vehicles	5 years
Community		Office equipment	3 to 7 years
Buildings	30 years	Furniture and fittings	7 to 10 years
		Furniture and fittings	7 to 10 years
		Other items of plant and equipment	15 years
		Computer equipment	3 years

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

2.5 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3 FINANCIAL INSTRUMENTS

3.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

3.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

3.2.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

3.2.3 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

3.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

4 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

5 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

6 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

7 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

8 LEASES

8.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

9 REVENUE

9.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

9.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

9.3 GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

10 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable.

11 IMPAIRMENT OF ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality 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.

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

The recoverable service 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 service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service 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 surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

The increased carrying amount of an asset 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 is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
1 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of the following:			
Cash on hand		4 735	4 735
Cash at bank		-	4 375 526
Call deposits		1 451 151	1 452 147
		<u>1 455 886</u>	<u>5 832 408</u>

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

Meeg Bank Call account number 9056683798

Cash book balance at beginning of year	4 375 526	12 676 109
Cash book balance at end of year	-	4 375 526
Bank statement balance at beginning of year	7 662 117	14 499 569
Bank statement balance at end of year	3 033 305	7 662 117

Current Account (Other Account)

Standard Bank Limited - Dutywa: 28 077 595 4

Standard Bank Limited - Dutywa: 28 076 392 1

Cash book balance at beginning of year	1 452 147	1 452 717
Cash book balance at end of year	1 451 151	1 452 147
Bank statement balance at beginning of year	1 452 147	1 452 717
Bank statement balance at end of year	1 451 151	1 452 147

Cash on hand

	4 735	4 735
Total cash and cash equivalents	1 455 886	5 832 408
Total bank overdraft	1 413 514	-

2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade receivables

as at 30 June 2009

Service debtors

	Gross Balances R	Provision for Doubtful Debts R	Net Balance R
Rates	7 581 845	7 570 419	11 426
Refuse	1 564 142	1 560 770	3 372
Total	<u>9 145 987</u>	<u>9 131 189</u>	<u>14 798</u>

as at 30 June 2008

Service debtors

Rates	6 457 641	6 419 110	38 531
Refuse	-	-	-
Total	<u>6 457 641</u>	<u>6 419 110</u>	<u>38 531</u>

Other receivables

Other receivables

	2009 R	2008 R
	111 358	111 358

Consumer debtors: Ageing

Current (0 - 30 days)	249 477	8 721
31 - 60 Days	248 771	20 394
61 - 90 Days	242 764	37 667
+ 91 Days	8 404 975	6 390 859
Total	<u>9 145 987</u>	<u>6 457 641</u>

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
3 RECONCILIATION OF THE DOUBTFUL DEBT PROVISION			
Balance at beginning of the year		6 419 111	525 498
Contributions to provision		2 712 078	5 893 613
Balance at end of year		<u>9 131 189</u>	<u>6 419 111</u>
4 PREPAYMENTS			
Prepaid expenses		<u>57 644</u>	-
Creditors paid in advance			
5 INVESTMENTS			
Call investments		<u>29 484 654</u>	<u>23 719 340</u>
		<u>29 484 654</u>	<u>23 719 340</u>

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

6 PROPERTY, PLANT AND EQUIPMENT

6.1 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
as at 1 July 2008	9 366 112	1 782 332	34 705 896	4 699 647	-	2 681 717	-	53 235 704
Cost/Revaluation	9 366 112	2 486 834	51 637 316	6 546 301	-	7 741 307	-	77 777 870
Correction of error (note 48)	-	-	(10 674 899)	-	-	-	-	(10 674 899)
Accumulated depreciation and impairment losses	-	(704 502)	(6 256 521)	(1 846 654)	-	(5 059 590)	-	(13 867 267)
Acquisitions	-	-	-	-	-	-	-	-
Capital under Construction	-	-	-	-	-	1 928 373	-	1 928 373
Depreciation	-	(82 894)	(2 065 493)	(218 210)	-	(1 551 461)	-	(3 918 058)
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Other movements*	-	-	-	-	-	-	-	-
as at 30 June 2009	9 366 112	1 699 438	32 640 403	4 481 437	-	3 058 629	-	51 246 019
Cost/Revaluation	9 366 112	2 486 834	40 962 417	6 546 301	-	9 669 680	-	69 031 344
Accumulated depreciation and impairment losses	-	(787 396)	(8 322 014)	(2 064 864)	-	(6 611 051)	-	(17 785 325)

Refer to Appendix B for more detail on property, plant and equipment

Mibhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

6.2 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
as at 1 July 2007								
Cost/Revaluation	9 366 112	2 486 834	39 149 164	6 546 301	-	6 088 132	-	63 636 543
Accumulated depreciation and impairment losses	-	(621 708)	(5 177 792)	(1 628 662)	-	(3 145 028)	-	(10 573 190)
Acquisitions	-	-	12 487 952	-	-	257 576	-	12 745 528
Capital under Construction	-	-	-	-	-	-	-	-
Depreciation	-	(82 794)	(1 078 729)	(217 991)	-	(1 352 806)	-	(2 732 320)
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
*Other movements	-	-	-	-	-	-	-	-
as at 30 June 2008	9 366 112	1 782 332	34 705 896	4 899 647	-	2 681 717	-	53 235 704
Cost/Revaluation	9 366 112	2 486 834	40 962 417	6 546 301	-	7 741 307	-	67 102 971
Accumulated depreciation and impairment losses	-	(704 502)	(6 256 521)	(1 846 654)	-	(5 059 590)	-	(13 867 267)

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	2009 R	2008 R
7 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade creditors	3 137 870	965 143
Payments received in advance	1 090 030	-
Total creditors	4 227 901	965 143

8 VAT RECEIVABLE

VAT receivable	1 743 748	6 663 441
----------------	-----------	-----------

VAT is payable on the invoice basis.

9 PROVISIONS

Bonus provision	540 752	180 000
Provision for leave	1 508 912	1 049 091
Total Provisions	2 049 664	1 229 091

Bonuses are paid in the month following the employee's birthday.

The movement in current provisions are reconciled as follows: -

	Performance Bonus	Provision for leave
as at 1 July 2008	1 049 091	180 000
Contributions to provision	459 821	360 752
Expenditure incurred		
as at 30 June 2009	1 508 912	540 752
 as at 1 July 2007	 1 049 091	 180 000
Contributions to provision		
Expenditure incurred		
as at 30 June 2008	1 049 091	180 000

10 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent Conditional Grants from other spheres of Government

IGG Fund 1 (MEEG-9056685669)	2 248	2 248
IGG Fund 2 (MEEG-9057228882)	23 072	23 072
Housing Development Fund (MEEG-905)	575 099	1 063 593
Pilot Housing Fund (STD-388732)	4 577	4 577
Willowvale roads (MEEG-9056533)	5 456	5 456
IDP Fund 1 (MEEG-905737830)	(195 408)	83 903
Free basic services (MEEG-9092)	-	276 449
Town planning 1 (MEEG-90572251)	450 378	450 378
Town planning 2 (MEEG-90927430)	400 198	400 198
Survey fund (MEEG-9056686013)	193 283	193 283
Ntlongane fund (MEEG-911089020)	1 126 903	1 126 903
Finance Management Grant	704 678	644 443
LGSETA Fund	111 463	33 046
MSIG	618 496	861 428
Establishment of ward	(25 001)	280 995
Equitable share (MEEG-90618315)	3 475	3 475
Extention fund (MEEG-905653311)	31 578	31 578
Water reticulation (FNB-620159)	6 674	6 674

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	2009	2008
	R	R
IDP Fund 2 (MEEG-9057252990)	709 286	709 286
IDP Fund 3 (MEEG-9092742368)	114 363	114 363
Total Unspent Conditional Grants and Receipts	4 860 818	6 315 348

See Note 31 for reconciliation of grants and receipts. These amounts are invested in ring-fenced investment until utilised.

11 PROPERTY RATES

<u>Actual</u>		
Residential	2 661 768	2 587 187
Total	2 661 768	2 587 187

Valuations on land and buildings are performed every four years. The most recent valuation came into effect on 1 July 2009.

12 SERVICE CHARGES

Refuse removal	617 364	-
Total Service Charges	617 364	-

13 RENTAL OF FACILITIES AND EQUIPMENT

Rental of facilities	365 405	198 313
Total rentals	365 405	198 313

14 INTEREST EARNED - EXTERNAL INVESTMENTS

Bank	2 111 322	1 266 069
Total interest	2 111 322	1 266 069

15 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	41 014 669.00	45 235 507
MSIG Grant	977 932	734 000
Finance Management Grant	439 765	1 000 000
Municipal Infrastructure grant (MIG)	13 606 000	16 932 497
FBS	7 164 097	-
Ward Committee	305 996	-
Housing development	640 081	-
Grants received - ADM	225 964	-
IEC	1 693 750	-
Grants received - ADM	208	-
IDP	460 780	-
Unknown grants	-	3 212 410
Total Government Grant and Subsidies	66 529 243	67 114 414

16 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

17 MIG Grant

Balance unspent at beginning of year	-	-
Current year receipts	13 606 000	-
Conditions met - transferred to revenue	(13 606 000)	-

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	2009 R	2008 R
Conditions still to be met - remain liabilities	-	-
18 Other Government Grants and Subsidies		
18.1 Municipal System Improvement Grant		
Balance unspent at beginning of year	861 428	517 428
Current year receipts	735 000	734 000
Conditions met - transferred to revenue	(977 932)	(390 000)
Conditions still to be met - remain liabilities (see note 21)	<u>618 496</u>	<u>861 428</u>
18.2 Finance Management grant		
Balance unspent at beginning of year	644 444	175 104
Current year receipts	500 000	1 000 000
Conditions met - transferred to revenue	(439 765)	(530 660)
Conditions still to be met - remain liabilities (see note 21)	<u>704 679</u>	<u>644 444</u>
18.3 LG Seta		
Balance unspent at beginning of year	33 046	33 046
Current year receipts	78 487	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - remain liabilities (see note 21)	<u>111 533</u>	<u>33 046</u>
18.4 Establishment of Ward Committees		
Balance unspent at beginning of year	280 995	280 995
Current year receipts	-	-
Conditions met - transferred to revenue	(305 996)	-
Conditions still to be met - remain liabilities (see note 21)	<u>(25 001)</u>	<u>280 995</u>
18.5 Housing Development		
Balance unspent at beginning of year	1 063 593	1 063 593
Current year receipts	151 587	-
Conditions met - transferred to revenue	(640 081)	-
Conditions still to be met - remain liabilities (see note 21)	<u>575 099</u>	<u>1 063 593</u>
20 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS		
Other income		
Sundry revenue	1 179 903	1 937 787
Total Other Income	<u>1 179 903</u>	<u>1 937 787</u>
21 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	15 279 360	11 329 498
Employee related costs - Contributions for UIF, pensions and medical aids	2 231 317	2 193 282
Housing benefits and allowances	102 136	15 085
Performance and other bonuses	920 924	-
Leave provision	459 821	-
Other employee related costs	1 269 892	-
Total Employee Related Costs	<u>20 263 451</u>	<u>13 537 865</u>
Remuneration of the Municipal Manager		
Annual Remuneration	113 008	339 024
Travel, motor car, accommodation, subsistence and other allowances	55 339	118 016
Contributions to UIF, Medical and Pension Funds	20 499	109 497
Total	<u>188 846</u>	<u>566 537</u>

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	2009 R	2008 R
Remuneration of the Chief Finance Officer		
Annual Remuneration	364 426	271 219
Travel, motor car, accommodation, subsistence and other allowances	125 410	108 000
Contributions to UIF, Medical and Pension Funds	72 669	75 525
Total	562 505	454 744

Remuneration of Individual Executive Directors	Technical Services	Finance / Admin Services	Community Services
	R	R	R
2009			
Annual Remuneration	-	364 426	869 873
Travel, motor car, accommodation, subsistence and other allowances	-	148 210	362 022
Contributions to UIF, Medical and Pension Funds	-	48 439	128 198
Total	-	561 075	1 360 093

	Technical Services	Corporate Services	Community Services
	R	R	R
2008			
Annual Remuneration	376 831	271 219	-
Performance- and other bonuses	27 100	-	-
Travel, motor car, accommodation, subsistence and other allowances	110 400	182 300	-
Total	514 331	453 519	-

22 REMUNERATION OF COUNCILLORS

Annual Remuneration	7 054 306	1 202 015
Travel, motor car, accommodation, subsistence and other allowances	2 236 939	-
Contributions to UIF, Medical and Pension Funds	-	-
Total Councillors' Remuneration	9 291 245	1 202 015

In-kind Benefits

The Executive Mayor is provided with an office, a secretarial support, full time driver and a mayoral vehicle at the cost of the Council

23 DEPRECIATION AND AMORTISATION EXPENSE

Property, plant and equipment	3 918 058	2 841 607
Total Depreciation and Amortisation	3 918 058	2 841 607

24 GRANTS AND SUBSIDIES PAID

Donations to local communities and LED projects	-	4 614 228
	-	4 614 228

25 GENERAL EXPENSES

Included in general expenses are the following:-

Accommodation and meals	4 200	-
Advertising	148 278	159 250
Audit fees	1 515 056	614 516
Unknown expenditure	436 400	-

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	2009	2008
	R	R
Bank charges	89 551	114 245
Books and publications	2 447	78 743
Catering	300 351	95 521
Civic functions	873 648	-
Cleaning material	201 239	403 432
Community awareness	80 368	304 985
Conference and workshop costs	1 283 249	797 420
Consultants and professional fees	1 118 607	674 178
Consumables	4 649	33 920
Decorations	-	62 050
Electricity purchases	243 691	328 261
Entertainment	105 757	96 069
External audit committee	161 919	-
Grants and donations A	59 129	14 773
HR projects	75 000	-
IDP Review	460 780	187 651
Insurance external	214 855	204 060
Legal costs: Other	464 035	-
Licence fees for motor fleet	1 364	119 831
Licence fees for motor fleet	-	-
Mayors Discretion fund	680 769	193 189
Material and stores	494	263
Membership fees	43 679	15 744
Pauper burials	4 200	3 945
Petrol and oil: Motor fleet	808 123	316 807
Postage	1 397	5 277
Printing and stationery	219 092	471 651
Protective clothing and uniforms - staff	228 912	56 231
Projects	95 200	-
Refusr bags	44 000	99 976
Rental of office equipment	597 248	467 208
Security fees	178 094	3 119
Seeds, plants and trees	-	-
Skills development levies	17 550	-
Small tools and equipment	15 473	74 175
Subsidies free basic services	4 371 595	285 389
Subsistence and travelling	364 170	243 081
Telephone costs	1 617 929	1 485 347
Ward committee subsistence and travelling	121 951	96 110
Ward committee training and development	184 045	138 939
Disabled	70 488	-
Youth	54 600	-
Elderly	27 977	-
Women I	36 210	-
Children	43 281	-
DPLG - ICT	68 091	-
MSIG	977 932	-
FMG	439 765	-
PMS	105 275	-
Institution and finance	2 412 808	-
Petty cash	870	-
LED	7 406 540	-
Social needs	2 162 955	-
Womens month celebrations	806 675	-
SALGA membership fees	113 112	-
Maintenance of municipal buildings	1 139 292	-
Elliotdale RDP Houses	319 642	-

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	2009 R	2008 R
Relocation of Ezifama	320 439	-
Alternative accommodation land hand of	84 756	-
8 business sites w/vale	571 153	-
Sakwe Park / Ext 2 NB: Not ext	292 970	-
Water and sanitation	-	1 752 434
Ward committee stationery	-	59 816
ADM services	-	164 652
Staff development	-	331 054
Computer costs	-	172 296
	<u>34 893 325</u>	<u>10 725 608</u>

26 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	(15 097 374)	25 659 507
Adjustment for:-		
Depreciation and amortisation	3 918 058	2 841 607
Interest earned	(2 111 322)	(1 266 069)
Other non-cash item	(1 911 626)	5 979 894
Operating surplus before working capital changes:	<u>(15 202 264)</u>	<u>33 214 939</u>
(Increase)/decrease in inventories		
(Increase)/decrease in trade receivables	23 733	(5 662 303)
(Increase)/decrease in other receivables	(57 644)	2 453 750
(Increase)/decrease in VAT receivable	4 919 693	(2 707 953)
Increase/(decrease) in conditional grants and receipts	(1 454 530)	3 482 440
Increase/(decrease) in trade payables	3 262 758	736 987
Increase/(decrease) in consumer deposits		
Increase/(decrease) in VAT payable		
Other asset		2 453 750
Other liability		
Cash generated by/(utilised in) operations	<u>(8 508 254)</u>	<u>33 971 610</u>

27 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Bank balances and cash	491 031	
Bank overdrafts	-	-
Net cash and cash equivalents (net of bank overdrafts)	<u>491 031</u>	<u>-</u>

28 CORRECTION OF ERROR

During the current year it was noted that the opening amounts per the annual financial statements for the year ended 30 June 2008 were not accurate.

The comparative amount has been restated as follows:

Correction of VAT control account following the finalisation for a SARS audit

Asset - VAT Control Account	-	6 663 441
Liabilities - VAT Control Account	-	(1 045 492)
Net effect on Statement of Financial Position	<u>-</u>	<u>7 708 933</u>
Net effect on Accumulated surplus opening balance	<u>-</u>	<u>7 708 933</u>

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	2009	2008
	R	R
Amounts erroneously recorded as infrastructure assets		
Asset - Infrastructure assets	-	(10 674 899)
Net effect on Statement of Financial Position	-	(10 674 899)
Net effect on Accumulated surplus opening balance	-	(10 674 899)
Adjustment to correct prior year general ledger account balance		
Asset - Infrastructure assets	-	(8 300 582)
Net effect on Statement of Financial Position	-	(8 300 582)
Net effect on Accumulated surplus opening balance	-	(8 300 582)
Investments not completely recorded		
Asset - Infrastructure assets	-	7 534 581
Net effect on Statement of Financial Position	-	7 534 581
Net effect on Accumulated surplus opening balance	-	7 534 581
Adjustments to take on of debtors balances		
Asset - Infrastructure assets	-	(711 655)
Net effect on Statement of Financial Position	-	(711 655)
Net effect on Accumulated surplus opening balance	-	(711 655)

**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE
29 MANAGEMENT ACT**

29.1 VAT

VAT input receivables and VAT output payables are shown in note 18.
The June 2009 VAT 201 return was not submitted on time.

29.2 Operating leases

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

Within one year	72 961	Not available
In the second to fifth year inclusive	170 916	Not available
After five years	-	Not available
Total	243 877	-

Operating Leases consists of the following:

Operating lease payments represent rentals payable by the municipality for certain of its office office equipment and telephone infrastructure. Leases are negotiated for an average term of five years.

30 RETIREMENT BENEFIT INFORMATION

30.1 Defined contribution plan

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

2009
R

2008
R

The following are defined contribution plans: Eastern Cape Group Municipal Pension Fund and Gratuity Fund administered by Alexander Forbes) and the South African Municipal Workers Union (SAMWU) Provident Fund. These contributions have been expensed.

31 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment
Provision for doubtful debts

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets
Provisions

33 RISK MANAGEMENT

33.1 Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base represented by small business and individuals from rural backgrounds.

Mbhashe Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	2009	2008
	R	R
Financial assets exposed to credit risk at year end were as follows:		
MEEG Bank		
First National Bank		
Standard Bank		

These balances represent the maximum exposure to credit risk.

33.3 Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

Mbhashe Local Municipality
APPENDIX A
SCHEDULE OF EXTERNAL LOANS

as at 30 June 2009

EXTERNAL LOANS	Loan number	Redeemable Date	Balance at	Received	Redeemed	Balance at	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MFMA	
			30 June 2008	during the period	/ written off during the period	30 June 2009			
			R	R	R	R	R	R	
LONG-TERM LOANS			The municipality does not have any exposure to external loans						
Stock Loan @ x% 2									
Stock Loan @ x% 3									
Stock Loan @ x% 4									
Stock Loan @ x% 5									
Stock Loan @ x% 6									
Stock Loan @ x% 7									
Stock Loan @ x% 8									
Total long-term loans									
ANNUITY LOAN									
Sanlam @ x%									
GOVERNMENT LOANS									
- Other @ x%									
Total Government Loans									
TOTAL EXTERNAL LOANS									

Mishawke Local Municipality
 APPENDIX B
 ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
 as at 30 June 2009

	Cost / Revolutions				Accumulated Depreciation				Total				
	Opening Balance	Additions	Disposals	Unitary Construction	Closing Balance	Opening Balance	Depreciation	Disposals		Equipment Impairment Loss	Closing Balance	Transfers	Other movements
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land	9 366 112	-	-	-	9 366 112	-	-	-	-	-	-	-	9 366 112
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	2 498 834	-	-	-	2 498 834	(704 520)	(82 834)	-	-	(787 354)	-	-	1 699 434
Infrastructure	40 802 417	-	-	-	40 802 417	(6 156 921)	(1 065 493)	-	-	(8 122 914)	-	-	32 640 401
Roofs	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Main & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity Main	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Main & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reservoirs - Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Main	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	40 802 417	-	-	-	40 802 417	(6 156 921)	(1 065 493)	-	-	(8 122 914)	-	-	31 640 401
Parks & Gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Lawns	1 172 031	-	-	-	1 172 031	(444 931)	(8 224)	-	-	(645 528)	-	-	1 119 478
Recreation Grounds	528 843	-	-	-	528 843	(166 921)	(37 861)	-	-	(129 441)	-	-	409 238
Club Buildings	1 659 712	-	-	-	1 659 712	(469 413)	(7 829)	-	-	(159 150)	-	-	1 096 157
Clubs	604 662	-	-	-	604 662	(234 843)	(4 833)	-	-	(234 421)	-	-	550 615
Halls	3 309 752	-	-	-	3 309 752	(937 761)	(111 693)	-	-	(1 070 659)	-	-	2 310 293
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
CompuAids	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage Assets	6 546 301	-	-	-	6 546 301	(1 846 654)	(218 210)	-	-	(1 964 864)	-	-	4 481 417
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Paintings & Artifacts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	59 361 664	-	-	-	59 361 664	(8 607 671)	(2 146 597)	-	-	(11 174 274)	-	-	44 187 159

Mishakhe Local Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2008

	Cost/Revaluation				Accumulated Depreciation				Transfers	Other movements	Carrying Value		
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals				Impairment/Reversal of impairment loss	Closing Balance
Total brought forward	R 99 301 644	R -	R -	R -	R 99 301 644	R (8 807 677)	R (3 346 597)	R -	R -	R (11 174 274)	R 48 117 390		
Other Assets													
Office Equipment	520 964	379 809	-	-	1 169 793	(541 754)	(104 306)	-	-	(669 352)	499 831		
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-		
Books and Collections	-	-	-	-	-	-	-	-	-	-	-		
Emergency Equipment	4 329 808	919 573	-	-	5 279 381	(2 524 345)	(353 565)	-	-	(1 623 711)	1 655 671		
Motor vehicles	1 201 120	350 409	-	-	1 799 314	(709 314)	(35 784)	-	-	(604 634)	947 680		
Fire engines	4 479	-	-	-	4 479	(2 704)	(633)	-	-	(3 401)	876		
Relief materials	806 115	449 111	-	-	1 454 226	(1 227 417)	(141 705)	-	-	(1 509 124)	(44 910)		
Computer equipment (port of computer equipment)	-	-	-	-	-	-	-	-	-	-	-		
Other Assets	-	-	-	-	-	-	-	-	-	-	-		
Finance Lease Assets													
Office Equipment	7 741 307	1 978 313	-	-	9 694 250	(5 097 250)	(1 531 451)	-	-	(6 614 551)	3 058 699		
Other Assets	-	-	-	-	-	-	-	-	-	-	-		
Total	67 162 971	1 929 373	-	-	63 031 344	(13 627 287)	(3 918 048)	-	-	(17 748 325)	51 283 019		
Mishakhe Local Municipality													
APPENDIX B													
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT													
as at 30 June 2008													
		Cost/Revaluation				Accumulated Depreciation							
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment/Reversal of impairment loss	Closing Balance	Transfers	Other movements	Carrying Value
Land													
Land	9 558 112	-	-	-	9 558 112	-	-	-	-	-	-	-	9 558 112
Leased Sites	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings													
Infrastructure	2 456 004	-	-	-	2 456 004	(61 795)	(42 794)	-	-	(104 502)	-	-	1 782 212
Industrial/warehouse	29 149 164	12 487 742	-	-	49 242 417	(5 177 291)	(1 078 729)	-	-	(6 216 511)	-	-	34 795 896
General Administration	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity Main	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Main & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reservoirs - Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets													
Parks & Gardens	3 143 164	12 447 853	-	-	40 582 417	(1 177 292)	(1 078 729)	-	-	(2 255 921)	-	-	34 326 495
Libraries	172 031	-	-	-	172 031	(35 095)	(5 729)	-	-	(40 824)	-	-	131 207
Recreation Grounds	528 843	-	-	-	528 843	(149 711)	(19 941)	-	-	(499 652)	-	-	49 191
Civic Buildings	1 629 713	-	-	-	1 629 713	(397 428)	(52 297)	-	-	(1 026 641)	-	-	1 199 548
Stadiums	804 602	-	-	-	804 602	(501 240)	(6 403)	-	-	(128 643)	-	-	576 917
Halls	3 350 752	-	-	-	3 350 752	(445 189)	(112 579)	-	-	(937 767)	-	-	2 412 985
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage Assets													
Historical Buildings	6 146 301	-	-	-	6 146 301	(1 024 621)	(117 931)	-	-	(1 848 551)	-	-	4 297 720
Paintings & Artifacts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	57 548 411	17 447 952	-	-	59 101 624	(7 424 161)	(1 139 514)	-	-	(16 807 671)	-	-	50 523 847

Mishach's Local Municipality
 APPENDIX B
 ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
 as at 30 June 2008

	Cost/Revaluation			Accumulated Depreciation					Transfer	Other movements	Carrying Value
	Opening Balance	Additions	Deprecials	Under Construction	Closing Balance	Opening Balance	Depreciation	Deprecials			
	R	R	R	R	R	R	R	R	R	R	
Total brought forward	57 548 413	12 447 932	-	-	59 341 644	7 428 143	13 179 514	-	-	48 697 677	50 533 347
Other Assets											
Office Equipment	201 198	128 724	-	-	509 944	-	-	-	-	(63 176)	428 238
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-
Bus and Containers	-	-	-	-	-	-	-	-	-	-	-
Emergency Equipment	4 039 029	-	-	-	4 359 609	(1 786 423)	(821 392)	-	-	(653 345)	1 701 164
Motor Vehicles	-	-	-	-	1 391 128	(570 242)	(119 113)	-	-	(697 244)	641 772
Fire engines	-	-	-	-	4 472	(1 813)	(492)	-	-	(704)	1 765
Rebate under	897 327	128 724	-	-	956 115	(746 555)	(263 865)	-	-	(1 127 427)	(331 312)
Computer Equipment (includes part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Financial Assets	6 048 132	271 756	-	-	7 214 307	(1 145 603)	(1 352 408)	-	-	(4 699 500)	2 614 117
Office Equipment	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Total	63 636 645	12 748 638	-	-	67 462 971	(19 673 190)	(2 732 230)	-	-	(13 887 287)	63 335 714

Mbhashe Local Municipality
APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2009

	Cost / Revaluation					Accumulated Depreciation					Carrying value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
	R	R	R	R	R	R	R	R	R		
Executive & Council											
Finance & Admin											
Planning & Development											
Health											
Community & Social Services											
Public Safety											
Sport & Recreation											
Environmental Protection											
Waste Management											
Road Transport											
Water											
Electricity											
Other											
Total											

Segmental analysis information relating to property, plant and equipment is not available

Mbhashe Local Municipality
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2009

2008		2008		2008		2009		2009	
Actual Income	Actual Expenditure	Surplus / (Deficit)	Actual Income	Actual Expenditure	Surplus / (Deficit)	Actual Income	Actual Expenditure	Surplus / (Deficit)	
R	R	R	R	R	R	R	R	R	
-	10 797 264	(10 797 264)	-	15 090 248	(15 090 248)	-	15 090 248	(15 090 248)	
73 103 768	29 055 101	44 048 667	74 315 660	35 406 444	38 909 215	74 315 660	35 406 444	38 909 215	
-	3 564 385	(3 564 385)	(2 316)	10 387 478	(10 389 794)	(2 316)	10 387 478	(10 389 794)	
-	-	-	114 526	826 811	(712 286)	114 526	826 811	(712 286)	
-	719 951	(719 951)	-	2 883 823	(2 883 823)	-	2 883 823	(2 883 823)	
-	1 587 099	(1 587 099)	107 877	269 387	(161 510)	107 877	269 387	(161 510)	
-	-	-	-	2 171 113	(2 171 113)	-	2 171 113	(2 171 113)	
-	-	-	60	1 852 120	(1 852 060)	60	1 852 120	(1 852 060)	
-	-	-	91 025	98 325	(7 300)	91 025	98 325	(7 300)	
-	1 720 461	(1 720 461)	(1 161 827)	16 931 046	(18 092 873)	(1 161 827)	16 931 046	(18 092 873)	
-	-	-	-	994 574	(994 574)	-	994 574	(994 574)	
-	-	-	-	1 651 008	(1 651 008)	-	1 651 008	(1 651 008)	
-	-	-	-	-	-	-	-	-	
73 103 768	47 444 261	25 659 507	73 465 004	88 562 378	(15 097 374)	73 465 004	88 562 378	(15 097 374)	

Executive and Council
Finance and Administration
Planning and Development
Community & Social Services
Housing
Public Safety
Sport and Recreation
Waste Management
Waste Water Management
Road Transport
Tourism
Electricity