

# City of Cape Town



## Unaudited Consolidated Annual Financial Statements

For the year ended  
**30 June 2011**



CITY OF CAPE TOWN | ISIXEKO SASEKARA | STAD KAAPSTAD

THIS CITY WORKS FOR YOU

Auditor-General: 30/09/2011

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## **Reporting Entity**

The Entity is a local authority established in terms of section 151 of the Constitution of the Republic of South Africa.

The principle activities of the Entity are to:

- Provide democratic and accountable government for the local communities.
- Ensure the provision of services to communities in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment.
- Encourage the involvement of communities and community organizations in the matters of local government.

The Entity's operations are governed by the Local Government: Municipal Finance Management Act (Act No 56 of 2003), The Municipal Structures Act (Act No117 of 1998), The Municipal systems Act (Act No 32 of 2000) and various other acts and regulations.



**Executive Mayor: Alderman P de Lille**

**Executive Deputy Mayor**

Alderman ID Neilson

**Speaker**

Alderman JD Smit

**Chief whip**

Alderman AM Serritslev

**Members of the Mayoral Committee**

- Alderman ID Neilson - Finance
- Alderman JP Smith - Safety and security services
- Alderman DL Qually - Corporate services
- Alderman VM Walker - Economic, environment and spatial planning
- Councillor BA Cortje-Alcock - Social and early childhood development
- Councillor LV James - Human settlements
- Councillor T Gqada - Community services
- Councillor BN Herron - Transport, roads and stormwater
- Councillor GI Pascoe - Tourism, events and marketing
- Councillor S Sims - Utility services
- Councillor EJ Sonnenberg - Housing

**Members of the Audit Committee**

- Z Manjra Chairperson
- M Roos Member (appointed w.e.f. 1 February 2011)
- MY Kajee Member (appointed w.e.f 1 February 2011)
- M Burton Member
- K Moloko Member

**Auditors**

The Auditor-General  
Business Connexion Building  
Ring Road, Century Boulevard  
**Century City**  
7441

Private Bag X1  
**Chempet**  
7442

**Bankers**

ABSA Bank  
1<sup>st</sup> floor, Tijgerpark IV  
Willie van Schoor Drive  
**Tyger Valley**  
7530

PO Box 4453  
**Tyger Valley**  
7536

**Registered office**

12 Hertzog Boulevard  
**Cape Town**  
8000

PO Box 655  
**Cape Town**  
8000



**City Manager**  
Achmat Ebrahim



**Chief Financial Officer**  
Mike Richardson

## Council Members of the City Of Cape Town

### Councillor/Alderman

Abrahams, AN	Gqwangxu, X	Makeleni, LC	Purchase, F
Abrahams, A	Green, AM	Mamba, KC	Qoba, ZL
Abrahams, FL	Gympies, SC	Mamkeli, S	Qually, DL
Abrahams, MM	Hadebe, B	Mangali, T	Rass, B
Adams, A	Hansen, B	March, GW	Rau, R
Adams, F	Haskin, GCR	Marman, PI	Raymond, FHL
Adams, Y	Hassiem, W	Matanzima, V	Rossouw, SJ
America, D	Haywood, M	Matha, MS	Sakathi, T
Amira, D	Hebe, LA	Maxheke, JJ	Schäfer, BA
Andrews, EP	Hendricks, MGE	Maxiti, P	Serritslev, AM
Andrews, JA	Herron, BN	Mbandezi, S	Sikhakhane, N
Anstey, E	Heuvel, JA	Mbonde, ME	Siljeur, GR
Arendse, MT	Heynes, PC	McCarthy, J	Simons, RS
Arendse, R	Hinana, EN	Mfusi, VN	Sims, S
Arendse, SWP	Honono, TT	Mhlanga, C	Sitonga, MC
Ariefdien, M	Hoosain, J	Middleton, JH	Slabbert, JD
August, SN	Ipser, CW	Mkutswana, MA	Smit, JD
Badela, D	Isaacs, LI	Mngxunyeneni, PM	Smith, J
Bazier, R	Isaacs, VR	Mofoko, NM	Sonnenberg, EJ
Beneke, R	Iversen, I	Morkel, KH	Sono, NP
Bent, NL	Jackson, IR	Moses, AC	Sopaqa, MM
Bew, CB	Jacobs, BM	Moses, RM	Sotashe, X
Bloor, GM	Jacobs, J	Moshani, NA	Taylor, MJ
Brady, WE	Jaffer, L	Mphila, D	Thomas, CR
Bredenhand, JC	Jafftha, WD	Msindwana, ME	Thomas, GHJ
Brenner, HI	James, LV	Mxolose, WS	Thompson, TB
Britz, MT	Janse van Rensburg, C	Mzalisa, MN	Thuynsma, J
Brunette, EN	Jansen van Vuuren, MI	Ndamase, T	Timm, G
Bryant, DW	Jefferies, IK	Ndongeni, AX	Toko, MS
Brynard, CA	Jordaan, C	Ndzulwana, N	Twigg, GG
Burger, JHH	Jordaan, LD	Neilson, ID	Tyhalisisu, VKT
Cavanagh, GV	Joseph, D	Nenzani, SM	Uys, TA
Chapple, PH	Justus, CR	Ngqame, YA	Van Dalen, B
Christians, DJ	Kannenbergh, ACK	Ngqose, NS	Van der Merwe, B
Christians, FC	Kearns, F	Nguzo, M	Van der Merwe, CG
Claasen, CPV	Kempthorne, ML	Nieuwoudt, MJ	Van der Merwe, JFH
Clayton, CC	Khatshwa, DM	Nikelo, M	Van der Rheede, A
Cortje-Alcock, BA	Kinahan, OM	Nkohla, L	Van der Walt, ML
Cottee, DG	Kleinsmith, ME	Nkunzana, FM	Van Minnen, BM
Crous, AC	Komeni, AL	Nonkeyizana, S	Van Wyk, CHS
D'Alton, DJ	Kopman, NF	Notana, E	Velem, M
Davids, MM	Krynauw, J	Nqavashe, ML	Venter, JD
De Lille, P	Landingwe, NJ	Nqulwana, M	Viljoen, R
Diamond, SP	Lategan, KH	Ntotoviyane, C	Visser, J
Dyanty, VD	Le Roux, B	Nyakatya, NC	Vos, J
Ehrenreich, AJ	Leputhing, CN	O'Connell, RA	Vuba, ST
Elese, D	Liell-Cock, SP	Oliver, MJ	Walker, VM
Esau, CJ	Lili, A	Pakela-Mapasa, XB	Watkins, BRW
Fourie, A	Limberg, XT	Pascoe, GI	Weavers, M
Fourie, GD	Little, SA	Peter, XG	Williams, A
Francke, P	Mabandla, M	Philander, S	Yalezo, S
Gabier, A	Maci, L	Pienaar, S	Yozi, SK
Gabriel, PJ	Mack, CJ	Pietersen, MP	Zondani, LG
Gabuza, A	Makanda, MN	Pretorius, IJ	
Gqada, T	Makasi, N	Pringle, SB	
Gqola, TL	Makeleni, K	Pupa, T	

**Consolidated annual financial statements**  
**for the year ended 30 June 2011**

**Approval of consolidated annual financial statements**

I am responsible for the preparation of these Consolidated annual financial statements, as set out on pages 14 to 85 in terms of Section 126(1) of the Municipal Finance Management Act, and have accordingly signed the statements on behalf of the Entity.

I certify that the salaries, allowances and benefits of councilors, as disclosed in note 30 to 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 Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



**Achmat Ebrahim**  
**City Manager**

**Date:** 30 September 2011

	Economic Entity		Municipality of Cape Town	
Note	2011 R'000	2010 R'000 Restated	2011 R'000	2010 R'000 Restated
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>22 028 520</b>	<b>20 617 038</b>	<b>21 882 359</b>	<b>20 470 323</b>
Property, plant and equipment	21 659 720	20 133 732	21 474 791	19 948 249
Heritage assets	11 914	10 002	11 914	10 002
Investment property	84 999	87 060	84 999	87 060
Intangible assets	44 884	31 709	44 884	31 709
Investments	111 477	235 477	150 245	274 245
Long-term receivables	115 526	119 058	115 526	119 058
<b>Current assets</b>	<b>9 616 637</b>	<b>8 620 943</b>	<b>9 455 320</b>	<b>8 468 192</b>
Assets classified as held for sale	126	66	126	66
Inventory	236 634	199 558	235 249	197 080
Trade receivables	3 706 347	3 360 962	3 709 111	3 361 410
Other receivables	203 612	329 545	193 788	321 101
Investments	2 146 596	59 876	2 146 596	59 876
Current portion of long-term receivables	19 193	17 480	19 193	17 480
Cash and cash equivalents	3 304 129	4 653 456	3 151 257	4 511 179
<b>TOTAL ASSETS</b>	<b>31 645 157</b>	<b>29 237 981</b>	<b>31 337 679</b>	<b>28 938 515</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>	<b>8 882 088</b>	<b>8 618 000</b>	<b>8 856 173</b>	<b>8 590 155</b>
Long-term borrowings	5 361 398	5 559 646	5 343 836	5 541 041
Provisions	3 512 337	3 049 114	3 512 337	3 049 114
Deferred taxation	8 353	9 240	-	-
<b>Current liabilities</b>	<b>6 105 895</b>	<b>5 695 940</b>	<b>6 055 887</b>	<b>5 654 256</b>
Deposits	244 695	242 593	233 492	229 160
Provisions	770 144	741 818	767 671	739 446
Payables	3 356 178	3 084 475	3 321 917	3 062 887
Unspent conditional grants and receipts	1 207 732	1 048 440	1 207 732	1 048 440
VAT	219 722	212 848	219 722	212 848
Taxation	528	3 167	-	-
Current portion of long-term borrowings	306 896	362 599	305 353	361 475
<b>Total liabilities</b>	<b>14 987 983</b>	<b>14 313 940</b>	<b>14 912 060</b>	<b>14 244 411</b>
<b>NET ASSETS</b>				
<b>Total net assets</b>	<b>16 657 174</b>	<b>14 924 041</b>	<b>16 425 619</b>	<b>14 694 104</b>
Housing Development Fund	539 070	531 472	539 070	531 472
Reserves	1 771 534	1 839 091	1 771 534	1 839 091
Minority interest	132 444	133 604	-	-
Accumulated surplus	14 214 126	12 419 874	14 115 015	12 323 541
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<b>31 645 157</b>	<b>29 237 981</b>	<b>31 337 679</b>	<b>28 938 515</b>

		Economic Entity		Municipality of Cape Town	
	Note	2011 R'000	2010 R'000 Restated	2011 R'000	2010 R'000 Restated
<b>REVENUE</b>					
<b>Exchange revenue</b>		<b>11 702 140</b>	<b>10 140 432</b>	<b>11 471 238</b>	<b>9 923 838</b>
Service charges	22	10 493 553	8 866 059	10 359 727	8 735 777
Rental of letting stock and facilities	23	250 316	267 023	250 316	267 023
Finance income	24	530 589	516 415	522 070	506 533
Licences and permits		37 645	33 054	37 645	33 054
Agency services		115 991	111 097	115 991	111 097
Other income	25	253 435	267 664	164 909	191 234
Gains on disposal of property, plant and equipment		20 611	79 120	20 580	79 120
<b>Non-exchange revenue</b>		<b>8 822 470</b>	<b>8 568 121</b>	<b>8 909 448</b>	<b>8 641 221</b>
City Improvement Districts (CIDs)	25	-	-	81 409	68 709
Property rates	26	4 524 363	3 837 920	4 529 932	3 841 314
Fuel levy		1 510 960	1 371 610	1 510 960	1 371 610
Fines		166 476	154 584	166 476	154 584
Government grants and subsidies	27	2 558 851	3 120 058	2 558 851	3 120 058
Public contribution	28	61 820	83 949	61 820	84 946
<b>Total revenue</b>		<b>20 524 610</b>	<b>18 708 553</b>	<b>20 380 686</b>	<b>18 565 059</b>
<b>EXPENDITURE</b>					
Employee-related costs	29	6 160 448	5 632 296	6 123 767	5 599 436
Remuneration of councillors	30	88 858	84 677	88 621	84 451
Impairment costs	31	800 161	690 956	783 759	687 891
Collection costs		174 755	167 822	174 755	167 822
Depreciation and amortisation expenses	32	1 283 682	1 011 918	1 262 100	991 349
Finance costs	33	719 170	645 427	717 475	643 495
Bulk purchases	34	4 620 165	3 636 889	4 620 165	3 636 889
Contracted services		2 081 964	1 965 717	2 010 269	1 895 231
Grants and subsidies paid	35	93 393	94 225	93 382	94 193
General expenses	36	2 758 724	2 613 966	2 771 349	2 620 543
Loss on disposal of property, plant and equipment		3 702	3 437	3 529	3 076
<b>Total expenditure</b>		<b>18 785 022</b>	<b>16 547 330</b>	<b>18 649 171</b>	<b>16 424 376</b>
<b>Surplus</b>		<b>1 739 588</b>	<b>2 161 223</b>	<b>1 731 515</b>	<b>2 140 683</b>
<b>Taxation</b>	37	(6 455)	(5 539)	-	-
<b>Surplus after taxation</b>		<b>1 733 133</b>	<b>2 155 684</b>	<b>1 731 515</b>	<b>2 140 683</b>
Attributable to net assets holder of the controlling entity		<b>1 734 293</b>	<b>2 148 637</b>		
Attributable to minority interest	20.2	(1 160)	7 047		
<b>SURPLUS FOR THE YEAR</b>		<b>1 733 133</b>	<b>2 155 684</b>		



**Economic Entity**

	Minority interest	Housing development fund	Capital replacement reserve	Self-insurance reserve	Accumulated surplus	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<b>2009</b>						
<b>Balance as at 30 June 2009</b>	127 072	510 851	1 042 091	734 458	10 346 931	12 761 403
Restatement i.t.o. GRAP 17 (2009) - CTICC	(515)	-	-	-	(519)	(1 034)
Concessionary loans fair value adjustment	-	-	-	-	7 988	7 988
	<b>126 557</b>	<b>510 851</b>	<b>1 042 091</b>	<b>734 458</b>	<b>10 354 400</b>	<b>12 768 357</b>
<b>2010</b>						
<b>Restated surplus at 01 July 2009</b>	7 047	-	-	-	2 148 637	2 155 684
Surplus at 30 June 2010 - previously reported	7 100	-	-	-	2 114 472	-
Restatement i.t.o. GRAP 17 (depreciation) - CTICC	(73)	-	-	-	(75)	-
Restatement i.t.o. GRAP 17 (taxation) - CTICC	20	-	-	-	21	-
Correction of errors - CID's	-	-	-	-	107	-
Concessionary loans fair value adjustment	-	-	-	-	(1 181)	-
SALGA adjustment	-	-	-	-	(6 692)	-
Property management adjustment	-	-	-	-	(16 564)	-
Water payment adjustment	-	-	-	-	30 876	-
Land sale adjustment	-	-	-	-	(1 582)	-
Investment property adjustment	-	-	-	-	(22)	-
Investment fair value adjustment	-	-	-	-	24	-
Lease smoothing adjustments	-	-	-	-	41 701	-
Bonuses adjustment	-	-	-	-	(12 448)	-
Transfer to/(from)	-	49 247	948 473	(76 283)	(921 437)	-
Property, plant and equipment purchased	-	(28 626)	(809 648)	-	838 274	-
<b>Balance as at 30 June 2010 - refer note 46</b>	<b>133 604</b>	<b>531 472</b>	<b>1 180 916</b>	<b>658 175</b>	<b>12 419 874</b>	<b>14 924 041</b>
<b>2011</b>						
Net surplus for the year	(1 160)	-	-	-	1 734 293	1 733 133
Transfer to/(from)	-	30 453	570 495	(73 012)	(527 936)	-
Property, plant and equipment purchased	-	(22 855)	(565 040)	-	587 895	-
<b>Balance as at 30 June 2011</b>	<b>132 444</b>	<b>539 070</b>	<b>1 186 371</b>	<b>585 163</b>	<b>14 214 126</b>	<b>16 657 174</b>

**Municipality of Cape Town**

	Housing development fund	Capital replacement reserve	Self-insurance reserve	Accumulated surplus	Total
	R'000	R'000	R'000	R'000	R'000
<b>2009</b>					
<b>Balance at 30 June 2009</b>	510 851	1 042 091	734 458	10 258 033	12 545 433
Concessionary loans fair value adjustment	-	-	-	7 988	7 988
	<b>510 851</b>	<b>1 042 091</b>	<b>734 458</b>	<b>10 266 021</b>	<b>12 553 421</b>
<b>2010</b>					
<b>Restated surplus at 01 July 2009</b>	-	-	-	2 140 683	2 140 683
Surplus at 30 June 2010 - previously reported	-	-	-	2 105 574	-
Concessionary loans fair value adjustment	-	-	-	(1 181)	-
Claremont road bypass recognised	-	-	-	997	-
SALGA adjustment	-	-	-	(6 692)	-
Property management adjustment	-	-	-	(16 564)	-
Water payment adjustment	-	-	-	30 876	-
Land sale adjustment	-	-	-	(1 582)	-
Investment property adjustment	-	-	-	(22)	-
Investment fair value adjustment	-	-	-	24	-
Lease smoothing adjustments	-	-	-	41 701	-
Bonuses adjustment	-	-	-	(12 448)	-
Transfer to/(from)	49 247	948 473	(76 283)	(921 437)	-
Property, plant and equipment purchased	(28 626)	(809 648)	-	838 274	-
<b>Balance at 30 June 2010 - refer note 46</b>	<b>531 472</b>	<b>1 180 916</b>	<b>658 175</b>	<b>12 323 541</b>	<b>14 694 104</b>
<b>2011</b>					
Net surplus for the year	-	-	-	1 731 515	1 731 515
Transfer to/(from)	30 453	570 495	(73 012)	(527 936)	-
Property, plant and equipment purchased	(22 855)	(565 040)	-	587 895	-
<b>Balance at 30 June 2011</b>	<b>539 070</b>	<b>1 186 371</b>	<b>585 163</b>	<b>14 115 015</b>	<b>16 425 619</b>

	Note	Economic Entity		Municipality of Cape Town	
		2011 R'000	2010 R'000 Restated	2011 R'000	2010 R'000 Restated
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash receipts from ratepayers, government and other		19 157 259	17 100 520	19 021 260	16 966 792
Cash paid to suppliers and employees		(15 245 257)	(13 244 730)	(15 163 125)	(13 145 408)
Cash generated from operations	38	<u>3 912 002</u>	<u>3 855 790</u>	<u>3 858 135</u>	<u>3 821 384</u>
Finance income		512 376	509 915	503 857	500 033
Finance costs		(719 170)	(645 427)	(717 475)	(643 495)
Taxation		(9 981)	(7 361)	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<u><u>3 695 227</u></u>	<u><u>3 712 917</u></u>	<u><u>3 644 517</u></u>	<u><u>3 677 922</u></u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Additions to property, plant and equipment		(2 895 348)	(4 677 480)	(2 857 761)	(4 663 925)
Proceeds on disposal of property, plant and equipment, and intangible assets		63 604	82 783	63 278	82 380
(Increase) in assets held for sale		(60)	(66)	(60)	(66)
Decrease in non-current receivables		1 819	42 673	1 819	42 673
(Increase)/Decrease in investments		(1 962 720)	1 145 441	(1 962 720)	1 145 441
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<u><u>(4 792 705)</u></u>	<u><u>(3 406 649)</u></u>	<u><u>(4 755 444)</u></u>	<u><u>(3 393 497)</u></u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
New loans raised and interest capitalised		335	2 125 098	-	2 124 731
Loans repaid		(254 286)	(525 012)	(253 327)	(524 137)
Increase/(Decrease) in consumer deposits		2 102	(11 424)	4 332	(6 366)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<u><u>(251 849)</u></u>	<u><u>1 588 662</u></u>	<u><u>(248 995)</u></u>	<u><u>1 594 228</u></u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	39	<u><u>(1 349 327)</u></u>	<u><u>1 894 930</u></u>	<u><u>(1 359 922)</u></u>	<u><u>1 878 653</u></u>
Cash and cash equivalents at the beginning of the year		4 653 456	2 758 526	4 511 179	2 632 526
<b>Cash and cash equivalents at the end of the year</b>		<u><u>3 304 129</u></u>	<u><u>4 653 456</u></u>	<u><u>3 151 257</u></u>	<u><u>4 511 179</u></u>

## Statement of comparison of budget and actual amounts for the year ended 30 June 2011

	Note	Actual expenditure	Approved budget	Final budget	Variance:	Variance %
		R'000	R'000	R'000	Final budget and actual amounts R'000	
<b>STATEMENT OF FINANCIAL POSITION</b> 41.2.1						
Total non-current assets		22 028 520	23 960 664	22 456 571	428 051	1,91
Total current assets	i	9 616 637	6 785 281	7 058 692	(2 557 945)	(36,24)
<b>Total Assets</b>		<b>31 645 157</b>	<b>30 745 945</b>	<b>29 515 263</b>	<b>(2 129 894)</b>	<b>(7,22)</b>
Total non-current liabilities		8 882 088	9 724 720	8 734 846	(147 242)	(1,69)
Total current liabilities	ii	6 105 895	4 991 398	4 296 409	(1 809 486)	(42,12)
<b>Total Liabilities</b>		<b>14 987 983</b>	<b>14 716 118</b>	<b>13 031 255</b>	<b>(1 956 728)</b>	<b>(15,02)</b>
Total net assets		16 657 174	16 029 827	16 484 008	(173 166)	(1,05)
<b>Total net assets and liabilities</b>		<b>31 645 157</b>	<b>30 745 945</b>	<b>29 515 263</b>	<b>(2 129 894)</b>	<b>(7,22)</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE</b> 41.2.2						
Service charges		10 493 553	10 744 514	10 732 413	238 860	2,23
Rental of letting stock and facilities		250 316	244 503	250 087	(229)	(0,09)
Finance income	i	530 589	433 214	429 678	(100 911)	(23,49)
Licences and permits	ii	37 645	28 764	28 764	(8 881)	(30,88)
Agency services		115 991	115 993	115 993	2	-
Other income		253 435	1 760 230	260 522	7 087	2,72
Gains on disposal of property, plant and equipment	vi	20 611	310 444	293 967	273 356	92,99
Property rates	iii	4 524 363	4 286 860	4 286 860	(237 503)	(5,54)
Fuel levy		1 510 960	1 510 960	1 510 960	-	-
Fines		166 476	180 569	174 769	8 293	4,74
Government grants and subsidies	iv	2 558 851	1 603 122	3 223 901	665 050	20,63
Public contributions	v	61 820	64 379	88 284	26 464	29,98
<b>Total revenue</b>		<b>20 524 610</b>	<b>21 283 552</b>	<b>21 396 198</b>	<b>871 588</b>	<b>4,07</b>
Employee-related costs		6 160 448	6 534 394	6 347 028	186 580	2,94
Remuneration of councillors		88 858	92 522	92 522	3 664	3,96
Impairment costs	i	800 161	967 958	1 004 115	203 954	20,31
Collection costs	ii	174 755	190 447	188 693	13 938	7,39
Depreciation and amortisation expenses		1 283 682	1 213 199	1 249 777	(33 905)	(2,71)
Finance costs	iii	719 170	739 507	780 723	61 553	7,88
Bulk purchases		4 620 165	4 738 992	4 656 592	36 427	0,78
Contracted services		2 081 964	2 146 640	1 993 216	(88 748)	(4,45)
Grants and subsidies paid		93 393	44 557	96 240	2 847	2,96
General expenses	iv	2 758 724	2 941 535	3 196 840	438 116	13,70
Loss on disposal of property, plant and equipment		3 702	-	-	(3 702)	-
<b>Total expenditure</b>		<b>18 785 022</b>	<b>19 609 751</b>	<b>19 605 746</b>	<b>820 724</b>	<b>4,19</b>
<b>Net surplus for the year</b>		<b>1 739 588</b>	<b>1 673 801</b>	<b>1 790 452</b>	<b>50 865</b>	<b>2,84</b>
<b>CASH FLOW STATEMENT</b> 41.2.3						
Net cash from (used) operating	i	3 695 227	2 892 220	1 605 967	(2 089 260)	(130,09)
Net cash from (used) investing	ii	(4 792 705)	(3 407 165)	(2 959 108)	1 833 597	(61,96)
Net cash from (used) financing	iii	(251 849)	861 277	(239 807)	12 042	(5,02)
<b>Net (Decrease)/Increase in cash and cash equivalents</b>		<b>(1 349 327)</b>	<b>346 332</b>	<b>(1 592 948)</b>	<b>(243 621)</b>	<b>15,29</b>
<b>CAPITAL EXPENDITURE</b> 41.2.4						
Executive and council		7 960	6 516	8 153	193	2,37
Budget and treasury office	i	11 787	7 626	13 430	1 643	12,23
Corporate services		150 457	140 891	157 344	6 887	4,38
Planning and development	ii	31 338	49 507	33 582	2 244	6,68
Health	iii	12 352	11 984	16 893	4 541	26,88
Community and social services	iv	59 321	67 132	87 440	28 119	32,16
Public safety	v	67 522	90 899	87 298	19 776	22,65
Sport and recreation <sup>1</sup>	vi	169 973	259 313	506 510	336 537	66,44
Environmental protection	vii	7 017	24 669	11 053	4 036	36,51
Road transport	viii	713 944	800 352	1 133 820	419 876	37,03
Housing	ix	321 970	620 708	453 574	131 604	29,01
Waste management	x	421 395	610 846	516 293	94 898	18,38
Water	xi	177 559	195 951	193 194	15 635	8,09
Electricity	xii	704 756	718 471	774 760	70 004	9,04
Other	xiii	37 997	35 690	35 573	( 2 424)	(6,81)
<b>TOTAL</b>		<b>2 895 348</b>	<b>3 640 555</b>	<b>4 028 917</b>	<b>1 133 569</b>	<b>28,14</b>

1. Included in the final budgeted amount is a provision of R270 million for a disputed balance outstanding on a completed contract. For further details refer note 48.2

**GENERAL INFORMATION**

The Economic Entity (hereinafter 'the Entity') address of its registered office and principal place of business are disclosed under general information. The principal activities of the Entity are described in the introduction to the annual financial statements.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies of the Entity, that are, in all material respects, consistent with those applied in the previous year, except as stated in note 46 are set out below. The historical cost convention has been used, except where indicated otherwise. Management has used assessments and estimates in preparing the annual financial statements – these are based on the best information available at the time of preparation. The financial statements have been prepared on a going-concern basis.

**Basis of presentation**

The financial statements have been prepared in accordance with the standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) and approved by the Minister of Finance as effective.

The ASB has issued a directive which sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the Standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

In the process of applying the Entity's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

- **Operating lease commitments – Entity as lessor**

Leases where risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Payments received under operating leases are recognised in the Statement of Financial Performance on a straight-line basis over the period of the lease.

- **Pension and other post-employment benefits**

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

- **Impairment of trade receivables**

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

- **Property, plant and equipment**

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements, and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgment whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

- **Provisions and contingent liabilities**

Management judgement is required when recognising and measuring provisions, and when measuring contingent liabilities, as set out in note 13 and 48.2 respectively. Provisions are discounted where the effect of discounting is material, using actuarial assumptions.

- **Budget information**

Deviations between budget and actual amounts are regarded as material differences when a 5% deviation exists.

All material differences are explained in the notes to the annual financial statements.

**Adoption of new and revised standards**

In the current year, the Entity has adopted all new and revised standards and interpretations issued by the Accounting Standards Board (ASB) that are relevant to its operations, and effective. The adoption of these new and revised standards and interpretations has resulted in changes to the accounting policies.

The Entity has not adopted any GRAP standard not yet effective, but has based its accounting policies on such standards. Effective dates have been given for some of the standards and for others no effective dates have yet been determined. At the date of submission of these financial statements for the year ended 30 June 2011, the following standards were issued but not yet effective.

- Annual periods commencing on or after 1 April 2012:
  - GRAP 21 - Impairment of non-cash generating assets
  - GRAP 23 - Revenue from non-exchange transactions (taxes and transfers)
  - GRAP 24 - Presentation of budget information
  - GRAP 26 - Impairment of cash-generating assets
  - GRAP 103 - Heritage assets
- No effective dates provided yet:
  - GRAP 18 - Segment reporting
  - GRAP 20 - Related party disclosures (revised)
  - GRAP 25 - Employee benefits
  - GRAP 105 - Transfers of functions between entities under common control
  - GRAP 106 - Transfers of functions between entities not under common control
  - GRAP 107 - Mergers

All the above standards, where applicable, will be complied with in the financial statements once effective. Preliminary investigations indicated that the impact of the standards on the financial statements will be minimal.

**BUDGET INFORMATION**

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the notes to the annual financial statements giving firstly reasons for overall growth or decline in the budget and secondly motivations for over- or underspending on line items.

The annual budget figures included in the financial statements are for the Entity and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated development plan

**CONSOLIDATION**

The Entity's financial statements incorporate the financial statements of the parent entity, City of Cape Town, and all its subsidiaries and joint ventures, presented as a single economic entity, and consolidated at the same reporting date as the parent entity.

## – Subsidiaries

Subsidiaries are all controlled entities over which the entity has ownership, control or effective control to govern the financial and operating policies of such controlled entity so as to benefit from its activities. Controlled entities are fully consolidated from the date on which control is transferred to the entity, and are carried at cost.

## – Joint ventures

A joint venture is a contractual arrangement whereby the Entity and other parties undertake an economic activity that is subject to joint control.

The Entity reports its interest in jointly controlled entities using the proportionate consolidations method of accounting. The Entity's share of the assets, liabilities, income and expenses, and cash flows of jointly controlled entities are combined with the equivalent items in the Entity's financial statements on a line-by-line basis.

**HOUSING FUNDS**

The Housing Development Fund was established in terms of the Housing Act (Act No. 107 of 1997).

**Housing Development Fund**

Sections 15(5) and 16 of the Housing Act, which came into operation on 1 April 1998, required that the Entity maintain a separate housing operating account. This legislated separate operating account is known as the Housing Development Fund and is fully cash-backed.

The Housing Act also requires in terms of Section 14(4)(d)(ii)(aa), read with inter alia Section 16(2), that the net proceeds of any letting, sale or alienation of property, previously financed from government housing funds, be paid into a separate operating account, and be utilised by the Entity for housing development in accordance with the National Housing Policy.

**Unrealised housing proceeds**

In order to comply with Section 14(4)(d)(i) and (ii) of the Housing Act, where all net proceeds need to be paid into the Housing Development Fund, it was necessary to create a holding account that represents the unrealised funds due by long-term housing selling developments and sponsored loan debtors. This account is reduced when debtors are billed for their current loan repayments.

**RESERVES**

The Entity creates and maintains reserves in terms of specific requirements.

**Capital replacement reserve (CRR)**

In order to finance the provision of infrastructure and other property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR.

The following provisions are set for the creation and utilisation of the CRR:

- The cash funds that back up the CRR are invested until utilised.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment, and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR, and the accumulated surplus is credited by a corresponding amount.

**Insurance reserve**▪ **Self-insurance reserve**

A general insurance reserve has been established, and subject to reinsurance where deemed necessary, it covers claims that may occur. Premiums are charged to the respective services, taking into account claims history and replacement value of the insured assets.

Reinsurance premiums paid to external reinsurers are regarded as an expense, and are shown as such in the Statement of Financial Performance. The net surplus or deficit on the insurance operating account is transferred to or from the insurance reserve via the Statement of Changes in Net Assets.

An actuarial valuation is obtained each year to assess the adequacy of the insurance reserve at year-end.

▪ **Compensation for occupational injuries and diseases reserve (COID)**

The Entity has been exempted from making contributions to the Compensation Commissioner for occupational injuries and diseases in terms of Section 84 of the COID Act (Act No. 130 of 1993).

The certificate of exemption issued by the Commissioner, and as prescribed by the COID Act, requires that the Entity deposit cash and/or securities with the Commissioner, the market values of which in aggregate shall not be less than the capitalised value of the continuing liability of the Entity as at 31 December of each year.

The continuing liability is that of annual pensions, the capitalised value of which is determined on the basis of an actuarial determination prescribed by the Commissioner. A COID reserve has been established to equate to the value of the continuing liability. The market value of the securities is determined annually by the Commissioner, and the Entity is required to meet any shortfall in the aggregate value of the securities as at 31 December. Monthly pensions are funded by transferring funds out of the reserve to the expense account in the Statement of Financial Performance.

**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where property, plant and equipment are acquired through a donation, its cost shall be measured at its fair value on the date of acquisition.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The Entity maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain, and thus no residual values are determined other than for motor vehicles.

The gain or loss arising from 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.

**Depreciation rates**

Depreciation is calculated at cost, using the straight-line method, over the estimated useful lives of the assets. The residual value, depreciation method and useful life, if not insignificant, are reassessed annually with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates are based on the following estimated useful lives:

	Years		Years
<b>Infrastructure</b>		<b>Other</b>	
Roads and paving	10-50	Buildings	6-50
Electricity	20-30	Specialist vehicles	10-20
Water	15-30	Other vehicles	4-8
Sewerage	15-20	Office equipment	3-10
Housing	30	Furniture and fittings	6-10
		Watercraft	10
<b>Community</b>		Bins and containers	5
Recreational facilities	20-30	Plant and equipment	5-10
Security	5-10	Landfill sites	30
		Central processing units	4

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where appropriate, the term of the relevant lease, and are recognised in the Statement of Financial Performance.

**Heritage assets**

A heritage asset is defined as an asset that have a cultural, environmental, historical, natural, scientific, technological or artistic significance, and are held and preserved indefinitely for the benefit of present and future generations.

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial.

**Investment properties**

Investment properties are held to earn rental income, and/or for capital appreciation, and are stated at cost less accumulated depreciation and accumulated impairment losses. Investment property excludes owner-occupied property that is used in the production or supply of goods or services, or for administrative purposes, or property held to provide a social service.

Investment property other than vacant land is depreciated on the straight-line basis over the useful lives of the assets, estimated at 20 to 50 years.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Any gain or loss arising on the retirement or disposal of investment property is included in surplus or deficit in the period of the retirement or disposal.

**Intangible assets**

An intangible asset is defined as an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.

The Entity recognises computer development software costs as intangible assets if the costs are clearly associated with an identifiable and unique system controlled by the Entity, and have a probable benefit exceeding one year. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Direct computer software development costs recognised as assets are amortised on the straight-line basis over the useful lives of the assets, estimated at three to five years.

**Non-current assets held-for-sale**

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to a plan to sell the asset, and the sale should be expected to qualify for recognition as a complete sale within one year from the date of classification.

An Entity that is committed to a sales plan involving the loss of control in a controlled entity shall classify all the assets and liabilities of that controlled entity as held for sale when the criteria described above are met.

Assets classified as held-for-sale are measured at the lower of the asset's carrying amount or fair value less cost to sell.

**Impairment of cash and non-cash-generating assets**

The Entity classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash-generating assets.

At the end of each reporting period, carrying amounts of cash and non-cash-generating assets are reviewed to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount or recoverable service amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual cash-generating asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Cash-generating units shall be identified consistently from period to period for the same asset or types of assets, unless a change is justified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, at the same time every year, and whenever there is an indication that the asset may be impaired.

Recoverable amount of a cash generating asset is the higher of fair value less costs to sell and value in use. The value in use is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

Recoverable service amount of a non-cash-generating asset is the higher of fair value less costs to sell and value in use. The value in use is the present value of the remaining service potential of the asset and is determined using the most appropriate of the depreciated replacement cost or restoration cost or service units approaches.

The discount rate used is a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount or recoverable service amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount or recoverable service amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount or recoverable service amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**FINANCIAL INSTRUMENTS**

Financial instruments are recognised when the Entity becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not measured at fair value through the Statement of Financial Performance, transaction costs that are directly attributable to the acquisition or issue of the instrument are added or deducted from the fair value as appropriate on initial recognition.

**Financial assets**

The classification of financial assets depends on their nature and purpose and is determined at the time of initial recognition.

- **Investments at fair value**

Non-derivative investments held without the positive intent or ability to hold to maturity. Subsequent to initial recognition all changes to fair value are recognised through the statement of financial performance.

- **Investments at amortised cost**

Non-derivative investments with fixed or determinable payments and fixed maturity dates that the Entity has the positive intent and ability to hold to maturity. Subsequent to initial recognition such investments are measured at amortised cost using the effective interest method less any impairment.

- **Investments at cost**

Residual interests that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Subsequent to initial recognition such investments are measured at cost less any impairment.

Financial Assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Entity has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets.

**Financial liabilities**

After initial recognition, the Entity measures all financial liabilities, including trade and other payables, at amortised cost, using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

**Trade payables and other**

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

### Trade and other receivables

Trade and other receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified as irrecoverable, subject to the approval of the necessary delegated authority. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Interest is charged on overdue amounts.

### INVENTORIES

Inventories consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the weighted-average basis, and net realisable value, except for plants and compost, which are valued at the tariffs charged. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Cost of inventories comprises all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Redundant and slow-moving inventories are identified and written down to their estimated net realisable values, and are recognised as an expense in the period in which the write-down or loss occurs. Consumables are written down according to their age, condition and utility.

### REVENUE RECOGNITION

Revenue is recognised net of indirect taxes, rebates and trade discounts, and consists primarily of rates, grants from National and Provincial Government, service charges, rentals, interest received and other services rendered. Revenue is recognised when it is probable that future economic benefits or services potential will flow to the Entity, and these benefits can be measured reliably. Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

#### Revenue from exchange transactions

- Service charges relating to solid waste, sanitation and sewage are levied in terms of the approved tariffs.
- Service charges relating to electricity and water are based on consumption. Meters are read on a periodic basis, and revenue is recognised providing that the benefits can be measured reliably. Estimates of consumption are made every alternative month on the basis of consumption history. Such estimated consumption is recognised as income when invoiced, and adjusted every following month that the meter is read. An accrual on the basis of a determined consumption factor is made for consumption not measured as at the end of the financial year.
- Services provided on a prepayment basis are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end based on the average consumption history.

- Income in respect of housing rental and instalment sale agreements is accrued monthly.
- Interest earned on investments is recognised in the Statement of Financial Performance on a time proportionate basis, which takes into account the effective yield on the investment. Interest may be transferred from the accumulated surplus to the Housing Development Fund or the insurance reserve.

Interest earned on the following investments is not recognised in the Statement of Financial Performance:

- Interest earned on trust funds is allocated directly to the fund.
- Interest earned on unutilised conditional grants is allocated directly to the creditor: unutilised conditional grants, if the grant conditions indicate that interest is payable to the funder.
- Dividends are recognised when the Entity's right to receive payment is established.
- Income for agency services is recognised on a monthly basis once the income collected on behalf of agents is earned. The income is recognised in terms of the agency agreement.
- Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
  - The Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
  - The Entity retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
  - The amount of revenue can be measured reliably.
  - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
  - Prepaid electricity sold is only recognised as income once the related units are consumed.

#### Revenue from non-exchange transactions

Revenue from rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time proportionate basis with reference to the principal amount receivable and effective interest rate applicable.

A composite rating system, charging different rate tariffs, is employed. Rebates are granted to certain categories of ratepayers, and are deducted from revenue.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses are recognised when payment is received, together with management's best estimate of the probable inflows from the amounts not yet collected.

Donations are recognised on a cash receipt basis, or at fair value, or where the donation is in the form of property, plant and equipment, when the risks or rewards of ownership have transferred to the Entity.

Income 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 probable.



**OFFSETTING**

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position when there is a legally enforceable right to offset the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**CONDITIONAL GRANTS AND RECEIPTS**

Income received from conditional grants, donations and subsidies is recognised to the extent that the Entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised and funds invested until they are utilised.

Interest earned on the investment is treated in accordance with grant conditions.

**Grants and receipts of a revenue nature**

Income is transferred to the Statement of Financial Performance as revenue to the extent that the criteria, conditions or obligations have been met.

**Grants and receipts of a capital nature**

Income is transferred to the Statement of Financial Performance to the extent that the criteria, conditions or obligations have been met.

**PROVISIONS**

A provision is recognised when the Entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost.

**ENVIRONMENTAL REHABILITATION PROVISIONS**

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Entity's policy, taking into account current technological, environmental and regulatory requirements.

The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any unwinding of discount is charged to the Statement of Financial Performance. The discount rate has not been risk adjusted.

**CASH AND CASH EQUIVALENTS**

Cash includes cash on hand, cash with banks, and call deposits. Cash equivalents are short-term bank deposits with a maturity of three months or less from inception, readily convertible to cash without significant change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

**EMPLOYEE BENEFITS****Retirement benefit plans**

The Entity provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans, under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year in which they become payable.

**Post-retirement pension funds**

Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The Entity contributes monthly to the funds.

These contributions are charged to the operating account when employees have rendered the service entitling them to the contributions. Actuarial valuation of the liability is performed on an annual basis. The projected unit credit method has been used to value the obligations.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the actuarial gains and losses, and past service costs.

Actuarial gains or losses are accounted for in full in the year they occur in the Statement of Financial Performance.

**Medical aid: Continued members**

The Entity provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds with which the Entity is associated, a member on retirement is entitled to remain a continued member of such medical aid fund, and the Entity will continue to subsidise medical contributions in accordance with the provisions of the employee's employment contract and the Entity's decision on protected rights. Post-retirement medical contributions paid by the Entity, and depending on the employee's contract, could either be 70%, 60% or a subsidy indicated on a sliding-scale basis. The employee is responsible for the balance of post-retirement medical contribution in each case. External appointments after December 2000 do not qualify for a post-retirement medical aid subsidy.

These contributions are charged to the operating account when employees have rendered the service entitling them to the contribution.

The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation, together with adjustments for the unrecognised actuarial gains and losses, and past service costs.

Actuarial gains or losses are accounted for in full in the year they occur in the Statement of Financial Statements. The projected unit credit method has been used to value the obligation.

#### Short-term and long-term employee benefits

The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service. The Entity recognises the expected cost of performance bonuses only when the Entity has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

The Entity provides long-term incentives to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. The projected unit credit method has been used to value the obligation. Actuarial gains and losses on the long-term incentives are accounted for in full through the Statement of Financial Performance.

#### LEASES

##### The Entity 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 Entity.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent, and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment, using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

##### The Entity as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

#### GRANTS-IN-AID

The Entity transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Entity does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period in which the events giving rise to the transfer occurred.

#### VALUE-ADDED TAX

The Entity accounts for value-added tax on the payment basis.

#### UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted for, 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.

#### IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, the Municipal Systems Act (Act No. 32 of 2000), and 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.

#### 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.

#### FOREIGN-CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Trade creditors denominated in foreign currency are reported at Statement of Financial Position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise.

#### BORROWING COSTS

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

#### COMPARATIVE INFORMATION

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results, as set out in the affected notes to the financial statements.

**1 PROPERTY, PLANT AND EQUIPMENT****Economic entity**

	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment R'000	Carrying value R'000
<b>As at 30 June 2011</b>							
Land and buildings	1 823 409	202 606	125 292	(395)	(91 825)	(9 866)	2 049 221
Infrastructure	10 259 317	(37 920)	1 832 881	(1)	(475 869)	-	11 578 408
Community	5 042 870	45 817	216 014	-	(232 331)	-	5 072 370
Leased assets	113 735	(34 955)	-	-	(13 188)	-	65 592
Other	2 272 944	(198 856)	699 216	(43 627)	(431 002)	(16 092)	2 282 583
Housing rental stock	621 457	7 732	11 621	(2 602)	(26 662)	-	611 546
<b>TOTAL</b>	<b>20 133 732</b>	<b>(15 576)</b>	<b>2 885 024</b>	<b>(46 625)</b>	<b>(1 270 877)</b>	<b>(25 958)</b>	<b>21 659 720</b>

(Refer Appendix B for more detail)

<b>As at 30 June 2010</b>							
Land and buildings	1 769 547	(25 942)	227 789	(679)	(95 272)	(52 034)	1 823 409
Infrastructure	8 440 973	(510 819)	2 697 418	-	(368 255)	-	10 259 317
Community	3 778 151	540 008	853 099	-	(128 388)	-	5 042 870
Leased assets	133 704	-	-	-	(19 969)	-	113 735
Other	1 759 793	(4 752)	883 413	(5 337)	(360 167)	(6)	2 272 944
Housing rental stock	641 140	-	7 235	(452)	(26 466)	-	621 457
<b>TOTAL</b>	<b>16 523 308</b>	<b>(1 505)</b>	<b>4 668 954</b>	<b>(6 468)</b>	<b>(998 517)</b>	<b>(52 040)</b>	<b>20 133 732</b>

**Municipality of Cape Town**

	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment R'000	Carrying value R'000
<b>As at 30 June 2011</b>							
Land and buildings	1 675 651	201 077	110 386	(241)	(78 201)	(9 866)	1 898 806
Infrastructure	10 259 317	(37 920)	1 832 881	(1)	(475 869)	-	11 578 408
Community	5 042 870	45 817	216 014	-	(232 331)	-	5 072 370
Leased assets	113 735	(34 955)	-	-	(13 188)	-	65 592
Other	2 235 219	(197 327)	676 535	(43 314)	(423 044)	-	2 248 069
Housing rental stock	621 457	7 732	11 621	(2 602)	(26 662)	-	611 546
<b>TOTAL</b>	<b>19 948 249</b>	<b>(15 576)</b>	<b>2 847 437</b>	<b>(46 158)</b>	<b>(1 249 295)</b>	<b>(9 866)</b>	<b>21 474 791</b>

<b>As at 30 June 2010</b>							
Land and buildings	1 612 088	(24 506)	223 059	(323)	(82 633)	(52 034)	1 675 651
Infrastructure	8 440 973	(510 819)	2 697 418	-	(368 255)	-	10 259 317
Community	3 778 151	540 008	853 099	-	(128 388)	-	5 042 870
Leased assets	133 704	-	-	-	(19 969)	-	113 735
Other	1 722 957	(4 747)	874 589	(5 337)	(352 237)	(6)	2 235 219
Housing rental stock	641 140	-	7 235	(452)	(26 466)	-	621 457
<b>TOTAL</b>	<b>16 329 013</b>	<b>(64)</b>	<b>4 655 400</b>	<b>(6 112)</b>	<b>(977 948)</b>	<b>(52 040)</b>	<b>19 948 249</b>

The leased property, plant and equipment are encumbered, as set out in note 12. Provision has been made for the estimated cost of rehabilitation of waste sites, included in other assets, as described in note 13.

The Entity is required to measure the residual value of all items of property, plant and equipment. Management has determined that none of its infrastructural assets have any active market value, and the value of the amount at the end of its life would therefore be nil or insignificant. During the current financial year, the Entity reviewed the estimated useful lives and residual values of property, plant and equipment, where appropriate.

Fully depreciated assets at an original cost of R1,94 billion are still currently in use.

The annual review of the useful lives of assets resulted in an increase in the depreciation charge to the Statement of Financial Performance of R17,20 million.

**2 HERITAGE ASSETS**

	<i>Economic entity</i>				Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	
<b>As at 30 June 2011</b>					
Assets under construction	1 660	(9)	1 901	-	3 552
Paintings and art galleries	8 342	-	30	(10)	8 362
<b>TOTAL</b>	<b>10 002</b>	<b>(9)</b>	<b>1 931</b>	<b>(10)</b>	<b>11 914</b>

(Refer Appendix B for more detail)

<b>As at 30 June 2010</b>					
Assets under construction	1 722	(600)	538	-	1 660
Paintings and art galleries	7 718	600	60	(36)	8 342
<b>TOTAL</b>	<b>9 440</b>	<b>-</b>	<b>598</b>	<b>(36)</b>	<b>10 002</b>

	<i>Municipality of Cape Town</i>				Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Disposals R'000	
<b>As at 30 June 2011</b>					
Assets under construction	1 660	(9)	1 901	-	3 552
Paintings and art galleries	8 342	-	30	(10)	8 362
<b>TOTAL</b>	<b>10 002</b>	<b>(9)</b>	<b>1 931</b>	<b>(10)</b>	<b>11 914</b>

<b>As at 30 June 2010</b>					
Assets under construction	1 722	(600)	538	-	1 660
Paintings and art galleries	7 718	600	60	(36)	8 342
<b>TOTAL</b>	<b>9 440</b>	<b>-</b>	<b>598</b>	<b>(36)</b>	<b>10 002</b>

**3 INVESTMENT PROPERTY**

	<i>Economic entity</i>			Carrying value R'000
	Opening balance R'000	Transfers/ adjustments R'000	Depreciation R'000	
<b>As at 30 June 2011</b>				
Vacant land	38 366	-	-	38 366
Land and buildings	48 694	537	(2 598)	46 633
<b>TOTAL</b>	<b>87 060</b>	<b>537</b>	<b>(2 598)</b>	<b>84 999</b>

(Refer Appendix B for more detail)

<b>As at 30 June 2010</b>				
Vacant land	38 366	-	-	38 366
Land and buildings	53 180	(22)	(4 464)	48 694
<b>TOTAL</b>	<b>91 546</b>	<b>(22)</b>	<b>(4 464)</b>	<b>87 060</b>

	Municipality of Cape Town			
	Opening balance R'000	Transfers/ adjustments R'000	Depreciation R'000	Carrying value R'000
<b>As at 30 June 2011</b>				
Vacant land	38 366	-	-	38 366
Land and buildings	48 694	537	(2 598)	46 633
<b>TOTAL</b>	<b>87 060</b>	<b>537</b>	<b>(2 598)</b>	<b>84 999</b>
<b>As at 30 June 2010</b>				
Vacant land	38 366	-	-	38 366
Land and buildings	53 180	(22)	(4 464)	48 694
<b>TOTAL</b>	<b>91 546</b>	<b>(22)</b>	<b>(4 464)</b>	<b>87 060</b>

Rental income has been received on various properties during the year.

#### 4 INTANGIBLE ASSETS

	Economic entity				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	Carrying value R'000
<b>As at 30 June 2011</b>					
Computer software (acquired separately)	31 709	14 989	8 393	(10 207)	44 884
(Refer Appendix B for more detail)					
<b>As at 30 June 2010</b>					
Computer software (acquired separately)	32 821	(102)	7 927	(8 937)	31 709

	Municipality of Cape Town				
	Opening balance R'000	Transfers/ adjustments R'000	Additions R'000	Amortisation R'000	Carrying value R'000
<b>As at 30 June 2011</b>					
Computer software (acquired separately)	31 709	14 989	8 393	(10 207)	44 884
<b>As at 30 June 2010</b>					
Computer software (acquired separately)	32 821	(102)	7 927	(8 937)	31 709

The capitalised computer software was estimated to have a finite life of 5 years at acquisition. The software is amortised using the straight-line method over a period of 5 years.

**5 ASSETS CLASSIFIED AS HELD-FOR-SALE****As at 30 June 2011**

Land held for sale

(refer Appendix B for more detail)

**As at 30 June 2010**

Land held for sale

Economic entity			
Opening balance R'000	Transfers/ adjustments R'000	Disposals R'000	Carrying value R'000
66	61	(1)	126

-	66	-	66
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**As at 30 June 2011**

Land held for sale

**As at 30 June 2010**

Land held for sale

Municipality of Cape Town			
Opening balance R'000	Transfers/ adjustments R'000	Disposals R'000	Carrying value R'000
66	61	(1)	126

-	66	-	66
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Various properties have been presented as held-for-sale following a Council decision to dispose of properties no longer required for municipal purposes. These properties are identified for sale as and when the need arises.

**6 INVESTMENTS****6.1 Amortised cost**

RSA Government stock

Sinking-fund deposits - note 40

Other fixed deposits

Provision for impairment

Current portion included in short-term investments

Call and term deposits included in cash and cash equivalents - refer note 11

**Total at amortised cost****Collateral deposits for staff housing loans**

Included in other fixed deposits above are fixed deposits with a carrying value of R0,47 million(2010: R0,47 million), which were pledged as security deposits for securing staff home loans with financial institutions.

These pledges are repaid as soon as the employees' outstanding home loan balance is below 80% of the approved loan amount. The Entity has not issued fixed deposits as security since 2000. The Entity's exposure to risk is minimised by an assurance policy taken out by the employee, and ceded to the Entity to cover the guaranteed deposit.

**6.2 Fair value**

Sinking-fund deposits - note 40

Deposits held with fund managers

Current portion included in short-term investments

Call and term deposits included in cash and cash equivalents - refer note 11

**Total at fair value**

Economic entity		Municipality of Cape Town	
2011 R'000	2010 R'000	2011 R'000	2010 R'000
1 755 671	3 272 810	1 634 813	3 155 353
48 472	42 826	48 472	42 826
113 233	248 387	113 233	248 387
1 593 966	2 981 597	1 473 108	2 864 140
(1 644 194)	(3 037 333)	(1 523 336)	(2 919 876)
(9 616)	(9 616)	(9 616)	(9 616)
(50 294)	(55 800)	(50 294)	(55 800)
(1 584 284)	(2 971 917)	(1 463 426)	(2 854 460)
<b>111 477</b>	<b>235 477</b>	<b>111 477</b>	<b>235 477</b>

3 638 038	1 522 542	3 638 038	1 522 542
363 765	-	363 765	-
3 274 273	1 522 542	3 274 273	1 522 542
(3 638 038)	(1 522 542)	(3 638 038)	(1 522 542)
(2 096 302)	(4 076)	(2 096 302)	(4 076)
(1 541 736)	(1 518 466)	(1 541 736)	(1 518 466)
-	-	-	-

	Economic entity		Municipality of Cape Town	
	2011	2010	2011	2010
	R'000	R'000	R'000	R'000
<b>6.3 Cost</b>				
Cape Town International Convention Centre (Pty) Ltd	-	-	38 768	38 768
Original investment at cost	-	-	284 000	284 000
Provision for impairment	-	-	(245 232)	(245 232)
Cape Town Community Housing Company (Pty) Ltd	-	-	-	-
Original investment at cost	2 500	2 500	2 500	2 500
Provision for impairment	(2 500)	(2 500)	(2 500)	(2 500)
<b>Total at cost</b>	-	-	38 768	38 768
<b>TOTAL</b>	<b>111 477</b>	<b>235 477</b>	<b>150 245</b>	<b>274 245</b>
<b>6.4 Short term investments</b>				
Investment at amortised cost	50 294	55 800	50 294	55 800
Investment at fair value	2 096 302	4 076	2 096 302	4 076
<b>TOTAL</b>	<b>2 146 596</b>	<b>59 876</b>	<b>2 146 596</b>	<b>59 876</b>
<b>TOTAL INVESTMENT</b>	<b>2 258 073</b>	<b>295 353</b>	<b>2 296 841</b>	<b>334 121</b>
<b>7 LONG-TERM RECEIVABLES</b>				
Loans to employees	-	12	-	12
Sporting bodies	1 363	1 519	1 363	1 519
Housing land sales	1 104	1 184	1 104	1 184
	23 798	25 485	23 798	25 485
Public organisations	28 657	30 175	28 657	30 175
Provision for impairment	(4 859)	(4 690)	(4 859)	(4 690)
	108 454	108 338	108 454	108 338
Housing selling developments	200 655	222 049	200 655	222 049
Provision for impairment	(92 201)	(113 711)	(92 201)	(113 711)
	134 719	136 538	134 719	136 538
Current portion transferred to current receivables	(19 193)	(17 480)	(19 193)	(17 480)
<b>TOTAL</b>	<b>115 526</b>	<b>119 058</b>	<b>115 526</b>	<b>119 058</b>
<b>Reconciliation of impairment provision</b>				
Balance at beginning of the year	118 401	105 321	118 401	105 321
Contributions (from)/to provisions	(21 510)	13 080	(21 510)	13 080
Transfers to provisions	169	-	169	-
<b>Balance as at 30 June</b>	<b>97 060</b>	<b>118 401</b>	<b>97 060</b>	<b>118 401</b>

**Loans to employees**

Staff are entitled to various loans, such as car and computer loans, which attract interest at 8% to 17% per annum, and are repayable over a maximum period of six years. These loans were granted before the implementation of the Municipal Finance Management Act, and were fully paid in the 2010 financial year.

**Sporting bodies**

To facilitate the development of sporting facilities, loans were made to provide the necessary financial assistance. These loans attract interest at a rate of 4% to 19% per annum and are repayable over a maximum period of 20 years.

**Public organisations**

Loans to public organisations are granted in terms of National Housing Policy. At present, these loans attract interest at 1% (buildings) and 11% (infrastructure) and are repayable over 30 years.

**Housing selling-development loans**

Housing loans were historically granted to qualifying individuals in terms of the National Housing Policy. These loans currently attract interest at 9,0% per annum and are repayable over 20 years. The interest rate is determined as per Council policy.

	Economic entity		Municipality of Cape Town	
	2011	2010	2011	2010
	R'000	R'000	R'000	R'000
<b>8 INVENTORY</b>				
Consumable stores	197 484	161 998	196 099	159 520
Medical supplies	492	918	492	918
Spare parts and meters	14 351	11 600	14 351	11 600
Water	18 293	13 312	18 293	13 312
Other goods held for resale	3 549	9 702	3 549	9 702
Green-electricity rights	2 465	2 028	2 465	2 028
<b>TOTAL</b>	<b>236 634</b>	<b>199 558</b>	<b>235 249</b>	<b>197 080</b>

Inventory to the value of R1,24 million was scrapped during the year (2010: R806 334 was taken on). Inventories (excluding bulk water) that were recognised as issues during the year amounted to R639,45 million (2010: R624,57 million), of which a portion was capitalised. Green-electricity rights are rights to sell green units at green tariffs to consumers upon their request for green electricity.

**9 TRADE RECEIVABLES**

	Economic entity					
	As at 30 June 2011			As at 30 June 2010		
	Gross balance R'000	Provision for impairment R'000	Net balance R'000	Gross balance R'000	Provision for impairment R'000	Net balance R'000
<b>From exchange transactions</b>	5 522 855	(3 068 454)	2 454 401	4 890 699	(2 651 956)	2 238 743
Service debtors	4 592 489	(2 334 751)	2 257 738	3 982 011	(1 929 317)	2 052 694
Housing rental stock	421 713	(377 366)	44 347	393 706	(350 403)	43 303
Housing selling stock	389 461	(347 178)	42 283	392 659	(359 161)	33 498
Other exchange debtors	119 192	(9 159)	110 033	122 323	(13 075)	109 248
<b>From non-exchange transactions</b>	1 999 025	(747 079)	1 251 946	1 769 693	(647 474)	1 122 219
Rates debtors	1 939 105	(712 937)	1 226 168	1 721 724	(638 371)	1 083 353
Other non-exchange debtors	59 920	(34 142)	25 778	47 969	(9 103)	38 866
<b>TOTAL</b>	<b>7 521 880</b>	<b>(3 815 533)</b>	<b>3 706 347</b>	<b>6 660 392</b>	<b>(3 299 430)</b>	<b>3 360 962</b>

Consumer debtors to the amount of R1,47 billion (2010: R1,18 billion) are only due after 30 days. Included in the outstanding balances are consumer debtors to the value of R497,97 million (2010: R466,76 million), who have made arrangements to repay their outstanding debt over a renegotiated period. At 30 June 2011, the City's trade receivables balance included an amount of approximately R173 million (2010: R263,16 million) due by National Government and the Provincial Government.

	2011	2010
	R'000	R'000
<b>Reconciliation of impairment provision</b>		
Balance at beginning of the year	3 299 430	3 079 562
Contributions to provisions	785 503	597 548
Transfers to provisions	3 292	1 288
Bad debts written off	(272 692)	(378 968)
<b>Balance as at 30 June</b>	<b>3 815 533</b>	<b>3 299 430</b>

In determining the recoverability of a trade receivable, the Entity considers any change in the credit quality of the trade receivable from the date on which the credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.



## Economic entity

## Analysis of trade receivables' age in days

As at 30 June 2011	Total R'000	Not due R'000	0 - 30 R'000	31-60 R'000	61-90 R'000	91-365 R'000	+365 R'000
<b>From exchange transactions</b>							
Electricity	1 035 999	612 027	131 884	40 547	19 886	109 009	122 646
Provision for impairment	(144 384)	(14 566)	(3 139)	(965)	(473)	(2 595)	(122 646)
	<b>891 615</b>	<b>597 461</b>	<b>128 745</b>	<b>39 582</b>	<b>19 413</b>	<b>106 414</b>	-
Water	2 233 811	191 120	157 288	75 002	58 744	449 114	1 302 543
Provision for impairment	(1 438 228)	(27 846)	(22 917)	(10 927)	(8 559)	(65 436)	(1 302 543)
	<b>795 583</b>	<b>163 274</b>	<b>134 371</b>	<b>64 075</b>	<b>50 185</b>	<b>383 678</b>	-
Waste management	367 479	43 328	28 845	17 284	12 899	83 099	182 024
Provision for impairment	(194 023)	(2 803)	(1 866)	(1 118)	(835)	(5 377)	(182 024)
	<b>173 456</b>	<b>40 525</b>	<b>26 979</b>	<b>16 166</b>	<b>12 064</b>	<b>77 722</b>	-
Wastewater management	955 200	100 707	69 942	37 535	34 103	217 407	495 506
Provision for impairment	(558 116)	(13 716)	(9 526)	(5 112)	(4 645)	(29 611)	(495 506)
	<b>397 084</b>	<b>86 991</b>	<b>60 416</b>	<b>32 423</b>	<b>29 458</b>	<b>187 796</b>	-
Housing rental stock	421 713	23 432	12 033	9 295	9 204	80 422	287 327
Provision for impairment	(377 366)	(15 699)	(8 062)	(6 228)	(6 167)	(53 883)	(287 327)
	<b>44 347</b>	<b>7 733</b>	<b>3 971</b>	<b>3 067</b>	<b>3 037</b>	<b>26 539</b>	-
Housing selling stock	389 461	30 076	5 845	2 667	2 560	36 352	311 961
Provision for impairment	(347 178)	(13 254)	(3 061)	(1 225)	(1 175)	(16 502)	(311 961)
	<b>42 283</b>	<b>16 822</b>	<b>2 784</b>	<b>1 442</b>	<b>1 385</b>	<b>19 850</b>	-
Other exchange debtors	119 192	(26 927)	210 123	(16 594)	(10 479)	(37 514)	583
Provision for impairment	(9 159)	1 947	(15 192)	1 199	758	2 712	(583)
	<b>110 033</b>	<b>(24 980)</b>	<b>194 931</b>	<b>(15 395)</b>	<b>(9 721)</b>	<b>(34 802)</b>	-
<b>Gross exchange debtors</b>	<b>5 522 855</b>	<b>973 763</b>	<b>615 960</b>	<b>165 736</b>	<b>126 917</b>	<b>937 889</b>	<b>2 702 590</b>
Provision for impairment	<b>(3 068 454)</b>	<b>(85 937)</b>	<b>(63 763)</b>	<b>(24 376)</b>	<b>(21 096)</b>	<b>(170 692)</b>	<b>(2 702 590)</b>
<b>From non-exchange transactions</b>							
Rates debtors	1 939 105	480 935	270 028	108 203	45 160	392 267	642 512
Provision for impairment	(712 937)	(26 216)	(14 636)	(5 864)	(2 448)	(21 261)	(642 512)
	<b>1 228 932</b>	<b>454 719</b>	<b>255 392</b>	<b>102 339</b>	<b>42 712</b>	<b>371 006</b>	-
Other non-exchange debtors	59 920	13 566	3 448	3 505	867	6 401	32 133
Provision for impairment	(34 142)	(981)	(249)	(253)	(63)	(463)	(32 133)
	<b>25 778</b>	<b>12 585</b>	<b>3 199</b>	<b>3 252</b>	<b>804</b>	<b>5 938</b>	-
<b>Gross non-exchange debtors</b>	<b>1 999 025</b>	<b>494 501</b>	<b>273 476</b>	<b>111 708</b>	<b>46 027</b>	<b>398 668</b>	<b>674 645</b>
Provision for impairment	<b>(747 079)</b>	<b>(27 197)</b>	<b>(14 885)</b>	<b>(6 117)</b>	<b>(2 511)</b>	<b>(21 724)</b>	<b>(674 645)</b>
<b>Gross debtors</b>	<b>7 521 880</b>	<b>1 468 264</b>	<b>889 436</b>	<b>277 444</b>	<b>172 944</b>	<b>1 336 557</b>	<b>3 377 235</b>
Total provision for impairment	<b>(3 815 533)</b>	<b>(113 134)</b>	<b>(78 648)</b>	<b>(30 493)</b>	<b>(23 607)</b>	<b>(192 416)</b>	<b>(3 377 235)</b>
<b>TOTAL</b>	<b>3 706 347</b>	<b>1 355 130</b>	<b>810 788</b>	<b>246 951</b>	<b>149 337</b>	<b>1 144 141</b>	-

## Economic entity

## Analysis of trade receivables' age in days

As at 30 June 2010	Total R'000	Not due R'000	0 - 30 R'000	31-60 R'000	61-90 R'000	91-365 R'000	+365 R'000
<b>From exchange transactions</b>							
Electricity	906 308	490 221	146 027	45 551	15 506	93 490	115 513
Provision for impairment	(159 323)	(27 158)	(8 090)	(2 524)	(859)	(5 179)	(115 513)
	<b>746 985</b>	<b>463 063</b>	<b>137 937</b>	<b>43 027</b>	<b>14 647</b>	<b>88 311</b>	<b>-</b>
Water	1 954 152	170 486	157 278	81 446	51 802	397 252	1 095 888
Provision for impairment	(1 179 483)	(16 605)	(15 319)	(7 933)	(5 046)	(38 692)	(1 095 888)
	<b>774 669</b>	<b>153 881</b>	<b>141 959</b>	<b>73 513</b>	<b>46 756</b>	<b>358 560</b>	<b>-</b>
Waste management	319 525	31 118	25 961	14 511	8 933	71 002	168 000
Provision for impairment	(168 788)	(162)	(135)	(75)	(46)	(370)	(168 000)
	<b>150 737</b>	<b>30 956</b>	<b>25 826</b>	<b>14 436</b>	<b>8 887</b>	<b>70 632</b>	<b>-</b>
Wastewater management	802 026	83 954	70 905	39 542	24 314	189 467	393 844
Provision for impairment	(421 723)	(5 734)	(4 843)	(2 701)	(1 661)	(12 940)	(393 844)
	<b>380 303</b>	<b>78 220</b>	<b>66 062</b>	<b>36 841</b>	<b>22 653</b>	<b>176 527</b>	<b>-</b>
Housing rental stock	393 706	25 354	12 248	8 401	8 215	95 103	244 385
Provision for impairment	(350 403)	(18 001)	(8 696)	(5 965)	(5 833)	(67 523)	(244 385)
	<b>43 303</b>	<b>7 353</b>	<b>3 552</b>	<b>2 436</b>	<b>2 382</b>	<b>27 580</b>	<b>-</b>
Housing selling stock	392 659	24 498	7 327	2 934	2 643	30 375	324 882
Provision for impairment	(359 161)	(12 332)	(3 748)	(1 501)	(1 352)	(15 346)	(324 882)
	<b>33 498</b>	<b>12 166</b>	<b>3 579</b>	<b>1 433</b>	<b>1 291</b>	<b>15 029</b>	<b>-</b>
Other exchange debtors	122 323	(11 658)	152 955	(4 739)	(9 075)	(5 160)	-
Provision for impairment	(13 075)	1 441	(16 863)	566	1 022	759	-
	<b>109 248</b>	<b>(10 217)</b>	<b>136 092</b>	<b>(4 173)</b>	<b>(8 053)</b>	<b>(4 401)</b>	<b>-</b>
<b>Gross exchange debtors</b>	<b>4 890 699</b>	<b>813 973</b>	<b>572 701</b>	<b>187 646</b>	<b>102 338</b>	<b>871 529</b>	<b>2 342 512</b>
Provision for impairment	<b>(2 651 956)</b>	<b>(78 551)</b>	<b>(57 694)</b>	<b>(20 133)</b>	<b>(13 775)</b>	<b>(139 291)</b>	<b>(2 342 512)</b>
<b>From non-exchange transactions</b>							
Rates debtors	1 721 724	365 337	286 851	99 412	36 159	431 464	502 501
Provision for impairment	(638 371)	(40 748)	(31 955)	(11 074)	(4 028)	(48 065)	(502 501)
	<b>1 083 353</b>	<b>324 589</b>	<b>254 896</b>	<b>88 338</b>	<b>32 131</b>	<b>383 399</b>	<b>-</b>
Other non-exchange debtors	47 969	3 948	1 036	2 311	596	35 846	4 232
Provision for impairment	(9 103)	(440)	(115)	(257)	(66)	(3 993)	(4 232)
	<b>38 866</b>	<b>3 508</b>	<b>921</b>	<b>2 054</b>	<b>530</b>	<b>31 853</b>	<b>-</b>
<b>Gross non-exchange debtors</b>	<b>1 769 693</b>	<b>369 285</b>	<b>287 887</b>	<b>101 723</b>	<b>36 755</b>	<b>467 310</b>	<b>506 733</b>
Provision for impairment	<b>(647 474)</b>	<b>(41 188)</b>	<b>(32 070)</b>	<b>(11 331)</b>	<b>(4 094)</b>	<b>(52 058)</b>	<b>(506 733)</b>
<b>Gross debtors</b>	<b>6 660 392</b>	<b>1 183 258</b>	<b>860 588</b>	<b>289 369</b>	<b>139 093</b>	<b>1 338 839</b>	<b>2 849 245</b>
Total provision for impairment	<b>(3 299 430)</b>	<b>(119 739)</b>	<b>(89 764)</b>	<b>(31 464)</b>	<b>(17 869)</b>	<b>(191 349)</b>	<b>(2 849 245)</b>
<b>TOTAL</b>	<b>3 360 962</b>	<b>1 063 519</b>	<b>770 824</b>	<b>257 905</b>	<b>121 224</b>	<b>1 147 490</b>	<b>-</b>

## Municipality of Cape Town

	As at 30 June 2011			As at 30 June 2010		
	Gross balance R'000	Provision for impairment R'000	Net balance R'000	Gross balance R'000	Provision for impairment R'000	Net balance R'000
<b>From exchange transactions</b>	5 522 855	(3 068 454)	2 454 401	4 890 699	(2 651 956)	2 238 743
Service debtors	4 592 489	(2 334 751)	2 257 738	3 982 011	(1 929 317)	2 052 694
Housing rental stock	421 713	(377 366)	44 347	393 706	(350 403)	43 303
Housing selling stock	389 461	(347 178)	42 283	392 659	(359 161)	33 498
Other exchange debtors	119 192	(9 159)	110 033	122 323	(13 075)	109 248
<b>From non-exchange transactions</b>	2 001 789	(747 079)	1 254 710	1 770 141	(647 474)	1 122 667
Rates debtors	1 941 869	(712 937)	1 228 932	1 722 172	(638 371)	1 083 801
Other non-exchange debtors	59 920	(34 142)	25 778	47 969	(9 103)	38 866
<b>TOTAL</b>	<b>7 524 644</b>	<b>(3 815 533)</b>	<b>3 709 111</b>	<b>6 660 840</b>	<b>(3 299 430)</b>	<b>3 361 410</b>

2011	2010
R'000	R'000

## Reconciliation of impairment provision

Balance at beginning of the year	3 299 430	3 079 562
Contributions to provisions	785 503	597 548
Transfers to/(from) provisions	3 292	1 288
Bad debts written off	(272 692)	(378 968)
<b>Balance as at 30 June</b>	<b>3 815 533</b>	<b>3 299 430</b>

**Municipality of Cape Town**  
**Analysis of trade receivables' age in days**

As at 30 June 2011	Total R'000	Not due R'000	0 - 30 R'000	31-60 R'000	61-90 R'000	91-365 R'000	+365 R'000
<b>From exchange transactions</b>							
Electricity	1 035 999	612 027	131 884	40 547	19 886	109 009	122 646
Provision for impairment	(144 384)	(14 566)	(3 139)	(965)	(473)	(2 595)	(122 646)
	<b>891 615</b>	<b>597 461</b>	<b>128 745</b>	<b>39 582</b>	<b>19 413</b>	<b>106 414</b>	-
Water	2 233 811	191 120	157 288	75 002	58 744	449 114	1 302 543
Provision for impairment	(1 438 228)	(27 846)	(22 917)	(10 927)	(8 559)	(65 436)	(1 302 543)
	<b>795 583</b>	<b>163 274</b>	<b>134 371</b>	<b>64 075</b>	<b>50 185</b>	<b>383 678</b>	-
Waste management	367 479	43 328	28 845	17 284	12 899	83 099	182 024
Provision for impairment	(194 023)	(2 803)	(1 866)	(1 118)	(835)	(5 377)	(182 024)
	<b>173 456</b>	<b>40 525</b>	<b>26 979</b>	<b>16 166</b>	<b>12 064</b>	<b>77 722</b>	-
Wastewater management	955 200	100 707	69 942	37 535	34 103	217 407	495 506
Provision for impairment	(558 116)	(13 716)	(9 526)	(5 112)	(4 645)	(29 611)	(495 506)
	<b>397 084</b>	<b>86 991</b>	<b>60 416</b>	<b>32 423</b>	<b>29 458</b>	<b>187 796</b>	-
Housing rental stock	421 713	23 432	12 033	9 295	9 204	80 422	287 327
Provision for impairment	(377 366)	(15 699)	(8 062)	(6 228)	(6 167)	(53 883)	(287 327)
	<b>44 347</b>	<b>7 733</b>	<b>3 971</b>	<b>3 067</b>	<b>3 037</b>	<b>26 539</b>	-
Housing selling stock	389 461	30 076	5 845	2 667	2 560	36 352	311 961
Provision for impairment	(347 178)	(13 254)	(3 061)	(1 225)	(1 175)	(16 502)	(311 961)
	<b>42 283</b>	<b>16 822</b>	<b>2 784</b>	<b>1 442</b>	<b>1 385</b>	<b>19 850</b>	-
Other exchange debtors	119 192	(26 927)	210 123	(16 594)	(10 479)	(37 514)	583
Provision for impairment	(9 159)	1 947	(15 192)	1 199	758	2 712	(583)
	<b>110 033</b>	<b>(24 980)</b>	<b>194 931</b>	<b>(15 395)</b>	<b>(9 721)</b>	<b>(34 802)</b>	-
<b>Gross exchange debtors</b>	<b>5 522 855</b>	<b>973 763</b>	<b>615 960</b>	<b>165 736</b>	<b>126 917</b>	<b>937 889</b>	<b>2 702 590</b>
Provision for impairment	<b>(3 068 454)</b>	<b>(85 937)</b>	<b>(63 763)</b>	<b>(24 376)</b>	<b>(21 096)</b>	<b>(170 692)</b>	<b>(2 702 590)</b>
<b>From non-exchange transactions</b>							
Rates debtors	1 941 869	483 699	270 028	108 203	45 160	392 267	642 512
Provision for impairment	(712 937)	(26 216)	(14 636)	(5 864)	(2 448)	(21 261)	(642 512)
	<b>1 228 932</b>	<b>457 483</b>	<b>255 392</b>	<b>102 339</b>	<b>42 712</b>	<b>371 006</b>	-
Other non-exchange debtors	59 920	13 566	3 448	3 505	867	6 401	32 133
Provision for impairment	(34 142)	(981)	(249)	(253)	(63)	(463)	(32 133)
	<b>25 778</b>	<b>12 585</b>	<b>3 199</b>	<b>3 252</b>	<b>804</b>	<b>5 938</b>	-
<b>Gross non-exchange debtors</b>	<b>2 001 789</b>	<b>497 265</b>	<b>273 476</b>	<b>111 708</b>	<b>46 027</b>	<b>398 668</b>	<b>674 645</b>
Provision for impairment	<b>(747 079)</b>	<b>(27 197)</b>	<b>(14 885)</b>	<b>(6 117)</b>	<b>(2 511)</b>	<b>(21 724)</b>	<b>(674 645)</b>
<b>Gross debtors</b>	<b>7 524 644</b>	<b>1 471 028</b>	<b>889 436</b>	<b>277 444</b>	<b>172 944</b>	<b>1 336 557</b>	<b>3 377 235</b>
Total provision for impairment	<b>(3 815 533)</b>	<b>(113 134)</b>	<b>(78 648)</b>	<b>(30 493)</b>	<b>(23 607)</b>	<b>(192 416)</b>	<b>(3 377 235)</b>
<b>TOTAL</b>	<b>3 709 111</b>	<b>1 357 894</b>	<b>810 788</b>	<b>246 951</b>	<b>149 337</b>	<b>1 144 141</b>	-

**Municipality of Cape Town**  
**Analysis of trade receivables' age in days**

As at 30 June 2010	Total R'000	Not due R'000	0 - 30 R'000	31-60 R'000	61-90 R'000	91-365 R'000	+365 R'000
<b>From exchange transactions</b>							
Electricity	906 308	490 221	146 027	45 551	15 506	93 490	115 513
Provision for impairment	(159 323)	(27 158)	(8 090)	(2 524)	(859)	(5 179)	(115 513)
	<b>746 985</b>	<b>463 063</b>	<b>137 937</b>	<b>43 027</b>	<b>14 647</b>	<b>88 311</b>	-
Water	1 954 152	170 486	157 278	81 446	51 802	397 252	1 095 888
Provision for impairment	(1 179 483)	(16 605)	(15 319)	(7 933)	(5 046)	(38 692)	(1 095 888)
	<b>774 669</b>	<b>153 881</b>	<b>141 959</b>	<b>73 513</b>	<b>46 756</b>	<b>358 560</b>	-
Waste management	319 525	31 118	25 961	14 511	8 933	71 002	168 000
Provision for impairment	(168 788)	(162)	(135)	(75)	(46)	(370)	(168 000)
	<b>150 737</b>	<b>30 956</b>	<b>25 826</b>	<b>14 436</b>	<b>8 887</b>	<b>70 632</b>	-
Wastewater management	802 026	83 954	70 905	39 542	24 314	189 467	393 844
Provision for impairment	(421 723)	(5 734)	(4 843)	(2 701)	(1 661)	(12 940)	(393 844)
	<b>380 303</b>	<b>78 220</b>	<b>66 062</b>	<b>36 841</b>	<b>22 653</b>	<b>176 527</b>	-
Housing rental stock	393 706	25 354	12 248	8 401	8 215	95 103	244 385
Provision for impairment	(350 403)	(18 001)	(8 696)	(5 965)	(5 833)	(67 523)	(244 385)
	<b>43 303</b>	<b>7 353</b>	<b>3 552</b>	<b>2 436</b>	<b>2 382</b>	<b>27 580</b>	-
Housing selling stock	392 659	24 498	7 327	2 934	2 643	30 375	324 882
Provision for impairment	(359 161)	(12 332)	(3 748)	(1 501)	(1 352)	(15 346)	(324 882)
	<b>33 498</b>	<b>12 166</b>	<b>3 579</b>	<b>1 433</b>	<b>1 291</b>	<b>15 029</b>	-
Other exchange debtors	122 323	(11 658)	152 955	(4 739)	(9 075)	(5 160)	-
Provision for impairment	(13 075)	1 441	(16 863)	566	1 022	759	-
	<b>109 248</b>	<b>(10 217)</b>	<b>136 092</b>	<b>(4 173)</b>	<b>(8 053)</b>	<b>(4 401)</b>	-
<b>Gross exchange debtors</b>	<b>4 890 699</b>	<b>813 973</b>	<b>572 701</b>	<b>187 646</b>	<b>102 338</b>	<b>871 529</b>	<b>2 342 512</b>
Provision for impairment	<b>(2 651 956)</b>	<b>(78 551)</b>	<b>(57 694)</b>	<b>(20 133)</b>	<b>(13 775)</b>	<b>(139 291)</b>	<b>(2 342 512)</b>
<b>From non-exchange transactions</b>							
Rates debtors	1 722 172	365 785	286 851	99 412	36 159	431 464	502 501
Provision for impairment	(638 371)	(40 748)	(31 955)	(11 074)	(4 028)	(48 065)	(502 501)
	<b>1 083 801</b>	<b>325 037</b>	<b>254 896</b>	<b>88 338</b>	<b>32 131</b>	<b>383 399</b>	-
Other non-exchange debtors	47 969	3 948	1 036	2 311	596	35 846	4 232
Provision for impairment	(9 103)	(440)	(115)	(257)	(66)	(3 993)	(4 232)
	<b>38 866</b>	<b>3 508</b>	<b>921</b>	<b>2 054</b>	<b>530</b>	<b>31 853</b>	-
<b>Gross non-exchange debtors</b>	<b>1 770 141</b>	<b>369 733</b>	<b>287 887</b>	<b>101 723</b>	<b>36 755</b>	<b>467 310</b>	<b>506 733</b>
Provision for impairment	<b>(647 474)</b>	<b>(41 188)</b>	<b>(32 070)</b>	<b>(11 331)</b>	<b>(4 094)</b>	<b>(52 058)</b>	<b>(506 733)</b>
<b>Gross debtors</b>	<b>6 660 840</b>	<b>1 183 706</b>	<b>860 588</b>	<b>289 369</b>	<b>139 093</b>	<b>1 338 839</b>	<b>2 849 245</b>
Total provision for impairment	<b>(3 299 430)</b>	<b>(119 739)</b>	<b>(89 764)</b>	<b>(31 464)</b>	<b>(17 869)</b>	<b>(191 349)</b>	<b>(2 849 245)</b>
<b>TOTAL</b>	<b>3 361 410</b>	<b>1 063 967</b>	<b>770 824</b>	<b>257 905</b>	<b>121 224</b>	<b>1 147 490</b>	-

## 10 OTHER RECEIVABLES

	Economic entity					
	As at 30 June 2011			As at 30 June 2010		
	Gross balance R'000	Provision for impairment R'000	Net balance R'000	Gross balance R'000	Provision for impairment R'000	Net balance R'000
<b>From exchange transactions</b>	157 473	(61 316)	96 157	245 431	(54 369)	191 062
Payments made in advance	1 034	-	1 034	1 006	-	1 006
Property rentals	55 808	(54 527)	1 281	93 188	(47 210)	45 978
Other exchange debtors	100 631	(6 789)	93 842	151 237	(7 159)	144 078
<b>From non-exchange transactions</b>	107 455	-	107 455	138 483	-	138 483
Government subsidies	35 723	-	35 723	90 118	-	90 118
Other non-exchange debtors	71 732	-	71 732	48 365	-	48 365
<b>TOTAL</b>	<b>264 928</b>	<b>(61 316)</b>	<b>203 612</b>	<b>383 914</b>	<b>(54 369)</b>	<b>329 545</b>

Included in other exchange debtors is an amount of R2,61 million (2010: R49,29 million) for VAT due by the South African Revenue Service.

**Reconciliation of impairment provision**

	2011 R'000	2010 R'000
Balance at beginning of the year	54 369	24 494
Contributions to provision	10 509	28 288
Transfer (from)/to provisions	(3 562)	1 793
Bad debts written off	-	(206)
<b>Balance as at 30 June</b>	<b>61 316</b>	<b>54 369</b>

In determining the recoverability of other receivable, the City of Cape Town considers any change in the credit quality of other receivable from the date on which the credit was initially granted, up to the reporting date.

	Economic entity						
	Analysis of other receivables' age in days						
	Total R'000	Not due R'000	0-30 R'000	31-60 R'000	61-90 R'000	91-365 R'000	+365 R'000
<b>As at 30 June 2011</b>							
<b>From exchange transactions</b>							
Payments made in advance	1 034	1 034	-	-	-	-	-
	<b>1 034</b>	<b>1 034</b>	-	-	-	-	-
Property rentals	55 808	3 744	7 824	1 881	1 348	(13 438)	54 449
Provision for impairment	(54 527)	(2 463)	(7 824)	(1 881)	(1 348)	13 438	(54 449)
	<b>1 281</b>	<b>1 281</b>	-	-	-	-	-
Other exchange debtors	100 631	78 827	9 872	124	189	5 811	5 808
Provision for impairment	(6 789)	(1)	(109)	(12)	(13)	(8 46)	(5 808)
	<b>93 842</b>	<b>78 826</b>	<b>9 763</b>	<b>112</b>	<b>176</b>	<b>4 965</b>	-
<b>Gross exchange debtors</b>	<b>127 473</b>	<b>83 605</b>	<b>17 696</b>	<b>2 005</b>	<b>1 537</b>	<b>(7 627)</b>	<b>60 257</b>
Provision for impairment	<b>61 316</b>	<b>2 464</b>	<b>7 933</b>	<b>1 893</b>	<b>1 361</b>	<b>12 592</b>	<b>(60 257)</b>
<b>From non-exchange transactions</b>							
Government subsidies	35 723	24 225	6 047	1 206	375	3 870	-
Other non-exchange debtors	71 732	71 732	-	-	-	-	-
<b>Gross non-exchange debtors</b>	<b>107 455</b>	<b>95 957</b>	<b>6 047</b>	<b>1 206</b>	<b>375</b>	<b>3 870</b>	-
<b>Gross debtors</b>	<b>264 928</b>	<b>179 562</b>	<b>23 743</b>	<b>3 211</b>	<b>1 912</b>	<b>(3 757)</b>	<b>60 257</b>
Total provision for impairment	<b>(61 316)</b>	<b>(2 464)</b>	<b>(7 933)</b>	<b>(1 893)</b>	<b>(1 361)</b>	<b>12 592</b>	<b>(60 257)</b>
<b>TOTAL</b>	<b>203 612</b>	<b>177 098</b>	<b>15 810</b>	<b>1 318</b>	<b>551</b>	<b>8 835</b>	-

		<b>Economic entity</b>					
		<b>Analysis of other receivables' age in days</b>					
	<b>Total</b>	<b>Not due</b>	<b>0-30</b>	<b>31-60</b>	<b>61-90</b>	<b>91-365</b>	<b>+365</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>As at 30 June 2010</b>							
<b>From exchange transactions</b>							
Payments made in advance	1 006	1 006	-	-	-	-	-
	<b>1 006</b>	<b>1 006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Property rentals	93 188	47 424	(1 446)	1 701	569	11 646	33 294
Provision for impairment	(47 210)	-	-	(1 701)	(569)	(11 646)	(33 294)
	<b>45 978</b>	<b>47 424</b>	<b>(1 446)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other exchange debtors	151 237	123 539	16 690	4 158	387	4 013	2 450
Provision for impairment	(7 159)	(2)	(156)	(112)	(91)	(4 348)	(2 450)
	<b>144 078</b>	<b>123 537</b>	<b>16 534</b>	<b>4 046</b>	<b>296</b>	<b>(335)</b>	<b>-</b>
<b>Gross exchange debtors</b>	<b>245 431</b>	<b>171 969</b>	<b>15 244</b>	<b>5 859</b>	<b>956</b>	<b>15 659</b>	<b>35 744</b>
Provision for impairment	<b>(54 369)</b>	<b>(2)</b>	<b>(156)</b>	<b>(1 813)</b>	<b>(660)</b>	<b>(15 994)</b>	<b>(35 744)</b>
<b>From non-exchange transactions</b>							
Government subsidies	90 118	1 304	70 846	13 570	300	4 098	-
Other non-exchange debtors	48 365	48 365	-	-	-	-	-
<b>Gross non-exchange debtors</b>	<b>138 483</b>	<b>49 669</b>	<b>70 846</b>	<b>13 570</b>	<b>300</b>	<b>4 098</b>	<b>-</b>
<b>Gross debtors</b>	<b>383 914</b>	<b>221 638</b>	<b>86 090</b>	<b>19 429</b>	<b>1 256</b>	<b>19 757</b>	<b>35 744</b>
Total provision for impairment	<b>(54 369)</b>	<b>(2)</b>	<b>(156)</b>	<b>(1 813)</b>	<b>(660)</b>	<b>(15 994)</b>	<b>(35 744)</b>
<b>TOTAL</b>	<b>329 545</b>	<b>221 636</b>	<b>85 934</b>	<b>17 616</b>	<b>596</b>	<b>3 763</b>	<b>-</b>

		<b>Municipality of Cape Town</b>					
		<b>As at 30 June 2011</b>			<b>As at 30 June 2010</b>		
	<b>Gross balance</b>	<b>Provision for impairment</b>	<b>Net balance</b>	<b>Gross balance</b>	<b>Provision for impairment</b>	<b>Net balance</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
<b>From exchange transactions</b>							
Payments made in advance	146 982	(60 649)	86 333	233 367	(50 749)	182 618	
Property rentals	130	-	130	117	-	117	
Other exchange debtors	55 808	(54 527)	1 281	93 188	(47 210)	45 978	
	91 044	(6 122)	84 922	140 062	(3 539)	136 523	
<b>From non-exchange transactions</b>							
Government subsidies	107 455	-	107 455	138 483	-	138 483	
Other non-exchange debtors	35 723	-	35 723	90 118	-	90 118	
	71 732	-	71 732	48 365	-	48 365	
<b>TOTAL</b>	<b>254 437</b>	<b>(60 649)</b>	<b>193 788</b>	<b>371 850</b>	<b>(50 749)</b>	<b>321 101</b>	

**Reconciliation of impairment provision**

	<b>2011</b>	<b>2010</b>
	<b>R'000</b>	<b>R'000</b>
Balance at beginning of the year	50 749	23 733
Contributions to provisions	9 900	25 223
Transfers to provisions	-	1 793
<b>Balance as at 30 June</b>	<b>60 649</b>	<b>50 749</b>

**Municipality of Cape Town**  
**Analysis of other receivables' age in days**

<b>As at 30 June 2011</b>	<b>Total</b>	<b>Not due</b>	<b>0-30</b>	<b>31-60</b>	<b>61-90</b>	<b>91-365</b>	<b>+365</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>From exchange transactions</b>							
Payments made in advance	130	130	-	-	-	-	-
	<b>130</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Property rentals	55 808	3 744	7 824	1 881	1 348	(13 438)	54 449
Provision for impairment	(54 527)	(2 463)	(7 824)	(1 881)	(1 348)	13 438	(54 449)
	<b>1 281</b>	<b>1 281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other exchange debtors	91 044	79 276	3 758	167	221	1 814	5 808
Provision for impairment	(6 122)	(1)	(45)	(12)	(13)	(243)	(5 808)
	<b>84 922</b>	<b>79 275</b>	<b>3 713</b>	<b>155</b>	<b>208</b>	<b>1 571</b>	<b>-</b>
<b>Gross exchange debtors</b>	<b>146 982</b>	<b>83 150</b>	<b>11 582</b>	<b>2 048</b>	<b>1 569</b>	<b>(11 624)</b>	<b>60 257</b>
Provision for impairment	<b>(60 649)</b>	<b>(2 464)</b>	<b>(7 869)</b>	<b>(1 893)</b>	<b>(1 361)</b>	<b>13 195</b>	<b>(60 257)</b>
<b>From non-exchange transactions</b>							
Government subsidies	35 723	24 225	6 047	1 206	375	3 870	-
Other non-exchange debtors	71 732	71 732	-	-	-	-	-
<b>Gross non-exchange debtors</b>	<b>107 455</b>	<b>95 957</b>	<b>6 047</b>	<b>1 206</b>	<b>375</b>	<b>3 870</b>	<b>-</b>
<b>Gross debtors</b>	<b>254 437</b>	<b>179 107</b>	<b>17 629</b>	<b>3 254</b>	<b>1 944</b>	<b>(7 754)</b>	<b>60 257</b>
Total provision for impairment	<b>(60 649)</b>	<b>(2 464)</b>	<b>(7 869)</b>	<b>(1 893)</b>	<b>(1 361)</b>	<b>13 195</b>	<b>(60 257)</b>
<b>TOTAL</b>	<b>193 788</b>	<b>176 643</b>	<b>9 760</b>	<b>1 361</b>	<b>583</b>	<b>5 441</b>	<b>-</b>

**Analysis of other receivables' age in days**

<b>As at 30 June 2010</b>	<b>Total</b>	<b>Not due</b>	<b>0-30</b>	<b>31-60</b>	<b>61-90</b>	<b>91-365</b>	<b>+365</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>From exchange transactions</b>							
Payments made in advance	117	117	-	-	-	-	-
	<b>117</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Property rentals	93 188	47 424	(1 446)	1 701	569	11 646	33 294
Provision for impairment	(47 210)	-	-	(1 701)	(569)	(11 646)	(33 294)
	<b>45 978</b>	<b>47 424</b>	<b>(1 446)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other exchange debtors	140 062	123 539	13 856	390	328	(501)	2 450
Provision for impairment	(3 539)	(2)	(98)	(112)	(91)	(786)	(2 450)
	<b>136 523</b>	<b>123 537</b>	<b>13 758</b>	<b>278</b>	<b>237</b>	<b>(1 287)</b>	<b>-</b>
<b>Gross exchange debtors</b>	<b>233 367</b>	<b>171 080</b>	<b>12 410</b>	<b>2 091</b>	<b>897</b>	<b>11 145</b>	<b>35 744</b>
Provision for impairment	<b>(50 749)</b>	<b>(2)</b>	<b>(98)</b>	<b>(1 813)</b>	<b>(660)</b>	<b>(12 432)</b>	<b>(35 744)</b>
<b>From non-exchange transactions</b>							
Government subsidies	90 118	1 304	70 846	13 570	300	4 098	-
Other non-exchange debtors	48 365	48 365	-	-	-	-	-
<b>Gross non-exchange debtors</b>	<b>138 483</b>	<b>49 669</b>	<b>70 846</b>	<b>13 570</b>	<b>300</b>	<b>4 098</b>	<b>-</b>
<b>Gross debtors</b>	<b>371 850</b>	<b>220 749</b>	<b>83 256</b>	<b>15 661</b>	<b>1 197</b>	<b>15 243</b>	<b>35 744</b>
Total provision for impairment	<b>(50 749)</b>	<b>(2)</b>	<b>(98)</b>	<b>(1 813)</b>	<b>(660)</b>	<b>(12 432)</b>	<b>(35 744)</b>
<b>TOTAL</b>	<b>321 101</b>	<b>220 747</b>	<b>83 158</b>	<b>13 848</b>	<b>537</b>	<b>2 811</b>	<b>-</b>



Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000

**11 CASH AND CASH EQUIVALENTS (BANK AND CASH)**

Bank balance		148 803	140 063	116 877	115 311
ABSA - Primary bank account	40-5658-4470	116 867	115 310	116 867	115 310
Salary bank account	40-5658-4496	-	-	-	-
Cashier's bank account	40-5658-4527	-	-	-	-
General income account (primary)	40-5658-4569	-	-	-	-
Traffic fines bank account	40-7261-8663	-	-	-	-
IRT funding account	5435522023983015	10	-	10	-
FNB - Traffic fines bank account	62073198816	-	1	-	1
Other - Subsidiaries and joint venture	-	31 926	24 752	-	-
Year-end accruals	-	(194)	(10)	(194)	(10)
Interest accrual		291	564	291	564
Bank charges accrual		(485)	(574)	(485)	(574)
		<b>148 609</b>	<b>140 053</b>	<b>116 683</b>	<b>115 301</b>
Cash on hand and in transit		29 500	23 020	29 412	22 952
Call and short-term deposits - refer note 6		1 584 284	2 971 917	1 463 426	2 854 460
<b>Amortised cost</b>		<b>1 762 393</b>	<b>3 134 990</b>	<b>1 609 521</b>	<b>2 992 713</b>
Call and short-term deposits - refer note 6		1 541 736	1 518 466	1 541 736	1 518 466
<b>Fair value</b>		<b>1 541 736</b>	<b>1 518 466</b>	<b>1 541 736</b>	<b>1 518 466</b>
<b>TOTAL</b>		<b>3 304 129</b>	<b>4 653 456</b>	<b>3 151 257</b>	<b>4 511 179</b>

Subsidiaries (controlled and municipal entities) and joint venture have separate bank accounts that are not listed separately.

Cash and cash equivalents comprise cash held and short term deposits.

**12 LONG-TERM BORROWINGS**

Local registered stock loans		4 278 903	4 278 977	4 278 903	4 278 977
Concessionary loans		30 357	33 243	30 357	33 243
Other loans		1 292 753	1 464 006	1 273 648	1 444 277
Finance leases		66 281	146 019	66 281	146 019
Subtotal - refer Appendix A for more details		5 668 294	5 922 245	5 649 189	5 902 516
Current portion transferred to current liabilities		(306 896)	(362 599)	(305 353)	(361 475)
<b>TOTAL</b>		<b>5 361 398</b>	<b>5 559 646</b>	<b>5 343 836</b>	<b>5 541 041</b>

The capitalised lease liabilities are secured by items of leased plant, to the carrying value of R65,59 million (2010: R113,74 million). R477,00 million (2010: R248,39 million) has been ring-fenced for the repayment of long-term liabilities - refer note 6 and 40 for more details.

**Long-term borrowings detailed as follows:****LOCAL REGISTERED STOCK****ABSA Investor Services**

Unsecured bond paying fixed interest semi-annually, redeemed on 30 June 2010.

<b>4 278 903</b>	<b>4 278 977</b>	<b>4 278 903</b>	<b>4 278 977</b>
7 047	7 047	7 047	7 047

**Listed bonds**

Unsecured bonds totalling R4,20 billion listed on the JSE Limited (JSE) of South Africa. Interest is payable semi-annually, while capital will be redeemed by way of a bullet repayment on the final redemption date. Certain bond raising costs have been capitalised and offset against the proceeds thereof, and were subsequently written off over the periods of the respective bonds. Sinking funds have been established for the purpose of providing for the capital repayment at the dates of redemption.

4 271 930	4 271 930	4 271 930	4 271 930
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	Economic entity		Municipality of Cape Town	
	2011	2010	2011	2010
	R'000	R'000	R'000	R'000
<b>CONCESSIONARY LOANS</b>	<b>30 357</b>	<b>33 243</b>	<b>30 357</b>	<b>33 243</b>
<b>Development Bank of Southern Africa (DBSA)</b>				
Unsecured fixed term concessionary loan repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. This loan will be fully paid on 30 June 2020.	30 343	33 231	30 343	33 231
<b>Nedcor Bank</b>				
Unsecured fixed-rate loan, interest payable annually, and loan capital repayable on 31 August 2019.	14	12	14	12
<b>OTHER LOANS</b>	<b>1 292 753</b>	<b>1 464 006</b>	<b>1 273 648</b>	<b>1 444 277</b>
<b>Development Bank of Southern Africa (DBSA)</b>				
Unsecured fixed interest loans, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance. Various final redemptions	731 991	827 884	731 991	827 884
<b>FirstRand Bank</b>				
Structured R125,00 million 15-year loan, repayable semi-annually in equal instalments of capital and fixed-rate interest.	-	19 931	-	19 931
As part of the loan structure, the Entity sold moveable assets with a market value of R125,00 million to FirstRand Bank. FirstRand Bank leased the assets back to the Entity over 15 years, with rentals payable during the years 2009-2011. At the same time, the Entity lent R125,00 million to FirstRand Bank, repayable together with interest on the same dates and in the same amounts as the rental payable by the Entity under the lease agreement. The Entity ceded its rights under its loan to FirstRand Bank as security for its obligations to FirstRand Bank under the original loan and any other indebtedness. This loan was repaid on 30 June 2011.				
<b>FirstRand Bank</b>				
Structured R220,00 million 15-year loan of which, R200,00 million is repayable semi-annually in equal instalments of capital and fixed-rate interest over 15 years, and the balance of R20,00 million payable in one instalment, together with fixed-rate interest, on 30 June 2017. The bullet repayment of the R20,00 million capital and interest will be made out of the guaranteed investment portfolios of two 15-year sinking-fund investment policies purchased from Momentum Group.	183 268	189 299	183 268	189 299
As part of the loan structure, the Entity purchased two 15-year sinking-fund policies from Momentum Group for an upfront premium of R220,00 million. R20,00 million of the premium was invested in the guaranteed investment portfolio referred to above. The balance of the premium, R200,00, was invested in a linked investment (unguaranteed) portfolio. The maturity proceeds of this unguaranteed portfolio were sold in advance to FirstRand Bank for R200,00 million the first day one of the policies. The Entity has ceded and pledged the sinking-fund policies to FirstRand Bank as security for the Entity's obligations to FirstRand Bank under the policies and any other debt liability.				

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000

**FirstRand Bank**

Structured R150,00 million 15-year loan, repayable semi-annually in equal instalments of capital and fixed interest.

As part of the loan structure, the Entity leased moveable electricity assets with a market value of R150,00 million to FirstRand Bank for 20 years. Rental is payable in three instalments during 1998–2000, with a nominal annual rental thereafter. The rentals are payable into a deposit account with FirstRand Bank, which attracts a fixed rate of interest. FirstRand Bank leased the assets back to the Entity over 15 years, with rentals payable during the years 2003–2013 out of the deposit account, which will reduce to zero on 30 June 2013. The Entity has ceded its rights to repayment of the deposit to FirstRand Bank as security for its obligations to FirstRand Bank under the original loan and any other indebtedness.

41 643	59 336	41 643	59 336
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**ABSA Bank**

Unsecured fixed-interest loan, repayable semi-annually in equal instalments of capital, with interest payable on the reducing balance, final redemption on 30 June 2018.

140 000	160 000	140 000	160 000
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**FirstRand Bank**

Structured R300,00 million 15-year loan of which, R74,30 million is repayable semi-annually in equal instalments of capital and fixed-rate interest over 15 years, and the balance of R225,70 million payable in one instalment, together with capitalised fixed-rate interest, on 30 June 2018. The bullet repayment of the R225,70 million capital and interest will be made out of a 15-year sinking-fund investment policy purchased from Momentum Group.

As part of the loan structure, the Entity purchased a 15-year sinking-fund policy from Momentum Group for a premium of R228,40 million, which was invested in an unguaranteed investment portfolio. The premium is payable semi-annually over 15 years through a series of promissory notes issued by the Entity to Momentum, later sold on to FirstRand Bank and FutureGrowth. In terms of a put-option agreement, the maturity proceeds of this unguaranteed portfolio were sold in advance to FirstRand Bank for a fixed-option price of R894,60 million, payable on 30 June 2018. The Entity has ceded and pledged the sinking-fund policy to FirstRand Bank as security for the Entity's obligations to FirstRand Bank under the put-option agreement and any other debt liability.

176 746	187 827	176 746	187 827
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**DBSA - Claremont Road Bypass Company**

Interest is charged at a nominal fixed rate of R186 plus 154 basis points per annum.

Repayable in 28 equal six-monthly instalments, commencing on 30 September 2009.

Secured by an agreement of cession from Claremont City Improvement District Company (association incorporated under Section 21) (cedent), over their right and title to the levies collected by the City of Cape Town from the Claremont City Improvement District ratepayers in terms of the cooperation agreement.

The cedent, the company and the City of Cape Town concluded a cooperation agreement, in terms of which the City of Cape Town undertook to pay to the cedent levies collected from the ratepayers within the Claremont City Improvement District.

18 621	19 465	-	-
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Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000

**Standard Bank Ltd – Epping City Improvement District**

The average lease term is 3 years and the average effective borrowing rate was 12,79%.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The Entity's obligations under finance leases are secured by the lessor's charge over the leased assets

484	264	-	-
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**FINANCE LEASES****Nedbank**

Sale and leaseback, structured R55,30 million 15-year loan, funded by Nedbank through an infrastructure trust. Lease rentals equating to fixed-rate interest are payable semi-annually over 15 years; a bullet rental amount of R55,30 million is payable on 2 January 2012 out of the proceeds of a sinking fund. The Entity deposits equal amounts with Nedbank semi-annually, which, together with compounded interest over 15 years, will equate to the original loan capital. The Entity has ceded its rights under the deposit agreement to Nedbank as security for repayment of the loan capital.

An additional floating-rate liability of R2,25 million (2010: R4,19 million) arising from a restructuring of the loan is repayable over the remaining life of the loan.

<b>66 281</b>	<b>146 019</b>	<b>66 281</b>	<b>146 019</b>
61 997	64 107	61 997	64 107

**Investec**

Sale and leaseback, structured R54,80 million 15-year loan, funded by Investec Bank. Lease rentals equating to loan fixed-rate interest plus capital are payable semi-annually over 15 years. Investec has granted the Entity the right to acquire the assets at the expiry of the lease at an agreed option price of R47,60 million. The Entity has deposited with Investec an amount, which, together with compound interest, will equate to the option price payable on 31 December 2011.

The Entity has ceded its rights under the deposit agreement to Investec as security for repayment of the lease and the option price.

4 284	12 014	4 284	12 014
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**Standard Corporate and Investment Bank (SCMB)**

Sale and leaseback, structured R59,30 million 15-year loan. The Entity sold moveable electricity assets to Standard Bank at the market value of R59,30 million. The Entity invested R5,80 million of the proceeds in a sinking-fund deposit, which, when compounded over 15 years at a fixed rate of interest, grew to the original loan capital amount. Standard Bank leased the assets back to the Entity, with rentals equating to the loan fixed-rate interest, payable annually over 15 years. A bullet rental amount of R59,30 million was paid on 24 June 2011 out of the sinking-fund deposit.

**TOTAL** - refer to Appendix A for more details

<b>5 668 294</b>	<b>5 922 245</b>	<b>5 649 189</b>	<b>5 902 516</b>
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The rates of interest payable on the abovementioned structured loans and finance leases are based on certain underlying assumptions relating to the lenders' statutory costs, and the allowability of deductions by the lenders for income tax purposes in connection with these loans. In the event of changes to, or interpretation of, the Income Tax Act (Act No. 58 of 1962) or any other relevant legislation that has an impact on the loan structure costs, the lenders have the right to increase or decrease the future rates of interest payable on the loans over their remaining lives, in order to absorb the increase or decrease in costs.

## 13 PROVISIONS (NON-CURRENT)

## Economic entity

	Environmental rehabilitation R'000	Long-service leave benefits R'000	Post-retirement medical aid benefits R'000	Post-retirement pension benefits R'000	Total R'000
<b>As at 30 June 2011</b>					
Balance at beginning of the year	361 386	298 902	2 375 458	13 368	3 049 114
Interest cost	33 604	30 591	243 681	428	308 304
Service cost and transitional liability	(55 619)	22 565	50 846	1 401	19 193
Benefit payments	-	(34 528)	(114 570)	(2 585)	(151 683)
Actuarial (gain)/loss	-	(11 029)	302 782	3 338	295 091
Additional provisions made	35 500	43 282	124 696	1 847	205 325
	374 871	349 783	2 982 893	17 797	3 725 344
Transfer to current provision	(32 000)	(37 489)	(141 553)	(1 965)	(213 007)
<b>TOTAL</b>	<b>342 871</b>	<b>312 294</b>	<b>2 841 340</b>	<b>15 832</b>	<b>3 512 337</b>

## Municipality of Cape Town

	Environmental rehabilitation R'000	Long-service leave benefits R'000	Post-retirement medical aid benefits R'000	Post-retirement pension benefits R'000	Total R'000
<b>As at 30 June 2011</b>					
Balance at beginning of the year	361 386	298 902	2 375 458	13 368	3 049 114
Interest cost	33 604	30 591	243 681	428	308 304
Service cost and transitional liability	(55 619)	22 565	50 846	1 401	19 193
Benefit payments	-	(34 528)	(114 570)	(2 585)	(151 683)
Actuarial (gain)/loss	-	(11 029)	302 782	3 338	295 091
Additional provisions made	35 500	43 282	124 696	1 847	205 325
	374 871	349 783	2 982 893	17 797	3 725 344
Transfer to current provision	(32 000)	(37 489)	(141 553)	(1 965)	(213 007)
<b>TOTAL</b>	<b>342 871</b>	<b>312 294</b>	<b>2 841 340</b>	<b>15 832</b>	<b>3 512 337</b>

**Long-service leave benefits**

An actuarial valuation has been performed of the Entity's liability for long-service leave benefits relating to vested leave benefits to which employees may become entitled upon completion of ten years' service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

**Discount rate**

The fund benefit liability as at 30 June 2011 has been discounted at the market yields on Government bonds consistent with the estimated term of the liability. A discount rate of 8,16% per annum has been used.

2011	2010
%	%

**Key financial assumptions**

Discount rate	8,2	8,9
General inflation rate (consumer price index)	6,3	5,3
Salary increase	6,5	6,3

**Environmental rehabilitation**

Provision is made in terms of the Entity's licensing stipulations on the waste landfill sites, for the estimated cost of rehabilitating waste sites. The provision has been determined on the basis of a recent independent study. The cost factors derived from the study by a firm of consulting engineers have been applied and projected at an annual inflation rate of 5,6% (2010: 5,4%) and discounted to present value at the average borrowing cost of 10,97% (2010: 11,3%); hence the difference. The payment dates of total closure and rehabilitation are uncertain, but are currently expected to be between 2011 and 2020.

**Post-retirement medical aid and pension benefits**

An actuarial valuation has been performed of the Entity's liability in respect of benefits to eligible retirees and retrenched employees of the Entity. The provision is utilised when eligible employees receive the value of the vested benefits – refer note 47 for more details.

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000
233 248	228 865	233 248	228 865
11 447	13 728	244	295
<b>244 695</b>	<b>242 593</b>	<b>233 492</b>	<b>229 160</b>

**14 DEPOSITS**

Electricity and water  
Other deposits

**TOTAL**

Guarantees held in lieu of electricity and water deposits were R29,26 million (2010: R29,63 million). Deposits are released when the owner/occupant of a property terminates the contract with the Entity to supply water and electricity to a property, or when certain contractual services are delivered.

**15 PROVISIONS**

	Economic entity			
	Opening balance 2011	Raised from Statement of Financial Performance	Reversed to Statement of Financial Performance	Transfers from non-current
	R'000	R'000	R'000	R'000
<b>As at 30 June 2011</b>				
Other provisions	147 334	14 279	(12 396)	-
Insurance claims	5 992	4 986	(5 992)	-
Post-retirement benefits	126 543	-	(126 543)	143 518
Legal fees	2 803	2 003	(2 803)	-
Environmental rehabilitation	35 500	-	-	(3 500)
Leave benefits	421 326	20 419	(43 282)	37 489
Performance bonuses	2 320	2 468	(2 320)	-
<b>TOTAL</b>	<b>741 818</b>	<b>44 155</b>	<b>(193 336)</b>	<b>177 507</b>

	Municipality of Cape Town			
	Opening balance 2011	Raised from Statement of Financial Performance	Reversed to Statement of Financial Performance	Transfers from non-current
	R'000	R'000	R'000	R'000
<b>As at 30 June 2011</b>				
Other provisions	147 282	14 274	(12 344)	-
Insurance claims	5 992	4 986	(5 992)	-
Post-retirement benefits	126 543	-	(126 543)	143 518
Legal fees	2 803	2 003	(2 803)	-
Environmental rehabilitation	35 500	-	-	(3 500)
Leave benefits	421 326	20 419	(43 282)	37 489
<b>TOTAL</b>	<b>739 446</b>	<b>41 682</b>	<b>(190 964)</b>	<b>177 507</b>

**Insurance and COID claims**

Provision has been made for outstanding insurance claims as at 30 June 2011, funded out of the insurance reserve. The assessment of claims is based on the assessed quantum of claims received.

**Legal fees**

Legal costs relating to the process of defending the Entity in Labour Appeal Court and Labour Court cases, for which court dates have already been set. The calculations of these amounts are based on assessments by attorneys.

**Staff leave**

Annual leave accrues to employees on a monthly basis, subject to certain conditions. The provision is an estimate of the amount due to staff as at the financial year-end, based on the value of statutory and non-statutory leave.

**Performance bonuses**

Performance bonuses accrue to staff on an annual basis based on the achievement of predetermined performance. The provision is an estimate of the amount due to staff in the service of the Cape Town International Convention Centre (Pty) Ltd at reporting date.

**16 PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade creditors	2 170 658	1 998 378	2 152 151	1 989 078
Payments received in advance	785 846	663 885	785 846	663 885
Inter-company advances	76 489	90 907	76 489	90 907
Third-party payments	215 034	187 675	215 034	187 675
Other creditors	108 151	143 630	92 397	131 342
<b>TOTAL</b>	<b>3 356 178</b>	<b>3 084 475</b>	<b>3 321 917</b>	<b>3 062 887</b>

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000
2 170 658	1 998 378	2 152 151	1 989 078
785 846	663 885	785 846	663 885
76 489	90 907	76 489	90 907
215 034	187 675	215 034	187 675
108 151	143 630	92 397	131 342
<b>3 356 178</b>	<b>3 084 475</b>	<b>3 321 917</b>	<b>3 062 887</b>

Guarantees held in lieu of retentions were R662,24 million (2010: R154,36 million).

Trade payables are non-interest-bearing and are normally settled on 30-day terms, except retentions that could be settled after 12 months.

Payments received in advance are non-interest-bearing and normally settled on 30-day terms.

Management policies are in place to ensure that all payables are paid within a reasonable timeframe.

**17 UNSPENT CONDITIONAL GRANTS AND RECEIPTS****Conditional grants from other spheres of government**

Municipal infrastructure grant (MIG)	63 547	-	63 547	-
National Government	663 795	702 923	663 795	702 923
Provincial Government of the Western Cape (PGWC) - other	394 806	246 903	394 806	246 903

**Other conditional receipts**

Public contributions	85 584	98 614	85 584	98 614
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**TOTAL**

1 122 148	949 826	1 122 148	949 826
63 547	-	63 547	-
663 795	702 923	663 795	702 923
394 806	246 903	394 806	246 903
<b>85 584</b>	<b>98 614</b>	<b>85 584</b>	<b>98 614</b>
85 584	98 614	85 584	98 614
<b>1 207 732</b>	<b>1 048 440</b>	<b>1 207 732</b>	<b>1 048 440</b>

These amounts are separately invested in terms of Section 12 of the Municipal Finance Management Act. Refer note 27 and 28 for more details of grants from National and Provincial Government.

The unspent portion of the conditional grant will be spent over the next two or three years to the conclusion of the projects for which they were intended. Substantial portions of the grants were provided in advance for the integrated rapid transit system.

The launching of projects in many instances is a protracted process due to interest groups' participation. No amounts are due for repayment to the donors, for the reasons set out above.

**18 VAT**

VAT payable	435 785	406 598	435 785	406 598
VAT receivable	(216 063)	(193 750)	(216 063)	(193 750)
<b>TOTAL</b>	<b>219 722</b>	<b>212 848</b>	<b>219 722</b>	<b>212 848</b>

The City of Cape Town is registered for VAT on the payment basis.

	Economic entity		Municipality of Cape Town	
	2011	2010	2011	2010
	R'000	R'000	R'000	R'000
<b>19 HOUSING DEVELOPMENT FUND</b>				
<b>Realised housing proceeds</b>				
Balance at beginning of the year	397 648	341 894	397 648	341 894
Income	54 437	106 309	54 437	106 309
Land sales	2 917	42 864	2 917	42 864
Repayments long-term debtors	31 342	34 550	31 342	34 550
Repayments public organisations	3 024	3 027	3 024	3 027
Service contributions	5 591	5 745	5 591	5 745
Subsidy refunds and other	11 563	20 123	11 563	20 123
Interest	21 761	23 023	21 761	23 023
Expenditure	(51 055)	(53 726)	(51 055)	(53 726)
Funding capital projects	(22 855)	(28 626)	(22 855)	(28 626)
Funding operating projects	(28 200)	(25 100)	(28 200)	(25 100)
Non-cash transfer to provision for impairment	(15 973)	(19 852)	(15 973)	(19 852)
<b>Balance at end of the year</b>	<b>406 818</b>	<b>397 648</b>	<b>406 818</b>	<b>397 648</b>
<b>Unrealised housing proceeds</b>				
Balance at beginning of the year	133 824	168 957	133 824	168 957
Loans realised	(22 914)	(22 053)	(22 914)	(22 053)
Long-term housing loans	(21 395)	(20 577)	(21 395)	(20 577)
Long-term loans public organisations	(1 519)	(1 476)	(1 519)	(1 476)
Transfer to impairment provision – long-term selling schemes	21 510	(12 609)	21 510	(12 609)
Transfer to impairment provision – long-term public organisations	(168)	(471)	(168)	(471)
<b>Balance at end of the year</b>	<b>132 252</b>	<b>133 824</b>	<b>132 252</b>	<b>133 824</b>
<b>TOTAL</b>	<b>539 070</b>	<b>531 472</b>	<b>539 070</b>	<b>531 472</b>
Unrealised housing proceeds represent loan repayments not yet due in terms of the debtors loan agreement.				
<b>20 RESERVES AND MINORITY INTEREST</b>				
<b>20.1 RESERVES</b>				
Capital replacement reserve	1 186 371	1 180 916	1 186 371	1 180 916
Insurance reserve	585 163	658 175	585 163	658 175
Self-insurance reserve	534 055	612 654	534 055	612 654
COVID reserve	51 108	45 521	51 108	45 521
<b>TOTAL</b>	<b>1 771 534</b>	<b>1 839 091</b>	<b>1 771 534</b>	<b>1 839 091</b>
The capital replacement reserve and the self-insurance reserve are fully funded and invested in ringfenced financial instruments.				
<b>20.2 MINORITY INTEREST</b>				
Balance at beginning of the year	133 604	126 557		
Share of net surplus attributable to minority interest	(1 160)	7 047		
<b>TOTAL</b>	<b>132 444</b>	<b>133 604</b>		
<b>21 ACCUMULATED SURPLUS</b>				
Accumulated surplus	<b>14 214 126</b>	<b>12 419 874</b>	<b>14 115 015</b>	<b>12 323 541</b>
Receipts from grant-funded assets acquired to the value of R10,57 billion (2010: R9,85 billion) are included and earmarked to fund the depreciation charges over the assets' useful lives.				
<b>22 SERVICE CHARGES</b>				
Sale of electricity	6 807 930	5 659 845	6 815 178	5 665 721
Sale of water	1 648 459	1 482 819	1 649 307	1 483 354
Waste management (solid waste)	651 966	544 284	651 966	544 284
Wastewater management (sewerage and sanitation)	903 205	801 003	903 205	801 003
Other	481 993	378 108	340 071	241 415
<b>TOTAL</b>	<b>10 493 553</b>	<b>8 866 059</b>	<b>10 359 727</b>	<b>8 735 777</b>



	Economic entity		Municipality of Cape Town	
	2011	2010	2011	2010
	R'000	R'000	R'000	R'000
<b>23 RENTAL OF LETTING STOCK AND FACILITIES</b>				
Rental agreements	246 658	276 628	246 658	276 628
Hire/rentals	37 006	23 298	37 006	23 298
	<u>283 664</u>	<u>299 926</u>	<u>283 664</u>	<u>299 926</u>
Income forgone *	(33 348)	(32 903)	(33 348)	(32 903)
<b>TOTAL</b>	<b>250 316</b>	<b>267 023</b>	<b>250 316</b>	<b>267 023</b>
<b>24 FINANCE INCOME</b>				
Interest receivable - external investments	343 704	361 681	335 217	351 799
Interest receivable - outstanding debtors	230 391	212 978	230 391	212 978
	<u>574 095</u>	<u>574 659</u>	<u>565 608</u>	<u>564 777</u>
Interest transferred to external funds (conditional grants)	(50 404)	(62 622)	(50 504)	(62 622)
<b>Net finance income</b>	<b>523 691</b>	<b>512 037</b>	<b>515 204</b>	<b>502 155</b>
Gains on valuations of derivatives	-	4 378	-	4 378
Gains on foreign-exchange transactions	32	-	-	-
Gains on valuation of investments	6 866	-	6 866	-
<b>TOTAL</b>	<b>530 589</b>	<b>516 415</b>	<b>522 070</b>	<b>506 533</b>
<b>25 OTHER INCOME</b>				
<b>Exchange transactions</b>	253 435	267 664	164 909	191 234
Insurance recoveries	1 098	1 316	1 093	1 009
Bulk infrastructure levies	54 926	77 373	54 926	77 373
Skills development levy	17 647	18 437	17 647	18 437
City improvement districts (CIDs)	81 409	68 709	-	-
Other income	98 355	101 829	91 243	94 415
<b>Non-exchange transactions</b>				
City improvement districts (CIDs)	-	-	81 409	68 709
<b>TOTAL</b>	<b>253 435</b>	<b>267 664</b>	<b>246 318</b>	<b>259 943</b>
<b>26 PROPERTY RATES</b>				
<b>Actual</b>				
Residential	}			
Commercial				
State				
Penalties				
	5 272 137	4 189 149	5 277 706	4 192 543
	<u>94 168</u>	<u>86 889</u>	<u>94 168</u>	<u>86 889</u>
	<u>5 366 305</u>	<u>4 276 038</u>	<u>5 371 874</u>	<u>4 279 432</u>
Income forgone *	(841 942)	(438 118)	(841 942)	(438 118)
<b>TOTAL</b>	<b>4 524 363</b>	<b>3 837 920</b>	<b>4 529 932</b>	<b>3 841 314</b>
<b>Valuations</b>				
Rateable properties	772 100 106	609 172 811	772 100 106	609 172 811
Non-rateable properties	25 648 841	16 509 646	25 648 841	16 509 646
<b>Total property valuations</b>	<b>797 748 947</b>	<b>625 682 457</b>	<b>797 748 947</b>	<b>625 682 457</b>
<b>Valuations as at July</b>				
Residential	549 409 889	448 792 979	549 409 889	448 792 979
Commercial	172 957 965	126 484 355	172 957 965	126 484 355
Agriculture	8 784 443	3 147 331	8 784 443	3 147 331
State	42 907 205	32 762 683	42 907 205	32 762 683
Municipal	23 689 445	14 495 109	23 689 445	14 495 109
<b>Total property valuations</b>	<b>797 748 947</b>	<b>625 682 457</b>	<b>797 748 947</b>	<b>625 682 457</b>

The last general valuation came into effect on 1 July 2010, and is based on market-related values. Supplementary valuations are processed when completed by Valuations Department, annually to take into account changes to individual property values due to alterations and subdivisions. Rates are levied on a daily basis and payable monthly. Interest is raised monthly on accounts in arrear at prime plus 1% per annum.

\*Income forgone can be defined as any income that the City is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

**27 GOVERNMENT GRANTS AND SUBSIDIES****Unconditional grants**

Equitable share  
Other

**Conditional grants**

Municipal infrastructure grant (MIG)  
Provincial health subsidies  
Cape Metropolitan Transport Fund (CMTF)  
National projects  
Provincial projects - other

**TOTAL**

The Entity does not foresee a significant decrease in the level of grant funding.

**Unconditional grants**

These grants are used to subsidise the provision of basic services to indigent communities.

**Analysis of Government grants and subsidiaries**

Operating  
Capital

**Municipal infrastructure grant projects**

Balance unspent at beginning of the year  
Regrouping adjustment  
Current-year receipts  
Adjustments  
Conditions met - transferred to revenue  
Amounts still to be claimed

**Conditions still to be met - transferred to liabilities - refer note 17**

This grant was used to fund the construction of infrastructural assets for the Entity. The conditions of the grant have been met. No funds have been withheld.

**Provincial health subsidies**

Balance unspent at beginning of the year  
Current-year receipts - included in public health vote – see Appendix D  
Conditions met - transferred to revenue

**Conditions still to be met - transferred to liabilities**

The Entity renders health services on behalf of the Provincial Government, and is refunded partially for expenditure incurred. This grant has been used exclusively to fund clinic services. The conditions of the grant have been met. There were no delays in payment of the subsidies, nor were any amounts withheld.

**Provincial projects and CMTF**

Balance unspent at beginning of the year  
Regrouping adjustment  
Current-year receipts  
Interest earned  
Adjustments  
Conditions met - transferred to revenue  
Amounts still to be claimed

**Conditions still to be met - transferred to liabilities - refer note 17**

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000
848 287	631 016	848 287	631 016
836 662	610 891	836 662	610 891
11 625	20 125	11 625	20 125
1 710 564	2 489 042	1 710 564	2 489 042
249 772	298 553	249 772	298 553
129 925	126 907	129 925	126 907
32 824	25 718	32 824	25 718
705 761	1 490 954	705 761	1 490 954
592 282	546 910	592 282	546 910
<b>2 558 851</b>	<b>3 120 058</b>	<b>2 558 851</b>	<b>3 120 058</b>

1 385 536	1 179 201	1 385 536	1 179 201
1 173 315	1 940 857	1 173 315	1 940 857
<b>2 558 851</b>	<b>3 120 058</b>	<b>2 558 851</b>	<b>3 120 058</b>

-	-	-	-
70 407	91 224	70 407	91 224
(383 726)	(327 790)	(383 726)	(327 790)
-	8 420	-	8 420
249 772	298 553	249 772	298 553
-	(70 407)	-	(70 407)
<b>(63 547)</b>	<b>-</b>	<b>(63 547)</b>	<b>-</b>

-	-	-	-
(129 925)	(126 907)	(129 925)	(126 907)
129 925	126 907	129 925	126 907
-	-	-	-

(246 903)	(249 851)	(246 903)	(249 851)
1 545	9 492	1 545	9 492
(719 762)	(510 714)	(719 762)	(510 714)
(6 597)	(8 260)	(6 597)	(8 260)
(18 241)	(57 903)	(18 241)	(57 903)
625 106	572 628	625 106	572 628
(29 954)	(2 295)	(29 954)	(2 295)
<b>(394 806)</b>	<b>(246 903)</b>	<b>(394 806)</b>	<b>(246 903)</b>

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000
(702 923)	(540 307)	(702 923)	(540 307)
2 848	16 562	2 848	16 562
(640 032)	(1 675 666)	(640 032)	(1 675 666)
(37 312)	(42 360)	(37 312)	(42 360)
7 863	22 035	7 863	22 035
705 761	1 490 954	705 761	1 490 954
-	25 859	-	25 859
<b>(663 795)</b>	<b>(702 923)</b>	<b>(663 795)</b>	<b>(702 923)</b>

**National Government projects**

Balance unspent at beginning of the year

Regrouping adjustment

Current-year receipts

Interest earned

Adjustments

Conditions met - transferred to revenue

Amounts still to be claimed/(spent)

**Conditions still to be met - transferred to liabilities** - refer note 17

These grants received from National Government are for operating and capital expenditure (such as budget reform, restructuring, urban renewal, etc.). Other than the amounts unspent, the conditions of the grants have been met - refer Appendix D.

**28 PUBLIC CONTRIBUTIONS**

Public contributions: Consumer connections

Other

**TOTAL**

40 383	32 395	40 383	32 395
21 437	51 554	21 437	52 551
<b>61 820</b>	<b>83 949</b>	<b>61 820</b>	<b>84 946</b>

**Public contributions and other third-party funds**

Balance unspent at beginning of the year

Regrouping adjustment

Current-year receipts

Interest earned

Adjustments

Conditions met - transferred to revenue

Amounts still to be claimed

**Conditions still to be met - transferred to liabilities** - refer note 17

The Entity receives grants from various private vendors for operating and capital projects. Included in these funds are monies held on behalf of third parties. Other than the amounts unspent, the conditions of the grants have been met. No funds have been withheld.

(98 614)	(99 663)	(98 614)	(99 663)
6 390	75	6 390	75
(44529)	(50 934)	(44 529)	(50 934)
(1 372)	(1 838)	(1 372)	(1 838)
(3 509)	(29 396)	(3 509)	(29 396)
61 820	84 946	61 820	84 946
(5 770)	(1 804)	(5 770)	(1 804)
<b>(85 584)</b>	<b>(98 614)</b>	<b>(85 584)</b>	<b>(98 614)</b>

**29 EMPLOYEE-RELATED COSTS**

Salaries and wages

Social contributions - UIF, pensions and medical aid

Travel, motor car, accommodation, subsistence and other allowances

Housing benefits and allowances

Overtime payments

Performance bonus - net contribution

Contribution: Post-retirement and long-service

Expenditure recharged to capital projects

**TOTAL**

3 963 206	3 538 782	3 932 202	3 510 920
1 034 405	884 635	1 031 092	881 642
273 051	252 200	273 051	252 200
31 315	43 831	31 315	43 831
277 658	261 101	277 174	260 781
1 880	1 685	-	-
600 062	669 586	600 062	669 586
6 181 577	5 651 820	6 144 896	5 618 960
(21 129)	(19 524)	(21 129)	(19 524)
<b>6 160 448</b>	<b>5 632 296</b>	<b>6 123 767</b>	<b>5 599 436</b>

**Remuneration of executives****Analysis of remuneration benefits**

	<b>Total R'000</b>	<b>Annual salary R'000</b>	<b>Performance bonus R'000</b>	<b>Car allowance R'000</b>	<b>Social contribution R'000</b>	<b>Travel and subsistence R'000</b>
<b>2011</b>						
City Manager	1 940	1 334	375	-	217	14
Finance	1 550	957	305	117	171	-
Health	1 429	851	282	133	163	-
Integrated human settlement services	1 517	1 051	298	-	168	-
Service delivery integration	-	-	-	-	-	-
Economic and social development	1 407	930	235	72	155	15
Safety and security	1 313	931	149	95	138	-
Community development	1 563	1 024	305	84	150	-
Corporate services	1 597	1 069	298	60	159	11
Strategy and planning	803	489	298	16	-	-
Transport, roads and stormwater	1 728	1 197	339	-	189	3
Utility services	1 634	1 164	264	47	159	-
Internal audit	1 440	1 086	281	72	1	-
Chief Executive Officer (CTICC) <sup>1</sup>	1 314	1 167	147	-	-	-
	<b>19 235</b>	<b>13 250</b>	<b>3 576</b>	<b>696</b>	<b>1 670</b>	<b>43</b>

**Analysis of remuneration benefits**

	<b>Total R'000</b>	<b>Annual salary R'000</b>	<b>Performance bonus R'000</b>	<b>Car allowance R'000</b>	<b>Social contribution R'000</b>	<b>Travel and subsistence</b>
<b>2010</b>						
City Manager	1 432	1 181	-	51	200	-
Finance	1 162	875	-	117	170	-
Health	1 112	774	44	133	161	-
Integrated human settlement services	1 136	968	-	14	154	-
Service delivery integration	1 287	1 081	-	36	170	-
Economic and social development	1 067	852	-	72	143	-
Safety and security	1 064	802	42	95	125	-
Community development	1 162	940	-	84	138	-
Corporate services	1 134	929	-	60	145	-
Strategy and planning	1 135	1 084	-	49	2	-
Transport, roads and stormwater	943	846	-	-	97	-
Utility services	1 209	1 011	-	48	150	-
Internal audit	1 070	996	-	72	2	-
Chief Executive Officer (CTICC) <sup>1</sup>	1 114	1 013	101	-	-	-
	<b>16 027</b>	<b>13 352</b>	<b>187</b>	<b>831</b>	<b>1 657</b>	<b>-</b>

1. CTICC: Cape Town International Convention Centre (Pty) Ltd

**Economic entity****Municipality of Cape Town**

	<b>2011 R'000</b>	<b>2010 R'000</b>	<b>2011 R'000</b>	<b>2010 R'000</b>
Executive Mayor	971	853	971	853
Deputy Executive Mayor	766	672	766	672
Speaker	766	672	766	672
Chief Whip	719	631	719	631
Mayoral Committee members	6 497	6 522	6 497	6 522
Subcouncil chairpersons	15 117	14 617	15 117	14 617
Councillors	54 274	51 899	54 274	51 899
Councillors' pension contributions	9 511	8 585	9 511	8 585
Director (CTICC)	237	226	-	-
<b>TOTAL</b>	<b>88 858</b>	<b>84 677</b>	<b>88 621</b>	<b>84 451</b>

**30 REMUNERATION OF COUNCILLORS**

**In-kind benefits**

The Executive Mayor, Deputy Executive Mayor, Speaker, Chief Whip and Mayoral Committee members are employed full-time, and have access to Council's vehicles for official functions.

Subcouncil chairpersons and full-time councillors are provided with an office and administrative and secretarial support at the cost of Council.

The Executive Mayor has two full-time bodyguards, and all councillors have access to security in terms of the councillors' security policy.

Councillors are provided with work stations/ward offices, which are appropriately equipped. Computers are provided to councillors, either in their offices or at their homes.

	Economic entity		Municipality of Cape Town	
	2011	2010	2011	2010
	R'000	R'000	R'000	R'000
<b>31 IMPAIRMENT COSTS</b>				
Allowances for impairment losses	774 204	638 916	773 893	635 851
Impairment of property, plant and equipment	25 957	52 040	9 866	52 040
<b>TOTAL</b>	<b>800 161</b>	<b>690 956</b>	<b>783 759</b>	<b>687 891</b>
<b>32 DEPRECIATION AND AMORTISATION EXPENSES</b>				
Depreciation of property, plant and equipment	1 270 877	998 517	1 249 295	977 948
Depreciation of investment property	2 598	4 464	2 598	4 464
Amortisation of intangible assets	10 207	8 937	10 207	8 937
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>1 283 682</b>	<b>1 011 918</b>	<b>1 262 100</b>	<b>991 349</b>
- refer notes 1, 3, 4, 5 and Appendix B				
Grants funded assets financed from reserves	(484 249)	(401 673)	(484 249)	(401 673)
<b>NET TOTAL DEPRECIATION AND AMORTISATION</b>	<b>799 433</b>	<b>610 074</b>	<b>777 851</b>	<b>589 676</b>
<b>33 FINANCE COSTS</b>				
Interest expense	685 283	602 522	638 588	600 751
Long-term borrowings (amortised cost)	663 565	578 250	661 870	576 479
Finance leases (amortised cost)	21 718	24 272	21 718	24 272
Unwinding of discount	33 604	42 513	33 604	42 513
Amortisation of bond issue expenses	283	226	283	226
Loss on foreign-exchange transactions	-	166	-	5
<b>TOTAL</b>	<b>719 170</b>	<b>645 427</b>	<b>717 475</b>	<b>643 495</b>
<b>34 BULK PURCHASES</b>				
Electricity	4 326 842	3 392 122	4 326 842	3 392 122
Water	293 323	244 767	293 323	244 767
<b>TOTAL</b>	<b>4 620 165</b>	<b>3 636 889</b>	<b>4 620 165</b>	<b>3 636 889</b>
<b>35 GRANTS AND SUBSIDIES PAID</b>				
Ad hoc	11	32	-	-
Community upliftment	9 315	5 882	9 315	5 882
Destination-marketing organization, and tourism	-	57 900	-	64 766
Economic promotion and job creation	65 953	259	71 307	259
Educational institutions and health forums	-	1 779	-	1 779
Health and HIV/Aids/TB	1 204	1 553	1 204	1 553
Programmes, conferences and events	4 909	411	4 909	411
Senior citizens and disabled	456	-	456	-
Social arts and culture and other	5 647	6 466	5 647	6 466
Sporting bodies	544	4 232	544	4 232
Wesgro	-	8 845	-	8 845
Khayelitsha Community Trust	5 354	6 866	-	-
<b>TOTAL</b>	<b>93 393</b>	<b>94 225</b>	<b>93 382</b>	<b>94 193</b>

	Economic entity		Municipality of Cape Town	
	2011	2010	2011	2010
	R'000	R'000	R'000	R'000
<b>36 GENERAL EXPENSES</b>				
Chemicals	91 898	84 848	91 898	84 848
Communication and publication	28 515	32 620	26 255	30 376
Computer services and software	22 632	32 163	19 174	30 004
Consultants	145 448	149 848	141 440	146 373
Electricity - Eskom payments	71 025	52 774	70 981	52 740
Fuel	144 049	131 110	143 758	130 890
Furniture and fittings	15	-	15	-
Hire charges	119 064	134 562	118 739	134 211
Legal fees	36 294	28 680	35 941	28 424
Levy: Skills development	43 499	37 936	43 499	37 936
Licences and permits	70 869	63 322	70 869	63 322
Materials and consumables	298 897	302 682	279 307	286 488
City improvement districts (CIDs)	-	-	78 967	66 648
Minor tools and equipment	50 291	42 121	50 283	42 118
Pharmaceutical supplies	75 441	57 958	75 441	57 958
Postage and courier	25 993	26 294	25 973	26 254
Printing and stationery	57 496	63 614	56 958	63 133
Rental	64 085	54 145	62 849	52 158
Inventory: Taken on/scraping	1 243	(806)	1 243	(806)
Security services	276 722	252 718	272 550	248 389
Sewerage services - disposals external	35 209	25 344	35 209	25 344
Telecommunications	115 859	117 171	114 246	115 772
Training	53 728	59 297	52 179	58 585
Insurance: Claims	26 611	24 054	26 611	24 054
Insurance: Underwriting	26 217	22 447	26 217	22 447
Indigent relief	338 696	321 187	338 696	321 187
Contributions, transfers and other	542 181	500 358	515 304	474 171
	2 761 977	2 616 447	2 774 602	2 623 024
Expenditure recharged to capital projects	(3 253)	(2 481)	(3 253)	(2 481)
<b>TOTAL</b>	<b>2 758 724</b>	<b>2 613 966</b>	<b>2 771 349</b>	<b>2 620 543</b>

**37 TAXATION****Deferred taxation****Cape Town International Convention Centre (Pty) Ltd:**

Deferred income taxes are calculated on all temporary differences under the balance sheet method, using a tax rate of 28% (2010: 28%).

At beginning of the year	9 240	11 050
Prior period error adjustment	-	(402)
Correction deferred tax asset previous year	-	(42)
Temporary differences	(922)	(1 366)
At end of the year	<b>8 318</b>	<b>9 240</b>

**City Improvement District**

At beginning of the year	-	-
Temporary differences	35	-
At end of the year	<b>35</b>	-

**The balances comprises**

Capital allowance (non-deductible temporary differences)	8 318	9 240
Temporary differences on prepayments	30	-
Temporary differences on finance leases obligations	5	-
Total	<b>8 353</b>	<b>9 240</b>

**Statement of Financial Performance charge**

Taxation		
Current year: Cape Town International Convention Centre	6 426	5 546
City improvement districts	29	(7)
	<b>6 455</b>	<b>5 539</b>

	Economic entity		Municipality of Cape Town	
	2011	2010	2011	2010
	R'000	R'000	R'000	R'000
<b>38 CASH GENERATED FROM OPERATIONS</b>				
Surplus for the year	1 739 588	2 161 223	1 731 515	2 140 683
Adjustment for:	2 495 910	1 999 312	2 467 771	1 983 409
Depreciation	1 283 682	1 011 918	1 262 100	991 349
Impairment	25 957	52 040	9 866	52 040
Gain and loss on disposal of assets	(16 909)	(75 683)	(17 051)	(76 044)
Loss on valuation of derivatives	-	(4 378)	-	(4 378)
Contribution to provisions	491 549	636 660	491 448	636 596
Contribution to impairment provision	523 050	249 743	526 003	246 884
Finance income	(530 589)	(516 415)	(522 070)	(506 533)
Finance costs	719 170	645 427	717 475	643 495
<b>Operating surplus before working capital changes</b>	<b>4 235 498</b>	<b>4 160 535</b>	<b>4 199 286</b>	<b>4 124 092</b>
(Increase)/decrease in inventories	(37 076)	1 791	(38 169)	3 209
Increase in trade receivables	(843 275)	(831 095)	(845 591)	(830 677)
Increase/(decrease) in other receivables	118 986	49 151	117 413	48 411
Increase in unspent conditional grants and receipts	159 292	158 619	159 292	158 619
Increase in payables	271 703	249 243	259 030	250 184
Increase/(decrease) in net VAT	6 874	67 546	6 874	67 546
<b>Cash generated from operations</b>	<b>3 912 002</b>	<b>3 855 790</b>	<b>3 858 135</b>	<b>3 821 384</b>
<b>39 CASH AND CASH EQUIVALENTS</b>				
Balance at end of the year	3 304 129	4 563 456	3 151 257	4 511 179
Balance at beginning of the year	4 653 456	2 758 526	4 511 179	2 632 526
<b>Net increase in cash and cash equivalents - refer note 11</b>	<b>(1 349 327)</b>	<b>1 894 930</b>	<b>(1 359 922)</b>	<b>1 878 653</b>
<b>40 UTILISATION OF LONG-TERM BORROWINGS RECONCILIATION</b>				
Long-term borrowings raised - refer Appendix A	335	2 000 367	-	2 000 000
External Finance Fund (EFF) earmarked capital expenditure 2009/10 and prior years	(2 700 480)	(3 810 138)	(2 700 480)	(3 810 138)
2010/11	(1 720 913)	(1 763 419)	(1 720 913)	(1 763 419)
Total EFF (overdrawn)	(979 567)	(2 046 719)	(979 567)	(2 046 719)
Cash set aside for the repayment of long-term borrowings - refer note 6 and 12	(2 700 145)	(1 809 771)	(2 700 480)	(1 810 138)
<b>Cash overdrawn</b>	<b>476 998</b>	<b>248 387</b>	<b>476 998</b>	<b>248 387</b>
	<b>(2 223 147)</b>	<b>(1 561 384)</b>	<b>(2 223 482)</b>	<b>(1 561 751)</b>

**41 BUDGET INFORMATION****41.1 Explanation of variances between approved and final budget amounts**

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative affect of the abnormal high electricity and solid waste tariff increases on consumer debtors. The decrease in the expected capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources and the fact that a decision was made at final budget stage not to take up any loans during the year.

**41.2 Explanation of variances greater than 5%: final budget and actual amounts****41.2.1 Statement of financial position**

- i) Current Assets  
The cash available were much higher than anticipated due to inter alia the under spending of capital
- ii) Current liabilities  
The budgeted payables was lower than the actuals mainly due to payments in advance being higher than anticipated.

**41.2.2 Statement of financial performance**Revenue

- i) Finance income  
The actual revenue from Interest earned is the result of improved cash collection and the lower than planned spending resulting in larger than planned cash/investment balances.
- ii) Licences and permits  
Variance largely as a result of higher than expected demand for driver licences, driver learner licences, road worthy certificates and PRDP's.
- iii) Property rates  
The total rates billing was budgeted according to the valuations in the 2009 general valuation and taking the valuations proposed by the objectors into account. The higher rates billed are due to the fact that a large number of objections resulted in higher valuations than proposed by the objectors. Income forgone Actual results are less than planned and mainly due to qualifying Agricultural Rebates being less than anticipated.
- iv) Government grants and subsidies  
The variance is a result of under recovery (under spending) on Grant funded Capital and Operational Projects in the Entity. The under recovery is due to a number of reasons. The reasons for delays are; delays in tender processes, community involvement and participation, contractor performance and slow implementation rate of projects.
- v) Public contributions  
The variance is a result of lower than planned Public Donations Funded Capital and Operational Projects in the Entity. The under recovery is mainly due to delays in tender processes, community involvement and participation, contractor performance and slow implementation rate of projects.
- vi) Gains on disposal of property, plant and equipment  
The revenue from the disposal of PPE was largely influenced by the general economic climate and specifically on the sale of property. The response from the Property Industry was much lower than expected. A large number of properties were identified, approved for disposal and advertised per tender. A number of delays in the processes resulted in transactions not finalised in 2010/11 and the final results will only be reflected in the 2011/12 financial year.

Expenditure

- i) Impairment costs  
Variance mainly as a result of improved collection ratio's on Rates and Electricity and lower than planned land purchases for housing development.
- ii) Collection costs  
Variance due to lower than estimated tender price for commission payable to third party collection agencies for traffic fine income.
- iii) Finance costs  
Variance mainly due to a provision made for an additional bond to be taken up but not required as a result of the City's sound financial position and the maintenance of the customer debt recovery levels.
- iv) General expenses  
Lower than estimated expenditure against projects mainly as a result of delays in the implementation of various grant funding projects.

**41.2.3 Cash flow statement**

- i) Net cash from operating activities  
Mainly due to the government grants recognised being lower than expected due to the lower than expected capital expenditure.
- ii) Net cash from investing activities  
Mainly due to the lower than expected due to the lower than expected capital expenditure
- iii) Net cash from financing activities  
No loans were taken up due to lower than expected capital expenditure.



**41.2.4 Capital expenditure**

- i) Budget and Treasury Office  
Corporate contingency provisions which are utilised for the replacement of assets as and when insurance claims are settled as well as small amounts of savings being realised.
- ii) Planning and Development  
Disputed the last remaining works; late award of tender as well as rain delays during June; late change in the scope of the work programme activities resulted in extended project timeframes; contractor experienced financial difficulties resulting in the contract being cancelled and savings realised.
- iii) Health  
Late arrival of donor funding as well as receiving more in the current year than was anticipated; community interference regarding the appointment of the CLO, plans not approved by building control despite them being submitted well in advance and the slow rate of progress on site by the contractor; Eskom could not complete the installation at the facility because of a dispute with the City of Cape Town over the guarantee sum therefore the contractor was unable to complete the electrical work; savings realised.
- iv) Community and Social Services  
Late arrival of donor funding; savings realised; late appointment of consultants; contingency provisions which are utilised for the replacement of assets as and when insurance claims are settled; delay in contractor appointment and inclement weather; delays in obtaining wayleaves; tender not awarded due to insufficient info and motivation and resolved that the matter be referred back; Heritage Western Cape required a conservation plan to be submitted to them prior to any works or alterations can take place; delay in obtaining a surety from the contractor and land issues.
- v) Public Safety  
Contingency provisions which are utilised for the replacement of assets as and when insurance claims are settled; savings realised; safety issues with respect to the structural steel framework of the building; quality of workmanship; re-negotiations required in order to finalise changes to the scope of work; outcome of tender appeal was only communicated to the department on 28 June 2011.
- vi) Sport and Recreation  
Late arrival of donor funding ; contractors performing slower than anticipated; some projects started late due to capacity issues and a contingent liability was created for the Cape Town Stadium for claims that the City is currently defending.
- vii) Environmental Protection  
Nature of the terrain; inclement weather; structural cracks were not anticipated; public objection which needed to be resolved before building plan approval could be obtained and savings realised.
- viii) Road Transport  
Late arrival of donor funding; departmental capacity constraints; tender appeals; underperformance of contractors and consultants; delays due to planning / EIA processes and savings realised.
- ix) Housing  
Project opposed by surrounding communities resulting in lengthy facilitation process; contractor stopped from working on site by community; delays in obtaining EIA, township, general plan and engineering design approvals. Land acquisition: offers to purchase declined by land owners or unrealistic prices offered; savings realised and contingency provisions which are utilised for the replacement of assets as and when insurance claims are settled.
- x) Waste Management  
Tender appeals; wayleave approvals; contractor, vendor underperformance and supply constraints; long lead times; contingency provisions which are utilised for the replacement of assets as and when insurance claims are settled; tender prices being lower than anticipated and savings realised.
- xi) Water  
Tender appeals; delay in Electricity supply by ESKOM; EIA process delays; inclement weather; wayleave approvals; contractor, vendor underperformance and supply constraints; community interference; long lead times; unexpected delays due to failed pressure tests; contingency provisions which are utilised for the replacement of assets as and when insurance claims are settled; tender prices being lower than anticipated and savings realised.
- xii) Electricity  
Savings realised; contractor, vendor underperformance and supply constraints; long lead time; suppliers could not deliver by financial year end; problems encountered on site after commencement of work; defects found on equipment mechanisms delivered has resulted in the project being delayed and tender process delays.
- xiii) Other  
Tender has been cancelled. Two tenders were received and one was disqualified. The other tender was rendered "Non Responsive" after the price was greater than the budget provision. The potential supplier was not prepared to negotiate the price with the City. Cancellation report to be submitted to Supply Chain Management for approval. Tender to be re-advertised in 2011/12 financial year. Savings realised.

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000

**42 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE, MATERIAL LOSSES****42.1 Irregular expenditure**

Opening balance	76 883	238	75 493	238
Irregular expenditure – supply chain management regulation	140 483	76 883	130 521	75 493
Irregular expenditure – misappropriation of funds	731	-	-	-
Approved by Council	(1 390)	(238)	-	(238)
<b>Closing balance</b>	<b>216 707</b>	<b>76 883</b>	<b>206 014</b>	<b>75 493</b>

Incident	2011	2010	2011	2010
Proper tender procedures not followed due to oversight	17 209	8 637	7 247	7 247
Theft of cash	322	-	-	-
Fraudulent supplier payment	409	-	-	-
Supply chain management policy on declarations of interest for quotations under R30 000 not adhered to	15 362	7 287	15 362	7 287
Declaration of interest of supplier in the employ of the state overlooked	332	122	332	122
False declarations made by suppliers in the employ of the state	122 704	54 856	122 704	54 856
Business conducted with Councillors and staff due to administrative error	2 377	912	2 377	912
Prohibition of suppliers listed by National Treasury overlooked	10 399	5 069	10 399	5 069
Construction contract not registered on CIDB website due to administrative oversight	33 378	-	33 378	-
Supply chain management policy on advertising of contracts not adhered to	14 215	-	14 215	-
<b>Closing balance</b>	<b>216 707</b>	<b>76 883</b>	<b>206 014</b>	<b>75 493</b>

The matters listed above are being investigated and due reporting process to Council will be followed. In addition National Treasury has informed the City that it will provide regulatory guidance on inaccurate declarations of interest made. As a result of the audit process on irregular expenditure in the current year the comparative figures of the previous year has been adjusted.

**42.2 Fruitless and wasteful expenditure**

Opening balance	439	1 080	431	948
Fruitless expenditure current year	-	176	-	168
Approved by Council	(8)	(817)	-	(685)
<b>Closing balance</b>	<b>431</b>	<b>439</b>	<b>431</b>	<b>431</b>

Incident	Proceedings	2011	2010	2011	2010
Late-payment interest - SARS	Awaiting condonement by Council	-	8	-	-
Time theft	Council referred the matter to SCOPA <sup>2</sup>	263	263	263	263
Grants and subsidies (non-compliance MOA) <sup>1</sup>	Report to be submitted to Council	140	140	140	140
FIFA World Cup costs	Report to be submitted to Council	28	28	28	28
		<b>431</b>	<b>439</b>	<b>431</b>	<b>431</b>

**Estimated irregular expenditure**

1. MOA: Memorandum of agreement
2. SCOPA: Standing Committee on Public Accounts

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000
25 380	70 263	25 380	70 263
481 164	423 598	481 164	423 598
689 266	485 553	689 266	485 553
<b>1 195 810</b>	<b>979 414</b>	<b>1 195 810</b>	<b>979 414</b>

### 42.3 Material losses

Non-revenue water: Bulk			
Reticulation (normal distribution)			
Electricity losses			
<b>Total</b>			

#### Non-revenue water

In the current year the water losses were bulk water 2,6% (2010: 8,0%) and reticulation losses 19,6% (2010: 18,6%). The percentage unaccounted for water between the treatment plant and points of connection from the bulk system or reservoirs to the Reticulation distribution system is known to be predominantly due to metering inefficiencies which is an apparent loss. A major reduction has been made since the previous financial year by addressing metering inconsistencies.

For technical losses due to bursts and leaks in reticulation mains, the best that can be done is to reduce the loss by 1,5% through sustained funding to prevent bursts. This is critical in the sense that technical losses are real losses (water going into the ground) whereas apparent losses are more about accountability but the water is put to use somehow.

#### Electricity losses

In the current year, the energy losses were 8,9% (2010: 7,7%). Losses are split into technical and non-technical. Technical is as a result of the very nature of electricity and the way it is conducted via lines, status/condition and age of the network, weather conditions, and load on the system. Non-technical losses are as a result of theft or vandalism. Some benchmarking indicates that an acceptable percentage is between 10% and 15%.

## 43 ADDITIONAL DISCLOSURES

### 43.1 SUPPLY CHAIN MANAGEMENT REGULATIONS – City of Cape Town

#### 43.1.1 Deviations

In terms of Section 36 of the Municipal Supply Chain Management Regulations, any deviation from supply chain management policy needs to be approved/condoned by the City Manager, and noted by Council. The expenses incurred, as listed below, have been approved/condoned by the City Manager and noted by Council.

#### Incident

Appointment of consultants	41 068	105 566	41 068	105 566
Information technology upgrade	7 402	104 294	7 402	104 294
Upgrade of electricity services	3 344	5 938	3 344	5 938
Extension of contract	518 289	19 969	518 289	19 969
Upgrade of road infrastructure	32 402	66 535	32 402	66 535
Supply and delivery of plant and equipment	59 430	339 294	59 430	339 294
Other	175 979	301 594	155 078	258 658
Deviations less than R200 000	290 999	267 525	290 999	267 525
<b>Total amount condoned</b>	<b>1 128 913</b>	<b>1 210 715</b>	<b>1 108 012</b>	<b>1 167 779</b>

## 43.1.2 Bids awarded to family of employees in service of the State

## Municipality of Cape Town

Name	Position held in State				
J Hintenaus	Environmental Health Officer	4	1	4	1
N Goniwe	Water Pollution Control Inspector	417	615	417	615
G Hector	Superintendent	4	-	4	-
J Du Toit	Inspector	37 878	44 523	37 878	44 523
G La Vita	Administrative Officer 3	149	10	149	10
A Cedras	Senior Superintendent	1 317	895	1 317	895
W Timotheus	Operational Supervisor/ Driver	13	10	13	10
G La Vita	Administrative Officer 3	106	-	106	-
C Rhoda	Clerk 3	7 222	2 453	7 222	2 453
QG Sipoyo	Risk & Safety Advisor	350	373	350	373
A Latief	Sub District Trainer	4	2	4	2
P Booysen	Clerk 3	1 115	722	1 115	722
SS Merile	Operator: Small Plant	1 071	205	1 071	205
N Hoosain	Clerk 3	567	593	567	593
J Pienaar	Senior Professional Officer	2	-	2	-
D Michaels	Administrative Officer 1	15	258	15	258
L Swartz	Clerk 1	58	193	58	193
L Vanga	Senior Process Controller	200	107	200	107
MF Votersen	Head : Finance Parks	1 148	1 655	1 148	1 655
V Mwahla	Head : Area 3	6	183	6	183
P Sonyabashe	Worker	172	-	172	-
MF Sammy	Administrative Officer 1	68	4	68	4
R Swanson	Courier	117	108	117	108
F Trom	Worker	5	39	5	39
J Maputsi	Learner Fire Fighter/Fire Fighter/Senior	1 587	988	1 587	988
J Arendse	Handyman	167	22	167	22
I Taliep	Clerk 1	236	136	236	136
T Hartogh	Superintendent	12	50	12	50
C Van der Vendt	Senior Worker	379	362	379	362
G Koning	Enrolled Nurse	52	39	52	39
PA Singama	Administrative Officer 1 (Sub Council 14	15	2	15	2
L Fisher	Worker	140	130	140	130
MF Baloyi	Worker	8	12	8	12
J Manuel	Traffic Officer 2	7	-	7	-
SS Daries	Senior Superintendent	51	137	51	137
R Platen	Special Workman	5	12	5	12
A Jonkers	Senior Foreman	40	22	40	22
B Francis	Administrative Officer 1	7	47	7	47
J Adams	Secretary	152	33	152	33
MF Khan	Clerk 3	180	124	180	124
E Vermeulen	Assistant Librarian (Part Time)	64	9	64	9
A Hoppie	Clerk 2	3	36	3	36
D Isaacs	Clerk 3	42	-	42	-
C Mack	Councillor	15	-	15	-
A Charles	Functional Operational Manager	31	-	31	-
W Kloppers	Senior Health Practitioner	3	-	3	-
G Davids	Clerk 3	60	-	60	-
J Williams	Clerk 3	127	-	127	-
MC Mshweshwe	Statutory Compliance Specialist	52	-	52	-
L January	Head : Area 5	27	-	27	-
M Valentine	Senior Operational Supervisor/ Driver	65	-	65	-
R Davids	COCT SCM Assistant buyer	250	-	250	-
M Thorpe	COCT SCM Assistant buyer	366	-	366	-
J du Toit	COCT SCM Assistant buyer	222	-	222	-
<b>Total</b>		<b>56 373</b>	<b>55 110</b>	<b>56 373</b>	<b>55 110</b>

**43.2 MUNICIPAL FINANCE MANAGEMENT ACT****43.2.1 Section 124****Disclosures concerning councillors, directors and officials**

Councillors' arrear consumer accounts

**As at 30 June 2011**

	Total R	Outstanding <90 days R	Outstanding >90 days R
FC Christians	6 526	580	5 946
EN Hinana	15 357	11 239	4 118
L Maci	1 859	95	1 764
CW Ipser	10 749	6 502	4 247
LD Jordaan	5 721	-	5 721
HK Morkel – Carthen investment (Pty) Ltd	47 040	-	47 040
N Ndzulwana <sup>1</sup>	4 020	333	3 687
T Sakathi	1 964	782	1 182
M Weavers <sup>1</sup>	4 379	1 102	3 277
GL Zondani <sup>1</sup>	2 808	2 335	473
NC Nyakatya	1 614	975	639
	<b>102 037</b>	<b>23 943</b>	<b>78 094</b>
A Gabuza	7 239	811	6 428
T Gqada	20 612	-	20 612
FL Abrahams	9 841	700	9 141
VR Isaacs	43 678	17 226	26 452
LV James	17 807	1 495	16 312
CJ Mack	11 021	8 438	2 583
JJ Maxheke	14 880	944	13 936
AX Ndongeni	65 300	2 018	63 282
	<b>190 378</b>	<b>31 632</b>	<b>158 746</b>
<b>Total</b>	<b>292 415</b>	<b>55 575</b>	<b>236 840</b>

Note

1. The accounts have been paid in full at 31 August 2011.
2. In all other cases arrangements to pay have been made.
3. There were no arrear accounts as at 30 June 2010.

**43.2.2 Section 125****Other compulsory disclosures****As at 30 June 2011**

	SALGA <sup>1</sup> contributions R'000	Audit fees R'000	PAYE <sup>2</sup> UIF R'000	Pension and medical aid R'000
Opening balance	-	1 296	53 222	122 658
Subscriptions/fees	13 862	19 443	757 366	1 625 205
Amount paid - current year	-	(18 962)	(696 947)	(1 483 431)
Amount paid - previous years	(6 692)	(1 296)	(53 222)	(122 658)
<b>Balance unpaid (included in payables)</b>	<b>7 170</b>	<b>481</b>	<b>60 419</b>	<b>141 774</b>

**As at 30 June 2010**

	SALGA <sup>1</sup> contributions R'000	Audit fees R'000	PAYE <sup>2</sup> UIF R'000	Pension and medical aid R'000
Opening balance	-	80	44 181	105 349
Subscriptions/fees	-	17 676	656 191	1 405 907
Amount paid - current year	-	(16 380)	(602 969)	(1 283 249)
Amount paid - previous years	-	(80)	(44 181)	(105 349)
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>1 296</b>	<b>53 222</b>	<b>122 658</b>

1. SALGA: South African Local Government Association
2. PAY: Pay as you earn

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000

**44 COMMITMENTS****44.1 CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure  
Approved and contracted for:

Infrastructure	480 101	873 264	480 101	873 264
Community	141 212	19 673	141 212	19 673
Heritage	-	4 585	-	4 585
Other	277 215	766 025	277 215	766 025
<b>TOTAL</b>	<b>898 528</b>	<b>1 663 547</b>	<b>898 528</b>	<b>1 663 547</b>

This expenditure will be financed from:

External loans	250 878	401 957	250 878	401 957
Asset financing reserve	28 269	25 854	28 269	25 854
Government grants	612 494	1 228 569	612 494	1 228 569
Other sources	6 887	7 167	6 887	7 167
<b>TOTAL</b>	<b>898 528</b>	<b>1 663 547</b>	<b>898 528</b>	<b>1 663 547</b>

**44.2 OPERATING LEASE COMMITMENTS****The Entity as lessee**

Future minimum lease payments under non-cancellable operating leases

**Land and buildings**

Payable within one year  
Payable within two to five years

<b>57 887</b>	<b>98 905</b>	<b>57 252</b>	<b>97 840</b>
45 958	48 507	45 486	48 077
11 929	50 398	11 766	49 763

**Vehicles and other equipment**

Payable within one year  
Payable within two to five years  
Payable after five years

<b>439</b>	<b>14 160</b>	<b>439</b>	<b>14 160</b>
116	13 423	116	13 423
254	605	254	605
69	132	69	132
<b>58 326</b>	<b>113 065</b>	<b>57 691</b>	<b>112 000</b>

Minimum lease payments recognised as an expense during the period amount to R62,63 million (2010: R61,13 million). Leased premises are contracted for remaining periods of between one and four years, with renewal options available in certain instances.

The Entity has minimal current lease arrangements for photocopy and fax machines over a period of one year, without being subject to escalation. In terms of a recent Council policy decision, such leased equipment shall be purchased on termination of the relevant contract. In keeping with this policy, it has been decided to terminate lease agreements in respect of older equipment, where the initial period has expired, and the lease is continuing on a month-to-month basis.

**The Entity as lessor**

Future minimum lease income under non-cancellable operating leases.

Receivable within one year	19 727	24 299	21 389	25 838
Receivable within two to five years	67 343	71 126	74 117	77 869
Receivable after five years	321 746	337 690	381 869	399 506

**Buildings**

<b>408 816</b>	<b>433 115</b>	<b>477 375</b>	<b>503 213</b>
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The Entity lets properties under operating leases. Property rental income earned during the year was R25,84 million (2010: R23,97 million). The properties are maintained by the tenants, at their cost. No investment properties have been disposed of since the Statement of Financial Performance date.

The impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has been a increase in current-year income of R2,92 million.

**45 FINANCIAL RISK MANAGEMENT**

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the Entity's operations. This note presents information about the Entity's exposure to each of the above risks, policies and processes for measuring and managing risk, and the Entity's management of capital. Further quantitative disclosures are included throughout these financial statements.

Council has established a Risk Management Committee, which is responsible for developing and monitoring the Entity's risk management policies. A member of the committee, representing the Audit Committee reports quarterly to the Audit Committee. The Risk Management Committee's policies are established to identify and analyse the risks faced by the Entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the Entity's activities.

The accounting policy for financial instruments was applied to the following Statement of Financial Position items:

	Amortised cost R'000	Fair value R'000	Total carrying amount R'000	Fair value R'000
<b>Financial assets</b>				
<b>2011</b>				
Investments	161 771	2 096 302	2 258 073	2 279 321
Long-term receivables	134 719	-	134 719	134 719
Trade receivables	3 706 347	-	3 706 347	3 706 347
Other receivables	202 578	-	202 578	202 578
Cash and cash equivalents	1 762 393	1 541 736	3 304 129	3 304 129
	<b>5 967 808</b>	<b>3 638 038</b>	<b>9 605 846</b>	<b>9 627 094</b>

<b>2010</b>				
Investments	291 277	4 076	295 353	328 244
Long-term receivables	136 538	-	136 538	136 538
Trade receivables	3 360 962	-	3 360 962	3 360 962
Other receivables	328 539	-	328 539	328 539
Cash and cash equivalents	3 134 990	1 518 466	4 653 456	4 653 456
	<b>7 252 306</b>	<b>1 522 542</b>	<b>8 774 848</b>	<b>8 807 739</b>

	Amortised cost R'000	Fair value R'000	Total carrying amount R'000	Fair value R'000
<b>Financial liabilities</b>				
<b>2011</b>				
Long-term borrowings	5 668 294	-	5 668 294	6 260 971
Payables	2 570 332	-	2 570 332	2 570 332
Derivative financial instruments	-	-	-	-
	<b>8 238 626</b>	<b>-</b>	<b>8 238 626</b>	<b>8 831 303</b>
<b>2010</b>				
Long-term borrowings	5 922 245	-	5 922 245	5 950 450
Payables	2 420 590	-	2 420 590	2 420 590
Derivative financial instruments	-	-	-	-
	<b>8 342 835</b>	<b>-</b>	<b>8 342 835</b>	<b>8 371 040</b>

**45.1 Fair values**

The table below analyses financial instruments carried at fair value at the end of the reporting period, by level of fair-value hierarchy as required by IFRS7. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the financial instruments, and the levels have been defined as follows:

- Level 1: Fair values are based on quoted market prices (unadjusted) in active markets for an identical instrument.
- Level 2: Fair values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, and the unobservable inputs have a significant effect on the instrument's valuation. Also this category includes instruments that are valued based on quoted prices for similar instruments, where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>Financial assets</b>				
<b>2011</b>				
Investments	-	2 096 302	-	2 096 302
Cash and cash equivalents	-	1 541 736	-	1 541 736
	-	<b>3 638 038</b>	-	<b>3 638 038</b>
<b>2010</b>				
Investments	-	4 076	-	4 076
Cash and cash equivalents	-	1 518 466	-	1 518 466
	-	<b>1 522 542</b>	-	<b>1 522 542</b>

**Fair values**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practical to estimate that value:

**Investment at fair value**

The fair values of some investments are estimated based on quoted market prices of those or similar investments.

**45.2 Credit risk**

Credit risk is the risk of financial loss to the Entity if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from the Entity investments, loans, trade receivables, and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June was:

	Economic entity		Municipality of Cape Town	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Investments - refer note 6	2 258 073	295 353	2 258 073	295 353
Loans receivable - refer note 7	134 719	136 538	134 719	136 538
Trade and other receivables - refer note 9 and 10	3 908 925	3 689 501	3 902 769	3 682 394
Cash and cash equivalents - refer note 11	3 304 129	4 653 456	3 151 257	4 511 179
<b>Total</b>	<b>9 605 846</b>	<b>8 774 848</b>	<b>9 446 818</b>	<b>8 625 464</b>

**Investments**

The Entity limits its exposure to credit risk by investing only with reputable financial institutions that have a sound credit rating, and within specific guidelines set out in accordance with Council's approved investment policy. Consequently, the Entity does not consider there to be any significant exposure to credit risk.

**Loans receivable**

Loans are granted and managed in accordance with policies and regulations as set out in note 7. The associated interest rates and repayments are clearly defined, and, where appropriate, the Entity obtains certain suitable forms of security when granting loans. Allowances for impairment are made in certain instances.



**Trade and other receivable**

Trade and other receivables are amounts owing by consumers, and are presented net of impairment losses. The Entity has a credit risk policy in place, and the exposure to credit risk is monitored on an ongoing basis. The Entity is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services, without recourse to an assessment of creditworthiness. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The Entity's strategy on managing its risk includes encouraging residents to install water management devices that control water flow to households, and prepaid electricity meters. In certain instances, a deposit is required for new service connections, serving as a guarantee.

The Entity's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Performance. The Entity has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area. The Entity establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables. The outstanding amounts of the ten largest debtors represent 1,2% of the total outstanding balance. The average credit period on services rendered is 30 days from date of invoice. Interest is raised at prime plus 1% on any unpaid accounts after due date. The Entity has provided fully for all receivables outstanding over 365 days. Trade receivables up to 365 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience. Additional information relating to the analysis of trade and other receivables is given in note 9 and 10.

Payment of accounts of consumer debtors who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer.

**Cash and cash equivalents**

The Entity limits its exposure to credit risk by investing only with reputable financial institutions that have a sound credit rating, and within specific guidelines set out in accordance with Council's approved investment policy. Consequently, the Entity does not consider there to be any significant exposure to credit risk.

**45.3 Liquidity risk**

Liquidity risk is the risk that the Entity will not be able to meet its obligations as they fall due. The Entity's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Entity's reputation.

The Entity ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

On average, 93,88% of trade and other receivables (own billed) income are realised within 30 days after due date, and trade payables are settled within 30 days of invoice. National and Provincial Grant funding is received in terms of the Division of Revenue Act (DORA).

The following are contractual liabilities of which interest is included in borrowings:

	Up to 1 year R'000	1-5 years R'000	>5 years R'000	Total R'000
<b>2011</b>				
<b>Liabilities</b>				
Borrowings	931 961	3 017 371	8 887 709	12 837 041
Capital repayments	306 896	633 342	4 728 056	5 668 294
Interest	625 065	2 384 029	4 159 653	7 168 747
Trade and other payables	2 570 332	-	-	2 570 332
Trade payables	2 170 658	-	-	2 170 658
Sundry creditors	399 674	-	-	399 674
	<b>3 502 293</b>	<b>3 017 371</b>	<b>8 887 709</b>	<b>15 407 373</b>

**45.4 Capital management**

The primary objective of managing the Entity's capital is to ensure that there is sufficient cash available to support the funding requirement of the Entity, including capital expenditure, to and ensure that the Entity remains financially in a sound position.

The Entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. In a capital-intensive industry, a gearing ratio of 50% or less can be considered reasonable. Included within net debt is interest-bearing loans and borrowings, trade and other payables, less investments.

**45.5 Foreign-currency risk management – Cape Town International Convention Centre (Pty) Ltd**

Management accepts the risk as a result of changes in the rate of exchange, and, therefore, has not hedged foreign currency risk.

The only foreign currency risk that the Entity is exposed to is the management fee due to Amsterdam RAI that is outstanding at year-end, which is included in trade and other payables.

**45.6 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Entity's income, or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on the risk.

**Currency risk**

The Entity is exposed to foreign currency risk through the importation of goods and services, either directly or indirectly, through the award of contracts to local importers. The Entity manages any material direct exposure to foreign currency risk by entering into forward exchange contracts. The Entity manages its indirect exposure by requiring the local importer to take out a forward exchange contract at the time of procurement, in order to predetermine the rand value of the contracted goods on services. The Entity was not a direct party to any outstanding forward exchange contracts at the reporting date.

The movement in the currency was not material to the Entity's procurement, and, consequently is not elaborated on any further.

The effective rates on financial instruments at 30 June 2011 are:

	Weighted interest rate %	Maturity of interest-bearing assets/liabilities			Total R'000
		1 year or less R'000	1-5 years R'000	>5 years R'000	
<b>Financial assets</b>					
Investments	6,484	2 146 596	47 822	63 655	2 258 073
Cash and cash equivalents	5,821	3 304 129	-	-	3 304 129
<b>Total financial assets</b>		<b>5 450 725</b>	<b>47 822</b>	<b>63 655</b>	<b>5 562 202</b>
<b>Financial liabilities</b>					
Loans	11,350	240 615	633 342	4 728 056	5 602 013
Finance leases	14,530	66 281	-	-	66 281
<b>Total financial liabilities</b>		<b>306 896</b>	<b>633 342</b>	<b>4 728 056</b>	<b>5 668 294</b>

**Interest rate sensitivity analysis****Financial Assets**

At 30 June 2011, if the weighted interest rate at that date had been 100 basis points higher, with all other variables held constant, the fair-value impact on the statement of financial performance would have been R51,4 million with the opposite effect if the interest rate had been 100 basis points lower.

**Financial Liabilities**

At 30 June 2011, if the interest rate at the date had been 100 basis points higher, with all the other variables held constant, the fair value liability would have no significant impact (R27 655) with the opposite effect if the interest rate had been 100 basis points lower.

**46 PRIOR-YEAR ADJUSTMENTS****46.1 Changes in accounting policy**

In the anticipation of the implementation of GRAP 104, the City amended its accounting policies to bring them in line with the accounting standards which had not yet become effective. This resulted in the restatement of the concessionary loan amounts. The previous binding IFRS 7 accounting standard had not addressed the treatment of concessionary loans.

**46.2 Reclassification**

The City reclassified the disclosure of its financial instruments in accordance with the principals of the anticipated implementation of GRAP 104 between cost, amortised cost and fair value.

In addition, the unwinding of any rehabilitation discounts has been reclassified as interest cost, fuel levy previously disclosed as grants received has now been reclassified for separate disclosure and the basis for the disclosure of expenditure on repair and maintenance and grants has changed.

Repairs and maintenance have been re-classified as contracted services and general expenses in order to disclose the nature of the expense.

**46.3 Correction of errors**

Bulk water purchases in the previous financial year have been corrected as a result of a refund of amount overpaid.

The smoothing of lease payments over the duration of the leases for disclosure has been refined due to further estimates and assumptions.

Investment property disposed of and derecognised.

Accrual of contractual obligation regarding the payment of bonuses to employees remuneration at total cost of employment.

The estimated useful lives of assets had to be reassessed, due to certain assets on the asset register being componentised.

## Notes to the consolidated financial statements for the year ended 30 June 2011

Presented below are only those items contained in the Statement of Financial Performance and Position that have been effected by the prior-year adjustments.

		As previously reported	Changes in accounting policy	Reclassification	Correction of errors	Restated
	Note	R'000	R'000	R'000	R'000	R'000
<b>2009</b>						
<b>Statement of Financial Position</b>						
Property, plant and equipment	1	16 523 308	-	-	(1 034)	16 522 274
Investments	6	197 375	-	46 843	-	244 218
Other receivables	10	455 989	-	(47 418)	-	408 571
Cash and cash equivalents	11	2 757 951	-	575	-	2 758 526
Long-term borrowings	12	3 831 465	(7 988)	22 463	-	3 845 940
Payables	16	2 857 695	-	(22 463)	-	2 835 232
Minority interest	20.2	127 072	-	-	(515)	126 557
Accumulated surplus	21	10 346 931	7 988	-	(519)	10 354 400
<b>2010</b>						
<b>Statement of Financial Performance</b>						
<b>Exchange revenue</b>						
Rental of letting stock and facilities	23	243 468	-	-	23 555	267 023
Other income	25	267 640	-	-	24	267 664
Gains on disposal of property, plant and equipment	-	79 142	-	-	(22)	79 120
<b>Non-exchange revenue</b>						
Fuel levy	-	-	-	1 371 610	-	1 371 610
Government grants and subsidies	27	4 491 668	-	(1 371 610)	-	3 120 058
Total revenue		18 684 996	-	-	23 557	18 708 553
Employee-related costs	29	5 619 592	-	-	12 604	5 632 296
Depreciation and amortisation expenses	32	1 011 747	-	-	171	1 011 918
Finance cost	33	601 733	1 181	-	42 513	645 427
Bulk purchases	34	3 667 765	-	-	(30 876)	3 636 889
Repairs and maintenance	-	839 677	-	(832 374)	(7 303)	-
Contracted services	-	1 126 102	-	832 374	7 241	1 965 717
General expenses	36	2 649 881	-	-	(35 915)	2 613 966
Total expenditure		16 557 714	1 181	-	(11 565)	16 547 330
Taxation		5 710	-	-	(171)	5 539
Minority interest		7 100	-	-	(53)	7 047
Surplus for the year		2 114 472	(1 181)	-	(35 346)	2 148 637
<b>Statement of Financial Position</b>						
Property, plant and equipment	1	20 135 339	-	-	(1 607)	20 133 732
Investment property	3	87 082	-	-	(22)	87 060
Other receivables	10	303 161	-	(29 629)	56 013	329 545
Investments	6	55 800	-	4 076	-	59 876
Cash and cash equivalents	11	4 628 453	-	25 003	-	4 653 456
Long-term borrowings	12	5 566 231	-	(6 585)	-	5 559 646
Deferred taxation		9 684	-	-	(444)	9 240
Payables	16	3 163 040	-	(91 907)	13 342	3 084 475
Taxation		3 297	-	-	(130)	3 167
Current portion of long-term borrowing	12	264 107	-	98 492	-	362 599
		134 172	-	-	(568)	133 604
Accumulated surplus	21	12 378 240	-	(550)	42 184	12 419 874

**47 RETIREMENT BENEFIT INFORMATION**

The City of Cape Town makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes. These funds are governed by the Pension Funds Act (Act No. 24 of 1956), and include both defined benefit (DB) and defined contribution (DC) schemes. Contributions of R594,15 million (2010: R508,77 million) to the defined benefit and defined contribution structures are expensed as incurred during the year under review.

These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation, as set out below.

**47.1 DEFINED BENEFIT SCHEMES****Cape Joint Pension Fund (multi-employer fund)**

The DB section is a multi-employer plan, and the contribution rate payable is 27%, 9% by the members, and 18% by their councils. The fund was certified by the actuary as being in a sound financial condition as at 30 June 2010. The valuation indicates a break even actuarial result, and is 100% funded at the financial year end. The City is currently engaged in a dispute with the fund due to a perceived shortfall of R96,0 million and interest of R20 million.

**South African Local Authorities (SALA) Pension Fund (multi-employer fund)**

The fund is a DB plan and financially sound. The fund was 96% funded as at 1 July 2010 and remained stable since the previous valuation date.

**47.2 DEFINED CONTRIBUTION SCHEMES****Cape Joint Pension Fund (multi-employer fund)**

This scheme was established to accommodate the unique characteristics of contract employees and cost-to-company employees. All existing members were given the option to transfer to the DC plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances. The fund was certified by the actuary as being in a sound financial condition as at 30 June 2010. The valuation disclosed funding of 102%.

**Cape Retirement Fund for Local Authorities (multi-employer fund)**

The contribution rate paid by the members (9%) and their councils (18%) is sufficient to fund the benefits accruing from the fund in future. The actuary certified the fund, a DC plan, as being in a sound financial position as at 30 June 2010.

**Municipal Councillors' Pension Fund (multi-employer fund)**

The Municipal Councillors' Pension Fund operates as a DC scheme. The contribution rate paid by the members (13,75%) and their councils (15%) is sufficient to fund the benefits accruing from the fund in the future. The last actuarial valuation of the fund was undertaken at 30 June 2009.

**National Fund for Municipal Workers (multi-employer fund)**

The retirement and pension funds are both DC schemes. The last voluntary actuarial valuation of the fund was performed on 30 June 2008. As at 30 June 2008, the valuation disclosed funding of 100%.

**South African Municipal Workers Union (SAMWU) National Provident Fund (multi-employer fund)**

The SAMWU National Provident Fund is a DC scheme. The last actuarial valuation of the fund was performed at 30 June 2005, and the fund was certified as being in a financially sound position. A statutory valuation will be performed as at 30 June 2008 once the 30 June 2008 audited financial statements have been finalised.

**47.3 DEFINED BENEFIT AND DEFINED CONTRIBUTION SCHEME****Cape Municipal Pension Fund**

The Cape Municipal Pension Fund operates both as a DB and DC scheme. The actuarial valuation of the fund was performed at 30 June 2010, which certified as being in a financially sound position. The next statutory valuation is due by 30 June 2012.

	Total	DB section	DC section
In-service members	8 425	348	8 077
Pensioners	5 336	4 217	1 119
Membership at 30 June 2010	13 761	4 565	9 196

	2011	2010
	R'million	R'million
Past-service position - DB section	3 420	3 269
Past-service position - DC section	5 001	4 349
Total liabilities	8 421	7 618
Assets valued at market value	8 550	7 721

	2011	2010
	%	%
Actual employer contribution - DB section	20,25	20,25
Actual employer contribution - DC section	18,00	18,00
Net discount rate: Pre-retirement	0,50	1,00
Post-retirement	2,50	2,50
Normal retirement age	60 years	60 years

**47.4 POST-EMPLOYMENT DEFINED BENEFITS**

For past service of in-service and retired employees, the Entity recognises and provides for the actuarially determined present value of post-retirement medical-aid employer contributions on an accrual basis, using the projected unit credit method.

The members of medical aid schemes entitled to a post-employment medical scheme subsidy at 30 June 2011, were 10 884 (2010: 11 486) in-service members and 6 469 (2010: 6 511) pensioners

**47.4.1 Health-care arrangement assumptions**

It was assumed that the employer's health-care arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits and contributions would remain unchanged, with exception for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidisation from in-service members to retiree members within the medical scheme are sustainable and will continue.

It is further assumed that the subsidy will continue until the last survivor's death for eligible members and their spouses, and to age 21, if earlier, for dependent children.

**Continuation of membership**

It is assumed that 100% of in-service members entitled to a post-retirement subsidy retiring from the City of Cape Town will remain on the employer's health care arrangements.

**Family profile**

Family profile was based on actual data, and therefore no assumptions had to be made.

**Plan assets**

There are currently no long-term assets set aside off-balance-sheet in respect of the employer's post-employment health-care liability.

**Discount rate**

The fund benefit liability to the City of Cape Town as at 30 June 2011 has been discounted at a rate determined on the basis of the yield of 8,69% per annum on Government bonds.

**47.4.2 Retirement pension benefits**

For past service of employees and retired employees, the Entity recognises and provides for the actuarially determined present value of post-retirement revenue pensions on an accrual basis, using the projected unit credit method.

The number of employees who were eligible for a post-retirement pension at 30 June 2011 was 44 (2010: 45) in-service employees and 135 (2010: 140) pensioners.

**Plan assets**

There are currently no long-term assets set aside off-balance-sheet in respect of the employer's post-employment retirement pension liability.

**Discount rate**

The fund benefit liability to the City of Cape Town as at 30 June 2011 has been discounted at a 8,36% per annum rate determined on the basis of the market yields on Government bonds.

**Post-retirement scheme defined-benefit obligations**

	2011			2010		
	Health R'000	Retirement R'000	Total R'000	Health care R'000	Retirement R'000	Total R'000
Present value of unfunded liability	2 905 696	14 921	2 920 617	2 725 739	15 676	2 741 415
Unrecognised actuarial gains/(losses)	77 197	2 876	80 073	(225 585)	(461)	(226 046)
Net liability in Statement of Financial Position	2 982 893	17 797	3 000 690	2 500 154	15 215	2 515 369

**Amounts included in the Statement of Financial Performance**

Service costs	50 846	1 401	52 247	-	-	-
Interest costs	243 681	428	244 109	51 429	391	51 820
Actuarial losses recognised	302 782	3 338	306 120	222 090	1 463	223 553
Transitional liability recognised	-	-	-	237 458	25	237 483
Total included in profit and loss	597 309	5 167	602 476	510 977	1 879	512 856

**Movement in the liability recognised in the Statement of Financial Position**

Balance at beginning of the year	2 500 154	15 215	2 515 369	2 090 227	14 703	2 104 930
Net expense recognised in Statement of Financial Performance	597 309	5 167	602 476	510 977	1 879	512 856
Contributions paid	(114 570)	(2 585)	(117 155)	(101 050)	(1 367)	(102 417)
Net liability in Statement of Financial Position	2 982 893	17 797	3 000 690	2 500 154	15 215	2 515 369

The contributions paid are actual contributions paid by the Entity, and the unrecognised actuarial gains and losses have been adjusted accordingly to take into account the difference between the estimated contribution payments determined by the actuary, and actual contributions paid to members by the Entity.

**Sensitivity analysis**

Post-retirement medical aid	Change in assumption	Liability	Percentage change	Service cost	Percentage change
		R'000	%	R'000	%
Assumptions used	-	2 982 893		50 486	
Health-care inflation	+1% increase	3 468 639	16	62 879	25
	-1% decrease	2 588 479	(13)	41 448	(18)
Post-retirement mortality	-1 year reduction	3 091 752	4	-	-
Average retirement age	-1% decrease	3 091 392	4	-	-
Withdrawal rate	(50%)	3 098 426	4	-	-

Key financial assumptions	2011		2010	
	Health-care benefits %	Retirement pension benefits %	Health-care benefits %	Retirement pension benefits %
Discount rate	8,7	8,4	8,9	8,9
General inflation rate (CPI)	5,7	5,6	5,3	5,3
General salary inflation rate	-	6,6	-	6,3
Health-care cost inflation rate	7,4	-	7,3	-
Net effective discount rate	1,2	-	1,5	2,4
Pension increase rate - pensioners	-	-	-	2,6
Net effective discount rate - pensioners	-	-	-	6,1

**48 GUARANTEES AND CONTINGENT LIABILITY****48.1 Guarantees**

The Entity issued the following guarantees:

- A bank guarantee of R823 446 as security for the lease of property.

**48.2 Other contingent liabilities****Contractual disputes**

Various contractual claims by contractors/suppliers and staff are currently in dispute, and are subject to mediation. The maximum potential liability is estimated at R401,34 million (2010: R218,29 million). Included in the total estimate of R401,34 million is a disputed amount of R250,78 million of which R210,78 million is in respect of professional fees on the construction of the Cape Town Stadium and the balance of R40 million for litigation costs. The Entity had provided R270 million in its 2010/11 budget to cover these costs. The Entity and its lawyers are of the opinion that the litigation is likely to be in the Entity's favour. The timing of the legal proceedings regulating the above is however, uncertain.

**Outstanding insurance claims**

The estimated liability for insurance claims amounts to R86,37 million (2010: R68,95 million). The estimated amount was based on quotations, medical reports and letters of demand received. The merits must still be determined and could result in a lesser amount or more.

**Loan agreements**

The rates of interest payable on certain structured loans and finance leases are based on certain underlying assumptions relating to the lenders' statutory costs, and the allowability of deductions for income tax purposes in connection with the loans. In the event of changes to the Income Tax Act or any other relevant legislation that impact on the loan structure costs, the lenders are required to increase or decrease the future rates of interest payable on the loans or their remaining lives, in order to absorb the increase or decrease in costs.

**49 RELATED-PARTY DISCLOSURES**

During the year, in the ordinary course of business, transactions between the City and the under-mentioned entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's length transactions.

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000

**Cape Town International Convention Centre (Pty) Ltd**

The Convention Centre was established for Cape Town to become host to international conferences, with the objectives of promoting Cape Town as a tourism city. At year-end, the amount owing by Convento to the City amounted to R2,77 million (2010: R0,45 million).

Percentage owned

50,18% 50,18%

Arm's length transactions for the year:

Receivables

2 766 448

Service charges

15 997 11 795

The Cape Town International Convention Centre (Pty) Ltd has outsourced the management of its convention centre operating division in terms of a contract dated June 2001 to Amsterdam RA1.

Arm's length transactions for the year:

Fixed management fees

973 2 642 - -

Basic management fees

- 695 - -

Incentive fee

- 5 968 - -

Economic entity		Municipality of Cape Town	
2011	2010	2011	2010
R'000	R'000	R'000	R'000

**City improvement districts (CIDs)**

These entities were established to enable projects at the initiative of local communities, to provide services over and above the services provided by the City of Cape Town.

Percentage owned

Arm's length transactions for the year:

- Receivables
- Service charges
- Levies

**Special rating areas**

(2)	-
22	16
78 967	66 648

**Cape Metropolitan Transport Fund (CMTF)**

The fund was established to pool funds for road networks and maintenance in the metropolitan area. At year-end, the amount owing by the City to Cape Metropolitan Transport Fund amounted to R76,49 million (2010: R90,91 million).

Percentage owned

Arm's length transactions for the year:

- Funds held on behalf of CMTF
- Grants and transfers received
- Interest paid
- Revenue collected

**Administrator**

76 488	90 907	76 488	90 907
32 824	90 138	32 824	90 138
5 055	10 082	5 055	10 082
4 080	5 205	4 080	5 205

**Epping City improvement district**

A director and member of key management is also the sole member of Just For You Business Support Services CC

Arm's length transactions for the year:

- Just For You Business Support Services CC

784	708	-	-
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**Khayelitsha Community Trust (KCT)**

The KCT was established to promote economic activities for the upliftment of the local community. At year-end, the amount owing by the KCT to the City amounted to R1,22 million(2010: R1,18 million).

Percentage owned

Arm's length transactions for the year:

- Receivable
- Grants

**Trust**

1 217	1 183	1 217	1 183
5 354	6 866	5 354	6 866

**Councillors**

A number of councillors of the City hold positions in other entities, where they may have significant influence over the financial or operating policies of these entities. The following are considered to be such entities:

Councillor	Position held in entity	Entity	Nature
Neilson, I	Alternate Director	SA Cities Network	Knowledge and resource centre

**Executive Management**

No business transactions took place between the Entity and key management personnel or their close family members during the year under review. Details relating to remuneration are disclosed in note 30.



## Appendix A: Schedule of External Loans as at 30 June 2011

	Effective interest rate (nacs) %	Loan number	Redeemable date	Balance as at 30 June 2010 R'000	Received during the year R'000	Capitalised during the year R'000	Net interest accrual during the year R'000	Transfers during the year R'000	Redeemed/ Written off during year R'000	Balance as at 30 June 2011 R'000
<b>LOCAL REGISTERED STOCK</b>										
ABSA Investor Services	14,650	830011508	2014	7 047	-	-	-	-	-	7 047
Municipal Bond CCT01	12,570	830014004	2023	1 002 748	-	-	-	-	-	1 002 748
Municipal Bond CCT02	11,615	830016003	2024	1 207 236	-	-	-	-	-	1 207 236
Municipal Bond CCT03	11,160	830017007	2025	2 065 862	-	-	(357)	-	-	2 065 505
Municipal Bond Transaction costs	-	-	-	(3 916)	-	-	-	-	283	(3 633)
<b>Total local registered stock</b>				<b>4 278 977</b>	<b>-</b>	<b>-</b>	<b>(357)</b>	<b>-</b>	<b>283</b>	<b>4 278 903</b>
<b>CONCESSIONARY LOANS</b>										
Nedcor Bank	1,000	830000920	2019	12	-	-	-	2	-	14
DBSA	5,000	830012028	2020	33 231	-	-	-	1 112	4 000	30 343
<b>Total annuity loans</b>				<b>33 243</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 114</b>	<b>4 000</b>	<b>30 357</b>
<b>OTHER LOANS</b>										
FirstRand Bank	12,616	830001710	2011	19 931	-	-	-	-	19 931	-
FirstRand Bank	12,920	830000880	2013	59 336	-	-	-	-	17 693	41 643
DBSA	12,250	83001051	2015	129 888	-	-	-	-	25 978	103 910
FirstRand Bank	12,631	830003504	2017	189 299	-	-	-	-	6 031	183 268
ABSA Bank	10,900	830007011	2018	160 000	-	-	-	-	20 000	140 000
DBSA	10,590	83001050	2018	271 329	-	-	-	-	33 916	237 413
FirstRand Bank	12,046	830009531	2018	187 827	-	-	8 919	-	20 000	176 746
DBSA	9,420	830012035	2020	93 333	-	-	-	-	9 333	84 000
DBSA	9,639	830013000	2022	166 667	-	-	-	-	13 333	153 334
DBSA	10,565	830013507	2022	166 667	-	-	-	-	13 333	153 334
<b>Total other loans</b>				<b>1 444 277</b>	<b>-</b>	<b>-</b>	<b>8 919</b>	<b>-</b>	<b>179 548</b>	<b>1 273 648</b>
<b>FINANCE LEASES</b>										
Investec	14,343	830000870	2011	12 014	-	-	-	-	7 730	4 284
Standard Corporate and Investment Bank	15,209	830000890	2011	69 898	-	-	(177)	-	69 721	-
Nedbank	14,540	830000860	2012	64 107	-	-	(103)	-	2 007	61 997
<b>Total finance leases</b>				<b>146 019</b>	<b>-</b>	<b>-</b>	<b>(280)</b>	<b>-</b>	<b>79 458</b>	<b>66 281</b>
<b>Total Municipality of Cape Town</b>				<b>5 902 516</b>	<b>-</b>	<b>-</b>	<b>8 282</b>	<b>1 114</b>	<b>262 723</b>	<b>5 649 189</b>
<b>Controlled entities</b>										
CID Claremont Road Co.: DBSA	-	-	2011	19 465	-	-	-	-	844	18 621
CID Epping	-	-	2012	264	335	-	-	-	115	484
<b>Total controlled entities</b>				<b>19 729</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>959</b>	<b>19 105</b>
<b>TOTAL EXTERNAL LOANS</b>				<b>5 922 245</b>	<b>335</b>	<b>-</b>	<b>8 282</b>	<b>1 114</b>	<b>263 682</b>	<b>5 668 294</b>

## Appendix B: Analysis of Property, Plant and Equipment as at 30 June 2011 – Economic Entity

	COST					ACCUMULATED DEPRECIATION						Carrying value R'000
	Opening balance	Transfers/ Adjustments	Additions	Disposals	Closing balance	Opening balance	Transfers/ Adjustments	Impairment	Additions	Disposals	Closing balance	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
<b>LAND AND BUILDINGS</b>												
Land	619 681	1 862	36 766	(241)	658 068	(224 088)	(1)	(9 866)	-	-	(233 955)	424 113
Buildings and land	2 981 840	80 094	88 526	(1 823)	3 148 637	(1 554 024)	120 651	-	(91 825)	1 669	(1 523 529)	1 625 108
	<b>3 601 521</b>	<b>81 956</b>	<b>125 292</b>	<b>(2 064)</b>	<b>3 806 705</b>	<b>(1 778 112)</b>	<b>120 650</b>	<b>(9 866)</b>	<b>(91 825)</b>	<b>1 669</b>	<b>(1 757 484)</b>	<b>2 049 221</b>
<b>INFRASTRUCTURE</b>												
Assets under construction	3 029 840	(1 874 849)	904 803	-	2 059 794	-	-	-	-	-	-	2 059 794
Drains	491 151	65 350	11 115	-	567 616	(203 004)	-	-	(16 293)	-	(219 297)	348 319
Roads	3 908 336	887 463	280 333	-	5 076 132	(1 569 813)	-	-	(112 849)	-	(1 682 662)	3 393 470
Beach improvements	27 405	8 686	171	-	36 262	(18 248)	-	-	(431)	-	(18 679)	17 583
Sewerage mains and purification	1 362 264	666 441	104 521	-	2 133 226	(446 280)	(82 478)	-	(87 990)	-	(616 748)	1 516 478
Electricity peak-load equipment and mains	3 949 158	156 626	521 355	(17 361)	4 609 778	(1 439 717)	(42 605)	-	(170 477)	17 360	(1 635 439)	2 974 339
Water mains and purification	1 982 594	130 942	9 473	-	2 123 009	(949 989)	(83)	-	(71 462)	-	(1 021 534)	1 101 475
Reservoirs - water	397 186	46 587	1 110	-	444 883	(261 566)	-	-	(16 367)	-	(277 933)	166 950
	<b>15 147 934</b>	<b>87 246</b>	<b>1 832 881</b>	<b>(17 361)</b>	<b>17 050 700</b>	<b>(4 888 617)</b>	<b>(125 166)</b>	<b>-</b>	<b>(475 869)</b>	<b>17 360</b>	<b>(5 472 292)</b>	<b>11 578 408</b>
<b>COMMUNITY ASSETS</b>												
Assets under construction	258 122	(184 142)	74 943	-	148 923	-	-	-	-	-	-	148 923
Parks and gardens	31 670	15 905	955	-	48 530	(4 383)	-	-	(1 272)	-	(5 655)	42 875
Libraries	175 785	9 348	11 876	-	197 009	(51 288)	-	-	(3 162)	-	(54 450)	142 559
Recreation facilities	4 343 963	7 528	62 706	-	4 414 197	(137 435)	-	-	(201 912)	-	(339 347)	4 074 850
Civic buildings	661 736	322 066	65 534	-	1 049 336	(235 300)	(124 888)	-	(25 985)	-	(386 173)	663 163
	<b>5 471 276</b>	<b>170 705</b>	<b>216 014</b>	<b>-</b>	<b>5 857 995</b>	<b>(428 406)</b>	<b>(124 888)</b>	<b>-</b>	<b>(232 331)</b>	<b>-</b>	<b>(785 625)</b>	<b>5 072 370</b>
<b>LEASED ASSETS</b>												
Infrastructure and other	398 121	(163 413)	-	(338)	234 370	(284 386)	128 458	-	(13 188)	338	(168 778)	65 592
	<b>398 121</b>	<b>(163 413)</b>	<b>-</b>	<b>(338)</b>	<b>234 370</b>	<b>(284 386)</b>	<b>128 458</b>	<b>-</b>	<b>(13 188)</b>	<b>338</b>	<b>(168 778)</b>	<b>65 592</b>
<b>OTHER ASSETS</b>												
Assets under construction	523 459	(336 634)	360 422	-	547 247	-	1	(16 092)	-	-	(16 091)	531 156
Landfill sites	514 044	45 516	31 970	(31 745)	559 785	(196 655)	-	-	(52 061)	(7 439)	(256 155)	303 630
Furniture, fittings and equipment	423 667	29 057	58 974	(16 156)	495 542	(232 827)	982	-	(52 065)	14 580	(269 330)	226 212
Bins and containers	34 793	978	16 243	(784)	51 230	(29 186)	(2)	-	(4 416)	673	(32 931)	18 299
Emergency equipment	33 716	540	1 323	(678)	34 901	(20 977)	6	-	(4 471)	648	(24 794)	10 107
Motor vehicles and watercraft	1 057 967	32 658	87 848	(20 568)	1 157 905	(523 570)	2 532	-	(145 683)	17 878	(648 843)	509 062
Specialised vehicles	657 427	2 470	40 422	(9 366)	690 953	(288 575)	(1 602)	-	(50 224)	10 089	(330 312)	360 641
Computer equipment	892 052	24 987	101 986	(21 574)	997 451	(572 586)	(345)	-	(122 045)	20 815	(674 161)	323 290
Animals	214	-	28	-	242	(19)	-	-	(37)	-	(56)	186
	<b>4 137 339</b>	<b>(200 428)</b>	<b>699 216</b>	<b>(100 871)</b>	<b>4 535 256</b>	<b>(1 864 395)</b>	<b>1 572</b>	<b>(16 092)</b>	<b>(431 002)</b>	<b>57 244</b>	<b>(2 252 673)</b>	<b>2 282 583</b>
<b>HOUSING RENTAL STOCK</b>	<b>1 152 883</b>	<b>7 731</b>	<b>11 621</b>	<b>(6 361)</b>	<b>1 165 874</b>	<b>(531 426)</b>	<b>1</b>	<b>-</b>	<b>(26 662)</b>	<b>3 759</b>	<b>(554 328)</b>	<b>611 546</b>
<b>TOTAL</b>	<b>29 909 074</b>	<b>(16 203)</b>	<b>2 885 024</b>	<b>(126 995)</b>	<b>32 650 900</b>	<b>(9 775 342)</b>	<b>627</b>	<b>(25 958)</b>	<b>(1 270 877)</b>	<b>80 370</b>	<b>(10 991 180)</b>	<b>21 659 720</b>
<b>HERITAGE ASSETS</b>												
Assets under construction	1 660	(9)	1 901	-	3 552	-	-	-	-	-	-	3 552
Paintings and art galleries	8 342	-	30	(10)	8 362	-	-	-	-	-	-	8 362
	<b>10 002</b>	<b>(9)</b>	<b>1 931</b>	<b>(10)</b>	<b>11 914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 914</b>
<b>INVESTMENT PROPERTIES</b>	<b>129 593</b>	<b>1 019</b>	<b>-</b>	<b>-</b>	<b>130 612</b>	<b>(42 533)</b>	<b>(482)</b>	<b>-</b>	<b>(2 598)</b>	<b>-</b>	<b>(45 613)</b>	<b>84 999</b>
<b>INTANGIBLE ASSETS</b>	<b>303 709</b>	<b>14 875</b>	<b>8 393</b>	<b>-</b>	<b>326 977</b>	<b>(272 000)</b>	<b>114</b>	<b>-</b>	<b>(10 207)</b>	<b>-</b>	<b>(282 093)</b>	<b>44 884</b>
<b>ASSETS CLASSIFIED AS HELD FOR SALE</b>	<b>89</b>	<b>315</b>	<b>-</b>	<b>(1)</b>	<b>403</b>	<b>(23)</b>	<b>(254)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(277)</b>	<b>126</b>
<b>TOTAL</b>	<b>30 352 467</b>	<b>(3)</b>	<b>2 895 348</b>	<b>(127 006)</b>	<b>33 120 806</b>	<b>(10 089 898)</b>	<b>5</b>	<b>(25 958)</b>	<b>(1 283 682)</b>	<b>80 370</b>	<b>(11 319 163)</b>	<b>21 801 643</b>

## Appendix C: Segmental Statement of Financial Performance for the year ended 30 June 2011

2010			BUSINESS UNITS	2011		
Actual income	Actual expenditure	Surplus/ (Deficit)		Actual income	Actual expenditure	Surplus/ (Deficit)
R'000	R'000	R'000		R'000	R'000	R'000
			<b>Rates and general</b>			
2 774	11 914	(9 140)	Executive and Council	5 283	34 752	(29 469)
7 711 404	2 121 163	5 590 241	Budget and Treasury Office	8 817 012	2 367 400	6 449 612
334 445	711 460	(377 015)	Corporate services	228 387	784 401	(556 014)
138 568	494 155	(355 587)	Planning and development	154 306	529 788	(375 482)
265 626	640 685	(375 059)	Health	320 160	725 869	(405 709)
76 064	522 921	(446 857)	Community and social services	78 926	574 382	(495 456)
237 768	1 614 519	(1 376 751)	Public safety	253 718	1 671 642	(1 417 924)
621 928	1 395 393	( 773 465)	Sport and recreation	200 057	1 453 551	(1 253 494)
17 953	155 805	(137 852)	Environmental protection	24 040	184 906	(160 866)
1 100 193	1 210 899	(110 706)	Road transport	771 696	1 428 163	(656 467)
			<b>Housing</b>			
670 171	855 743	(185 572)	Housing	701 646	773 800	(72 154)
			<b>Utility services</b>			
1 496 152	1 395 809	100 343	Waste management	1 814 046	1 703 605	110 441
1 482 127	1 394 275	87 852	Wastewater management	1 513 986	1 553 237	(39 251)
2 442 462	2 467 518	(25 056)	Water	2 856 865	2 988 855	(131 990)
6 326 431	5 735 870	590 561	Electricity	7 527 519	6 703 459	824 060
			<b>Other</b>			
3 557	58 811	(55 254)	Tourism	2 141	60 463	(58 322)
<b>22 927 623</b>	<b>20 786 940</b>	<b>2 140 683</b>	Subtotal	<b>25 269 788</b>	<b>23 538 273</b>	<b>1 731 515</b>
4 362 564	4 362 564	-	Interdepartmental charges	4 889 102	4 889 102	-
<b>18 565 059</b>	<b>16 424 376</b>	<b>2 140 683</b>	<b>Total Municipality of Cape Town</b>	<b>20 380 686</b>	<b>18 649 171</b>	<b>1 731 515</b>
			<b>Controlled entities</b>			
151 539	131 849	19 690	Cape Town International Convention Centre (Pty) Ltd	155 163	151 064	4 099
71 411	70 561	850	City improvement districts	83 747	79 773	3 974
<b>222 950</b>	<b>202 410</b>	<b>20 540</b>	Total controlled entities	<b>238 910</b>	<b>230 837</b>	<b>8 073</b>
(79 456)	(79 456)	-	Intercompany charges	(94 986)	(94 986)	-
<b>18 708 553</b>	<b>16 547 330</b>	<b>2 161 223</b>	Total economic entity before taxation	<b>20 524 610</b>	<b>18 785 022</b>	<b>1 739 588</b>
		(7 047)	Share of surplus of associate, accounted for under the equity method			1 160
		(5 539)	Taxation			(6 455)
		<b>2 148 637</b>				<b>1 734 293</b>

## Appendix D: Disclosure of grants and subsidies in terms of section 123 of the MFMA

National and Provincial grant funds 2010/2011										
Description	Source	Balance unspent at beginning of the year	Current year receipts	Adjustments	Conditions met - transferred to revenue	Trf ex Operating Expenditure	Trf from Capital grant	Interest earned	Amounts to be claimed	Conditions still to be met - transferred to liabilities
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Operating transfers and grants</b>										
<b>National Government</b>										
BUDGET REFORM FUNDS	National Treasury	-	-	-	832	-	(832)	-	-	-
RESTRUCTURING GRANT - SEED FUNDING	National Treasury	-	-	-	1 911	-	(1 911)	-	-	-
KHAYELITSHA URBAN RENEWAL	National Treasury	-	-	-	7 349	-	(7 349)	-	-	-
MITCHELL'S PLAIN URBAN RENEWAL	National Treasury	-	-	-	179	-	(179)	-	-	-
MUNICIPAL INFRASTRUCTURE GRANTS	National Treasury	-	-	-	2 479	-	(2 479)	-	-	-
DEAT - DANIDA	National Treasury	(11 661)	(5 986)	4 786	9 800	-	-	(475)	-	(3 536)
DWAF: DEMAND MANAGEMENT	State - DWAF <sup>1</sup>	(1 377)	-	-	393	-	-	-	-	(984)
ACCREDITATION : DEVELOPMENT SUPPORT	State Housing	-	-	-	227	-	(227)	-	-	-
DWAF: IMPLEMENTATION WATER DEMAND	State - DWAF	-	-	-	2 522	-	(2 522)	-	-	-
HEALTH & HYGIENE EDUCATION: INFORMAL SETTLEMENT	State - DWAF	(370)	-	-	312	-	-	-	-	(58)
DEP. ENVIRONMENTAL AFFAIRS & TOURISM	National Treasury	-	-	-	144	-	(144)	-	-	-
PUBLIC TRANSPORT INFRASTRUCTURE	National Treasury Transport	-	-	-	31 885	-	(31 885)	-	-	-
2010 FIFA WORLD CUP: GREEN POINT (OPERATING)	State: Dept. Sport and Recreation	(30 044)	-	-	27 780	-	-	(373)	-	(2 637)
DEAT - CARBON OFFSET PROGRA DANIDA	State: Dept. Deat	(3 370)	(3 377)	3 077	3 482	-	-	(109)	-	(297)
LGSETA: ENVIRONMENTAL INTERNSHIP PROGRAMME	State: Dept. Deat	-	(504)	-	250	-	-	-	-	(254)
		<b>(46 822)</b>	<b>(9 867)</b>	<b>7 863</b>	<b>89 545</b>	<b>-</b>	<b>(47 528)</b>	<b>(957)</b>	<b>-</b>	<b>(7 766)</b>
<b>Provincial Government</b>										
BONTEHEUWEL MULTI PURPOSE CENTRE PAWC	Private Sector	(1 268)	-	547	-	-	-	(45)	-	(766)
LIBRARY SERVICE BOOK FUND	PGWC Other	(570)	-	-	569	-	-	-	-	(1)
PHILLIPI EAST MARKET	PGWC ISLP	(737)	-	-	149	-	-	(40)	-	(628)
HELICOPTER STANDBY	PGWC Other	(96)	(335)	-	434	-	-	(6)	-	(3)
TABLE MOUNTAIN BIOSPHERE - PAWC	PGWC Other	(204)	-	-	68	-	-	-	-	(136)
INFORMAL SETTLEMENTS - PAWC	PGWC Housing	(397)	(864)	-	676	-	-	-	-	(585)
KHAYELITSHA SITE C SUBSIDIES	PGWC Housing	(21 900)	-	-	3 831	-	-	(1 300)	-	(19 369)
BROWN'S FARM PHASE 5	PGWC ISLP	(4 943)	-	-	1	-	-	-	-	(4 942)
MFULENI EXT 4 HOUSING	Prov. House Dev. Board	(130)	(241)	-	29	-	-	-	-	(342)
MFULENI FLOOD RELIEF PROJECT	Prov. House Dev. Board	(3 212)	-	-	145	-	-	-	-	(3 067)
WALLACEDENE HOUSING PROJECT	Prov. House Dev. Board	-	-	-	2	-	(2)	-	-	-
NYANGA UPGRADING PROJECT	Prov. House Dev. Board	-	-	-	139	-	(139)	-	-	-
SITE C SURVEY & SUBDIVISION	Prov. House Dev. Board	-	-	-	752	-	(752)	-	-	-
MFULENI EXT 3	Prov. House Dev. Board	(162)	-	-	5	-	-	-	-	(157)
PHP FACILITATION GRANTS	PGWC Housing	(28)	(30)	-	1	-	-	(2)	-	(59)
MTAB PROJECTS - PAWC	PGWC MTAB	-	-	(2 513)	2 513	-	-	-	-	-
WALLACEDENE PHASE 3 HOUSING PROJECT	PGWC Housing	(5 199)	-	60	273	-	-	-	-	(4 866)
SILVERTOWN KHAYELITSHA 2000 STRUCTURES	Prov. House Dev. Board	(5 721)	-	-	546	-	-	-	-	(5 175)

Appendix D: Disclosure of grants and subsidies in terms of section 123 of the MFMA

Description	Source	Balance unspent at beginning of the year	Current year receipts	Adjustments	Conditions met - transferred to revenue	Trf ex Operating Expenditure	Trf from Capital grant	Interest earned	Amounts to be claimed	Conditions still to be met - transferred to liabilities
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
WALLACEDENE PHASE 5 HOUSING PROJECT	PGWC Housing	-	(23)	(57)	120	-	-	-	(40)	-
WALLACEDENE PHASE 6 HOUSING PROJECT	PGWC Housing	(5 727)	-	309	569	-	-	-	-	(4 849)
BROWN'S FARM PHASE 6	PGWC ISLP	(5 131)	-	-	1	-	-	-	-	(5 130)
WALLACEDENE PHASE 8 HOUSING PROJECT	PGWC Housing	-	-	-	360	-	(360)	-	-	-
WALLACEDENE PHASE 9 HOUSING PROJECT	PGWC Housing	-	-	(39)	39	-	-	-	-	-
MITCHELL'S PLAIN INFILL PHASE 1	PGWC Housing	-	-	-	811	-	(811)	-	-	-
MFULENI MLS TOPSTRUCTURES	Prov. House Dev. Board	(231)	-	-	16	-	-	-	-	(215)
DISASTER FUND -FIRE/FLOOD KITS	PGWC Housing	-	(5 440)	4 061	6 719	-	-	-	(5 340)	-
PHILLIPI EAST PHASE 5	PGWC Housing	(148)	-	-	118	-	-	-	-	(30)
KEWTOWN INFILL DEVELOPMENT	PGWC Housing	-	-	-	5	-	(5)	-	-	-
BROWNS FARM PHASE 3	PGWC Housing	(16)	-	-	1	-	-	-	-	(15)
BROWNS FARM PHASE 4	PGWC Housing	(1 544)	-	-	1	-	-	-	-	(1 543)
WITSAND HOUSING PROJECT PHASE 2	Prov. House Dev. Board	-	-	-	780	-	(780)	-	-	-
SANRAL EMERGENCY PROJECT 1600 UNITS	PGWC Housing	-	-	-	156	-	(156)	-	-	-
WALLACEDENE PHASE 6 (UISP)	PGWC Housing	(4 099)	-	-	1 350	-	-	-	-	(2 749)
HIV/AIDS COMMUNITY BASED RESPONSE PROJECTS	PGWC Health	-	(53 084)	7 318	52 362	-	-	-	(6 596)	-
VACCINES	PGWC Health	-	(49 891)	3 642	56 974	-	-	-	(10 726)	(1)
MANDELA PARK SPORTS FIELD: TENNIS FACILITIES	PGWC Sport & Recreation	(42)	-	-	-	-	-	-	-	(42)
URBAN RENEWAL: IMPROVEMENT STN NODES	PGWC Other	(26)	-	-	-	-	-	-	-	(26)
2010 FIFA WORLD CUP: GREEN POINT	PGWC Transport & Public Works	-	(2 000)	-	2 000	-	-	-	-	-
HOSTELS PHASE 6A (JOE SLOVO FIRE)	Prov. House Dev. Board	-	-	-	-	-	-	-	-	-
PHP NTLANGANISO	Prov. House Dev. Board	(217)	-	-	-	-	-	(13)	-	(230)
PHP LAVENDER HILL EAST	Prov. House Dev. Board	(3 187)	-	-	14	-	-	(190)	-	(3 363)
PHP MASIPHUMELELE	Prov. House Dev. Board	(2)	-	2	-	-	-	-	-	-
PHP MAKUKANYE	Prov. House Dev. Board	(1 596)	-	-	42	-	-	(93)	-	(1 647)
PHP WALLACEDENE PHASE 2	Prov. House Dev. Board	(772)	-	-	-	-	-	(46)	-	(818)
PHP MASIZAKHELE	Prov. House Dev. Board	(345)	-	-	-	-	-	(21)	-	(366)
PHP KUYASA PHASE 2	Prov. House Dev. Board	(9 724)	-	-	1 609	-	-	(525)	-	(8 640)
PHP MASIZAMELE PHILIPPI	Prov. House Dev. Board	(371)	-	-	-	-	-	(22)	-	(393)
PHP WALLACEDENE PHASE 2	Prov. House Dev. Board	(2 691)	-	-	-	-	-	(161)	-	(2 852)
PHP WITSAND PHASE 1 : 400	Prov. House Dev. Board	(641)	-	-	232	-	-	(27)	-	(436)
PHP NOMZABALAZO PHASE 2	Prov. House Dev. Board	(180)	-	-	-	-	-	(11)	-	(191)
PHP ILINGE LABAHLALI	Prov. House Dev. Board	(264)	-	-	88	-	-	(15)	-	(191)
PHP NOMZABOLAZO PROJECT 2: PHASE 1	Prov. House Dev. Board	(178)	-	-	-	-	-	(11)	-	(189)

## Appendix D: Disclosure of grants and subsidies in terms of section 123 of the MFMA

Description	Source	Balance unspent at beginning of the year R'000	Current year receipts R'000	Adjustments R'000	Conditions met - transferred to revenue R'000	Trf ex Operating Expenditure R'000	Trf from Capital grant R'000	Interest earned R'000	Amounts to be claimed R'000	Conditions still to be met - transferred to liabilities R'000
PHP ILINGE LABAHLALI PHASE 2	Prov. House Dev. Board	(142)	-	-	66	-	-	(8)	-	(84)
PHP CHRIS HANI	Prov. House Dev. Board	(179)	-	-	-	-	-	(11)	-	(190)
PHP KALKFONTEIN PHASE 3	Prov. House Dev. Board	(181)	-	-	-	-	-	(11)	-	(192)
PHP NOMZABALAZO PROJECT 2: PHASE 2	Prov. House Dev. Board	(96)	-	-	-	-	-	(6)	-	(102)
PHP IGUGLETHU PH1 (WALLACEDENE)	Prov. House Dev. Board	(27)	-	-	-	-	-	(2)	-	(29)
PHP MASIPHATHISANE PH 1 (WALLACEDENE)	Prov. House Dev. Board	(53)	-	-	36	-	-	(1)	-	(18)
PHP ILINGE LABAHLALI PHASE 3	Prov. House Dev. Board	(236)	-	-	110	-	-	(14)	-	(140)
PHP MASIPHATHISANE PH2 (WALLACEDENE)	Prov. House Dev. Board	(185)	-	-	1	-	-	(11)	-	(195)
PHP NOMZABALAZO PROJECT 3: PHASE 1	Prov. House Dev. Board	(159)	-	53	11	-	-	(8)	-	(103)
PHP IGUGLETHU PH2 (WALLACEDENE)	Prov. House Dev. Board	(454)	(578)	-	923	-	-	(16)	-	(125)
PHP WALLACEDENE PROJECT 3 PHASE 1	Prov. House Dev. Board	(111)	-	-	36	-	-	(6)	-	(81)
PHP ILINGE LABAHLALI PHASE 4	Prov. House Dev. Board	(242)	-	-	110	-	-	(15)	-	(147)
PHP WALLACEDENE PROJECT 3 PHASE 2	Prov. House Dev. Board	(1 638)	-	-	501	-	-	(79)	-	(1 216)
PHP NOMZABOLAZO PROJECT 3: PHASE 2	Prov. House Dev. Board	(664)	-	173	81	-	-	(32)	-	(442)
PHP MASAKHANE BANTU	Prov. House Dev. Board	(5 080)	-	-	1 554	-	-	(247)	-	(3 773)
PHP ILINGE LABAHLALI PHASE 5	Prov. House Dev. Board	(185)	-	-	118	-	-	(11)	-	(78)
PHP MASIPHUMELELE (NOORDHOEK)	Prov. House Dev. Board	(212)	-	-	63	-	-	(9)	-	(158)
PHP ILINGE LABAHLALI PHASE 6	Prov. House Dev. Board	(124)	-	-	36	-	-	(7)	-	(95)
PHP MASIPHATHISANE PH 3 (WALLACEDENE)	Prov. House Dev. Board	(131)	-	-	74	-	-	(7)	-	(64)
PHP NOMZABOLAZO PROJECT 3: PHASE 3	Prov. House Dev. Board	(790)	-	75	441	-	-	(29)	-	(303)
PHP SISONKE	Prov. House Dev. Board	(873)	(1 100)	-	756	-	-	(50)	-	(1 267)
PHP MASIZIZAMELE PHASE 2	Prov. House Dev. Board	(1 320)	-	-	1 207	-	-	(45)	-	(158)
PHP ISIQALO	Prov. House Dev. Board	(1 134)	(2 773)	-	3 544	-	-	(46)	-	(409)
PHP MASIPHUMELELE (WITSAND)	Prov. House Dev. Board	-	(14 586)	-	14 089	-	-	(157)	-	(654)
PHP SITE C IMBOKOTHO EMNYAMA	Prov. House Dev. Board	-	(3 769)	74	3 617	-	-	(29)	-	(107)
PHP ILLINGE LABAHLALI 324 UNITS	Prov. House Dev. Board	-	(7 707)	-	6 065	-	-	(80)	-	(1 722)
PHP MASIPHATHISANE PH4	Prov. House Dev. Board	-	(4 794)	-	3 814	-	-	(59)	-	(1 039)
EST. GRANT NTLANGANISO	Prov. House Dev. Board	(7)	-	-	-	-	-	-	-	(7)
EST. GRANT- WITSAND "EECO"	Prov. House Dev. Board	(73)	-	-	20	-	-	(3)	-	(56)
EST. GRANT WALLACEDENE	Prov. House Dev. Board	(31)	-	-	-	-	-	(2)	-	(33)
EST. GRANT GREEN POINT PHASE 2	Prov. House Dev. Board	(30)	-	31	-	-	-	(1)	-	-
EST. GRANT MASIZAKHELE	Prov. House Dev. Board	(12)	-	-	-	-	-	(1)	-	(13)
EST. GRANT MASIZIZAMELE PHILIPPI	Prov. House Dev. Board	(16)	-	-	-	-	-	(1)	-	(17)
EST. GRANT WALLACEDENE PHASE 2	Prov. House Dev. Board	(170)	-	-	-	-	-	(10)	-	(180)

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Description	Source	Balance unspent at beginning of the year	Current year receipts	Adjustments	Conditions met - transferred to revenue	Trf ex Operating Expenditure	Trf from Capital grant	Interest earned	Amounts to be claimed	Conditions still to be met - transferred to liabilities
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
EST. GRANT NOMZABALAZO PHASE 2	Prov. House Dev. Board	(12)	-	-	-	-	-	(1)	-	(13)
EST. GRANT KUYASA PHASE 2	Prov. House Dev. Board	(63)	(166)	-	131	-	-	(5)	-	(103)
EST. GRANT NOMZABALAZO PROJECT 2: PHASE 1	Prov. House Dev. Board	(16)	-	-	-	-	-	(1)	-	(17)
EST. GRANT KALKFONTEIN PHASE 3	Prov. House Dev. Board	(6)	-	-	-	-	-	-	-	(6)
EST. GRANT NOMZABALAZO PROJ 2: PH 2	Prov. House Dev. Board	(49)	-	-	26	-	-	(2)	-	(25)
EST. GRANT MASIPHATISANE PH 1	Prov. House Dev. Board	(13)	-	-	-	-	-	(1)	-	(14)
EST. GRANT IGUGULETHU PH 1+C417	Prov. House Dev. Board	(13)	-	-	-	-	-	(1)	-	(14)
EST. GRANT CHRIS HANI PARK	Prov. House Dev. Board	(5)	-	-	-	-	-	-	-	(5)
EST. GRANT MASIPHATISANE PH2	Prov. House Dev. Board	(47)	-	-	-	-	-	(3)	-	(50)
EST. GRANT WALLACEDENE PROJ 3 PH1	Prov. House Dev. Board	(50)	-	-	14	-	-	(3)	-	(39)
EST. GRANT-NOMZABALAZO PROJECT 3 PHASE 1	Prov. House Dev. Board	(52)	-	1	31	-	-	(2)	-	(22)
EST. GRANT-NOMZABALAZO PROJECT 3 PHASE 2	Prov. House Dev. Board	(115)	-	2	22	-	-	(6)	-	(97)
EST. GRANT MASAKHANE BANTU PHASE 1	Prov. House Dev. Board	(29)	-	-	-	-	-	(2)	-	(31)
EST. GRANT WALLACEDENE PROJ 3 PH2	Prov. House Dev. Board	(256)	-	-	48	-	-	(14)	-	(222)
EST. GRANT IGUGULETHU PH 2	Prov. House Dev. Board	(15)	-	-	4	-	-	(1)	-	(12)
EST. GRANT MASIPHUMELELE (NOORDHOEK)	Prov. House Dev. Board	(76)	-	-	11	-	-	(4)	-	(69)
EST. GRANT-NOMZABALAZO PROJECT 3 PHASE 3	Prov. House Dev. Board	(82)	-	1	-	-	-	(5)	-	(86)
EST. GRANT SISONKE	Prov. House Dev. Board	(15)	(11)	-	10	-	-	(1)	-	(17)
EST. GRANT MASIZIZAMELE PHASE 2	Prov. House Dev. Board	(26)	-	-	-	-	-	(2)	-	(28)
EST. GRANT ISIQALO	Prov. House Dev. Board	-	(30)	-	-	-	-	(1)	-	(31)
EST. GRANT MASIPHUMELELE (WITSAND)	Prov. House Dev. Board	-	(160)	-	50	-	-	(4)	-	(114)
EST. GRANT SITE C IMBOKOTHO EMNYAMA	Prov. House Dev. Board	-	(41)	1	27	-	-	(1)	-	(14)
EST. GRANT ILINGE LABAHLALI 324 UNITS	Prov. House Dev. Board	-	(85)	-	85	-	-	-	-	-
EST. GRANT MASIPHATISANE PH4	Prov. House Dev. Board	-	(80)	-	-	-	-	(1)	-	(81)
ATLANTIS - WESFLEUR EXT 13	PGWC Housing	(332)	-	-	10	-	-	-	-	(322)
PUBLIC LIBRARY FUND	PGWC Cultural Affair	-	-	-	14 194	-	(14 194)	-	-	-
MITCHELL'S PLEIN TA2	Prov. House Dev. Board	(1 563)	(2 361)	-	3 555	-	-	-	-	(369)
NUTRITION SUPPLEMENT PROGRAM	PGWC Health	(701)	(2 633)	-	3 454	-	-	-	(120)	-
PHOENIX TOP STRUCTURE	PGWC Housing	-	-	37	4	-	-	-	(41)	-
SPATIAL PLANNING DISTRICT PLANS	PGWC Env. Aff.	(2)	-	-	-	-	-	-	-	(2)
MARCONI BEAM	PGWC Housing	(65)	-	-	9	-	-	-	-	(56)
NONQUBELA PH2/MAKHAZA	Prov. House Dev. Board	(1 309)	-	-	745	49	-	-	-	(515)
TB CRISIS PLAN	PGWC Health	(1 803)	(11 837)	-	12 431	-	-	-	-	(1 209)
HCE MANUALS (HOUSING CONSUMER EDUCATION)	PGWC Housing	(330)	-	-	14	-	-	(19)	-	(335)

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VRYGROND	PGWC Housing	(32)	(19)	-	19	-	-	-	-	(32)
CLINICS: HIV/AIDS & TB PROGRAMME	PGWC Health	(13)	-	-	-	-	-	-	-	(13)
FAC GRANT NOMZABALAZO PROJECT 3 PH 1	PGWC Housing	(3)	-	-	-	-	-	-	-	(3)
FAC GRANT NOMZABALAZO PROJECT 3 PH 2	PGWC Housing	(9)	-	-	-	-	-	(1)	-	(10)
FAC. GRANT MASAKHANE BANTU PHASE 1	PGWC Housing	(4)	-	-	-	-	-	-	-	(4)
FAC. GRANT MASAKHANE BANTU PHASE 2	PGWC Housing	(7)	-	-	-	-	-	-	-	(7)
FAC. GRANT WALLACEDENE PROJ3 PH1	PGWC Housing	(3)	-	-	-	-	-	-	-	(3)
FAC. GRANT WALLACEDENE PROJ3 PH2	PGWC Housing	(18)	-	-	-	-	-	(1)	-	(19)
CBO FREEDOM PARK	PGWC Housing	(78)	-	-	7	-	-	-	-	(71)
HAPPY VALLEY - BLACKHEATH	PGWC Housing	-	-	-	110	-	(110)	-	-	-
VRYGROND (EPH)	PGWC Housing	(273)	-	-	37	-	-	(15)	-	(251)
PHUMLANI TRANSFERS	PGWC Housing	(24)	(8)	-	8	-	-	-	-	(24)
CBH WALLACEDENE PH1	PGWC Housing	(317)	-	-	13	-	-	(18)	-	(322)
MASPPHUMELELE AMAKHAYA NGOKU	PGWC Housing	(5 578)	(5 067)	-	8 970	-	-	(182)	-	(1 857)
DELFT SYMPHONY WAY TRA	PGWC Housing	(5 457)	-	-	155	-	-	-	-	(5 302)
MORGAN VIII3/WESTERN CAPE (IPH) (CTCHC)	Prov. House Dev. Board	(888)	-	-	-	-	-	(53)	-	(941)
UPGRADE HEINZ PARK HALL	PGWC ISLP	(124)	-	-	-	-	-	-	-	(124)
MELKBOSCH VILLAGE	PGWC Housing	(835)	-	-	745	-	-	-	-	(90)
FAC GRANT NOMZABALAZO PROJECT2 PHASE2	PGWC Housing	(2)	-	-	-	-	-	-	-	(2)
MASIPHUMELELE TRA	PGWC Housing	(760)	-	-	-	-	-	(45)	-	(805)
EHP REPAIR & RECONSTRUCT 8 HOUSES	PGWC Housing	(71)	-	-	27	-	-	-	-	(44)
CBH WALLACEDENE PH3	PGWC Housing	(1 867)	(674)	-	757	-	-	(107)	-	(1 891)
CBH WALLACEDENE PH4	PGWC Housing	(1 379)	(1 084)	75	1 047	-	-	(108)	-	(1 449)
CBH WALLACEDENE PH5	PGWC Housing	(2 519)	(13 194)	-	15 404	-	-	(225)	-	(534)
CBH WALLACEDENE PH6	PGWC Housing	-	(29 113)	3 892	20 013	-	-	(308)	-	(5 516)
ABET ADULT EDUCATION	PGWC Education	(4)	(4)	-	-	-	-	-	-	(8)
PHILIPPI EAST TOP STRUCTURES	Prov. House Dev. Board	(1 945)	(18 618)	-	16 913	-	-	-	-	(3 650)
CRU: HOSTELS - LANGA	PGWC Housing	(2 611)	-	-	810	-	-	-	-	(1 801)
CRU: HOSTELS - GUGULETHU	PGWC Housing	(1 645)	-	-	53	-	-	-	-	(1 592)
CRU: HOSTELS - NYANGA	PGWC Housing	(3 060)	-	-	295	-	-	-	-	(2 765)
EDWARD ROAD ENERGY EFFICIENT PROJECT	PGWC Housing	(2 500)	-	-	94	-	-	(33)	-	(2 439)
FAC GRANT NOMZABALAZO PROJECT 3 PH 3	PGWC Housing	(15)	-	-	12	-	-	(1)	-	(4)
BOKMAKIERIE / HAZENDAL INFILL	PGWC Housing	-	-	-	48	-	(48)	-	-	-
MANENBERG INFILL/ THE DOWNS	PGWC Housing	(2)	-	-	-	-	-	-	-	(2)



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		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
GLOBAL FUND: CBR	PGWC Health	-	(2 818)	-	4 029	-	-	-	(1 211)	-
GLOBAL FUND: ARV	PGWC Health	-	(12 518)	-	15 002	-	-	-	(2 484)	-
MFULENI EPH TRA	PGWC Housing	-	(14 592)	-	12 813	-	-	-	-	(1 779)
ACCREDITATION ASSISTANCE	PGWC Housing	-	(5 000)	(5 000)	251	-	-	(336)	-	(10 085)
FAC GRANT MASIPHUMELELE (WITSAND)	PGWC Housing	-	(29)	-	23	-	-	-	-	(6)
FAC GRANT SITE C IMBOKOTHO EMNYAMA	PGWC Housing	-	(7)	-	5	-	-	-	-	(2)
SERCOR PARK	PGWC Housing	-	(10 743)	44	8 065	1 930	-	-	-	(704)
DIAL-A-RIDE	PGWC Dot	-	(12 633)	-	4 182	-	-	(247)	-	(8 698)
FAC GRANT SISONKE	PGWC Housing	-	(7)	-	-	-	-	-	-	(7)
OCEAN VIEW INFILL	PGWC Housing	-	(309)	299	-	-	-	-	-	(10)
DELFT: THE HAGUE	PGWC Housing	-	(4)	-	-	-	-	-	-	(4)
VEHICLE IMPOUND FACILITY MAITLAND	PGWC Dot	-	(2 900)	-	-	-	-	(59)	-	(2 959)
FAC. GRANT ILINGE LABAHLALI 324 UNITS	PGWC Housing	-	(47)	-	-	-	-	(1)	-	(48)
FAC. GRANT MASIPHATISANE PH4	PGWC Housing	-	(14)	-	-	-	-	-	-	(14)
BELHAR PENTECH	PGWC Housing	-	(132)	-	-	-	-	-	-	(132)
PROVISION OF SECURITY IMPROVEMENTS AT RAIL PARK AND RIDE FACILITIES	PGWC Dot	-	(2 000)	-	810	-	-	(21)	-	(1 211)
HANGBERG: APPOINTMENT OF MEDIATOR	PGWC Housing	-	(207)	-	413	-	-	-	(206)	-
EHP NYANGA, DU NOON AND ATLANTIS	PGWC Housing	-	(137)	-	-	-	-	-	-	(137)
		<b>(135 342)</b>	<b>(296 497)</b>	<b>13 088</b>	<b>317 778</b>	<b>1 979</b>	<b>(17 357)</b>	<b>(5 383)</b>	<b>(26 764)</b>	<b>(148 498)</b>
<b>Capital transfers and grants</b>										
<b>National Government</b>										
BUDGET REFORM FUNDS	National Treasury	(2 025)	(1 000)	-	1 777	832	-	-	-	(416)
WETTON / LANSDOWNE CORRIDOR	National Treasury	(11 763)	-	-	-	-	-	-	-	(11 763)
RESTRUCTURING GRANT - SEED FUNDING	National Treasury	(18 780)	-	-	6 931	1 911	-	-	-	(9 938)
KHAYELITSHA URBAN RENEWAL	National Treasury	(36 859)	(15 089)	-	2 447	7 349	-	-	-	(42 152)
MITCHELL'S PLAIN URBAN RENEWAL	National Treasury	(23 165)	(10 059)	-	1 533	179	-	-	-	(31 512)
DME - INEP	Dept. Mineral Energy	(11)	(7 018)	-	4 434	-	-	-	-	(2 595)
KHAYELITSHA WALL OF REMEMBRANCE	National Treasury	(261)	-	-	-	-	-	-	-	(261)
MITCHELLS PLAIN: TRAINING LIFE SKILLS & HORTICULTURE	National Treasury	(18)	-	-	-	-	-	-	-	(18)
YOUTH INTERNSHIP PROGRAMME	National Treasury	(2 316)	-	-	-	-	-	(138)	-	(2 454)
SANITATION TO INFORMAL SETTLEMENTS	Dept Water Affairs & Forestry	(541)	-	-	-	-	-	-	-	(541)
MUNICIPAL INFRASTRUCTURE GRANTS	National Treasury	-	(383 726)	70 407	247 294	2 479	-	-	-	(63 546)
MUNICIPAL SYSTEMS INFRASTRUCTURE GRANT	National Prov. Dept. Local Gov.	(2 193)	-	-	-	-	-	-	-	(2 193)

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		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
PRINCESS VLEI SPORTS COMPLEX	National Treasury	(5)	-	-	-	-	-	-	-	(5)
ICLEI WORLD CONGRESS (B)	National Treasury	(6)	-	-	-	-	-	-	-	(6)
DEPARTMENT ENVIRONMENTAL AFFAIRS & TOURISM	National Treasury	(2)	-	-	-	-	-	-	-	(2)
SMART LIVING HANDBOOK	State - DWAF	(62)	-	-	-	-	-	(4)	-	(66)
ACCREDITATION : DEVELOPMENT SUPPORT	State Housing	(3 386)	-	-	64	227	-	-	-	(3 095)
2010 FIFA WORLD CUP: GREEN POINT	State: Dept. Sport and Recreation	(63 511)	-	-	57 997	-	-	(2 037)	-	(7 551)
NEIGHBOURHOOD DEVELOPMENT PROGRAMME	State NDP	-	(100 900)	2 848	47 141	-	-	(1 127)	-	(52 038)
DWAF: IMPLEMENTATION WATER DEMAND	State - DWAF	(7 076)	(9 286)	-	6 577	2 522	-	-	-	(7 263)
SALE OF LAND STATE DEPT PUBLIC WORKS	State Dept Other	(50 857)	-	-	-	-	-	(3 038)	-	(53 895)
DEP. ENVIRONMENTAL AFFAIRS & TOURISM	National Treasury	(81)	(90)	-	6	144	-	-	-	(21)
PUBLIC TRANSPORT INFRASTRUCTURE	National Treasury Transport	(432 193)	(469 179)	-	472 777	31 885	-	(30 011)	-	(426 721)
ENERGY EFFICIENCY ELECTRICITY DEMAND SIDE MANAGEMENT	National Treasury	(990)	(17 544)	-	17 010	-	-	-	-	(1 524)
		<b>(656 101)</b>	<b>(1 013 891)</b>	<b>73 255</b>	<b>865 988</b>	<b>47 528</b>	<b>-</b>	<b>(36 355)</b>	<b>-</b>	<b>(719 576)</b>
<b>Provincial Government</b>										
ATLANTIS COMMUNITY DEVELOPMENT	PGWC Sport and Recreation	(39)	-	-	-	-	-	(2)	-	(41)
DELFT COMMUNITY FACILITIES	PGWC Sport and Recreation	(97)	-	-	-	-	-	(6)	-	(103)
KHAYELITSHA NETBALL COURTS	PGWC Other	(12)	-	-	-	-	-	-	-	(12)
LIBRARIES - BROWNS FARM	PGWC Other	(17)	-	(51)	68	-	-	-	-	-
HEALTH - WELTEVREDEN CLINIC	PGWC Health	-	-	-	-	-	-	-	-	-
STORMWATER CTCH PROV BULK	PGWC Other	(387)	-	-	-	-	-	-	-	(387)
STORMWATER CULVER LOTUS CANAL	PGWC Other	(90)	-	-	-	-	-	-	-	(90)
CIVIC AMENITIES - HARTLEYVALE	PGWC Other	(4)	-	-	-	-	-	-	-	(4)
RDP DISCR. FUND TOILETS MARCONI BEAM	PGWC Other	(45)	-	-	-	-	-	-	-	(45)
HEALTH - UPGRADE VUYANI CLINIC	PGWC Health	(76)	-	-	-	-	-	-	-	(76)
PARKS & BATHING - NYANGA SOCCER	PGWC Other	(1)	-	-	-	-	-	-	-	(1)
STREETS - CROSSROADS	PGWC Other	(149)	-	-	-	-	-	-	-	(149)
GREEN POINT STADIUM - SPORT & RECREATION	PGWC Other	(4)	-	-	-	-	-	-	-	(4)
HEALTH - STRANDFONTEIN CLINIC	PGWC Health	(99)	-	-	-	-	-	-	-	(99)
STRANDFONTEIN BATHS	PGWC Other	(3)	-	-	-	-	-	-	-	(3)
GLENCAIRN WETLANDS	PGWC Other	(10)	-	-	-	-	-	-	-	(10)
HARMONE OORD - OUTDOOR DEVELOPMENT	PGWC Other	(397)	-	-	-	-	-	-	-	(397)
HEALTHY CITIES	PGWC Health	(44)	-	-	-	-	-	-	-	(44)
WALLADENCE CIVIL SERVICE INVESTIGATION	PGWC Other	(28)	-	-	-	-	-	-	-	(28)
E BUSINESS PROJECT	PGWC Other	(1 616)	-	-	-	-	-	(97)	-	(1 713)
SOCCER CLUB DEVELOPMENT FUND	PGWC Other	(116)	-	-	-	-	-	-	-	(116)

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STILWANEY CHILD CARE CENTRE	PGWC Other	(32)	-	-	-	-	-	-	-	(32)
DELFT SPORTSFIELD DEVELOPMENT	PGWC ISLP	(20)	-	-	-	-	-	-	-	(20)
BLOEKOMBOS INFORMAL BUSINESS FACILITIES	PGWC Other	(146)	-	-	-	-	-	-	-	(146)
ECHO ROAD HOUSING PROJECT	PGWC Other	(34)	-	-	-	-	-	-	-	(34)
GREEN POINT PHASE 2 HOUSING	Prov. House Dev. Board	(863)	-	-	-	-	-	-	-	(863)
GREENLAND'S HOUSING PROJECT	Prov. House Dev. Board	(971)	-	-	-	-	-	-	-	(971)
PHILLIPI PARK FLOODING	Prov. House Dev. Board	(1 363)	-	-	389	-	-	-	-	(974)
TAFELSIG AREA L: SILVER CITY	PGWC Housing	(202)	-	-	-	-	-	-	-	(202)
WALLACEDENE PHASE 10	Prov. House Dev. Board	(2)	-	-	-	-	-	-	-	(2)
WALLACEDENE HOUSING PROJECT	Prov. House Dev. Board	(445)	-	-	48	2	-	-	-	(395)
KUYASA T3V1 TOP STRUCTURES	Prov. House Dev. Board	(202)	-	-	-	-	-	-	-	(202)
HOSTELS PHASE 2 HOUSING	PGWC Housing	(976)	-	-	-	-	-	-	-	(976)
SPANDAU PROJECT 384 HOUSES	Prov. House Dev. Board	(36)	-	-	-	-	-	-	-	(36)
DELFT SOUTH HIGH DENSITY HOUSING	Prov. House Dev. Board	(104)	-	-	-	-	-	-	-	(104)
NYANGA UPGRADING PROJECT	Prov. House Dev. Board	(839)	-	-	941	139	-	-	(241)	-
SITE C SURVEY & SUBDIVISION	Prov. House Dev. Board	(3 509)	-	-	880	752	-	-	-	(1 877)
KHAYELITSHA KHUYASA PHASE 2	Prov. House Dev. Board	(373)	-	-	-	-	-	-	-	(373)
CHRIS HANI PARK HOUSING PROJECT	Prov. House Dev. Board	(274)	-	-	-	-	-	-	-	(274)
SWARTKLIP SPORTS FACILITY	PGWC Other	(87)	-	-	-	-	-	-	-	(87)
KHAYELITSHA DIY HOME INSULATION KIT	PGWC Housing	(45)	-	-	-	-	-	-	-	(45)
WITSAND HOUSING PROJECT PHASE I	Prov. House Dev. Board	(184)	-	-	-	-	-	-	-	(184)
IMIZAMO YETHU PHASE 2 NEW SERVICES	Prov. House Dev. Board	(931)	-	-	-	-	-	-	-	(931)
BLUE DOWNS GOLF CLUB HOUSE	PGWC Sport & Recreation	(26)	-	-	-	-	-	-	-	(26)
NOLUNGILE COMMUNITY HEALTH CENTRE	PGWC ISLP	-	-	-	-	-	-	-	-	-
LIBRARIES PHILLIPI EAST	PGWC ISLP	(51)	-	51	-	-	-	-	-	-
TAMBO SQUARE	PGWC Housing	(42)	-	-	-	-	-	-	-	(42)
MTAB PROJECTS - PAWC	PGWC MTAB	-	-	(30 343)	27 830	2 513	-	-	-	-
MTAB PROJECTS - OTHER	MTAB Other	-	-	(2 481)	2 481	-	-	-	-	-
OLIVER TAMBO DRIVE PUBLIC SPACE PHASE 1	PGWC Housing	(52)	-	-	-	-	-	-	-	(52)
KHAYELITSHA MULTI PURPOSE CENTRE	PGWC Social Services	(751)	-	-	9	-	-	(45)	-	(787)
NEIREG HOUSING PROJECT	PGWC Housing	(350)	-	-	-	-	-	-	-	(350)
LANGA SPORTSFIELD DEVELOPMENT	PGWC Other	(141)	-	-	35	-	-	-	-	(106)
KHAYELITSHA STADIUM SITE B	PGWC Sport & Recreation	(106)	-	-	-	-	-	-	-	(106)
WALLACEDENE PHASE 4 HOUSING PROJECT	PGWC Housing	-	-	(69)	69	-	-	-	-	-

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KHAYELITSHA LOCAL BUSINESS SERVICE CENTRE	Prov. Dept. Local Gov.	-	-	-	-	-	-	-	-	-
TSOGA ENVIRONMENTAL RESOURCE CENTRE	PGWC Human Settlement Redevelopment Program	(251)	-	-	-	-	-	-	-	(251)
MACASSAR CIVIC NODE	PGWC Human Settlement Redevelopment Program	(54)	-	-	-	-	-	-	-	(54)
KHAYELITSHA VACANT LAND STUDY	PGWC Other	(250)	-	-	-	-	-	-	-	(250)
JOE SLOVO FLOODLIGHTING	PGWC Sport & Recreation	-	-	-	-	-	-	-	-	-
PHOENIX SPORTS COMPLEX(TELKOM PARK)	PGWC Sport & Recreation	-	-	-	-	-	-	-	-	-
WALLACEDENE PHASE 7 HOUSING PROJECT	PGWC Housing	(1 532)	-	-	10	-	-	-	-	(1 522)
WALLACEDENE PHASE 8 HOUSING PROJECT	PGWC Housing	(424)	-	-	35	361	-	-	-	(28)
WALLACEDENE PHASE 9 HOUSING PROJECT	PGWC Housing	-	-	(242)	204	38	-	-	-	-
KALKFONTEIN PHASE 2	PGWC Housing	(395)	-	-	-	-	-	-	-	(395)
MITCHELL'S PLAIN INFILL PHASE 1	PGWC Housing	(4 570)	-	-	651	811	-	-	-	(3 108)
LOCAL GOVERNMENT WATER AND RELATED SERVICES	PGWC Other	(11)	-	-	-	-	-	-	-	(11)
PHILLIPI PLANNING FOR DEVELOPMENT	PGWC Other	(54)	-	-	-	-	-	(3)	-	(57)
PHILLIPI BUSINESS PARK PLANNING	PGWC Other	(86)	-	-	-	-	-	(5)	-	(91)
WESBANK AND HAPPY VALLEY - ULUNTU PLAZA	PGWC Human Settlement Redevelopment Program	(123)	-	-	-	-	-	-	-	(123)
KEWTOWN INFILL DEVELOPMENT	PGWC Housing	(327)	-	-	57	5	-	-	-	(265)
MITCHELL'S PLAIN YOUTH & FAMILY DEVELOPMENT CENTRE	PGWC Social Services	(618)	-	-	-	-	-	(37)	-	(655)
GUGULETU SEVEN MEMORIAL	PGWC Other	(40)	-	-	-	-	-	(2)	-	(42)
KHAYELITSHA POVERTY REDUCTION PROGRAMME	PGWC Social Services	(2 379)	-	-	-	-	-	(142)	-	(2 521)
TAFELSIG MULTI - PURPOSE CENTRE	PGWC Other	(519)	-	-	-	-	-	-	-	(519)
ABLUTIONS METROPOLITAN SF BONTEHEUWEL	PGWC Sport & Recreation	-	-	-	-	-	-	-	-	-
KHAYELITSHA DEVELOPMENT OF REMEMBRANCE SQUARE	PGWC Other	(16)	-	-	-	-	-	(1)	-	(17)
CHEMICAL TOILETS IN WALLACEDENE	PGWC Housing	(23)	-	-	-	-	-	(1)	-	(24)
WESBANK SPORT COMPLEX	PGWC Sport & Recreation	(6)	-	-	-	-	-	-	-	(6)
GLOBAL FUND: COMMUNITY BASED PROGRAMME	PGWC Health	(2 501)	-	243	-	-	-	(140)	-	(2 398)
WITSAND HOUSING PROJECT PHASE 2	Prov. House Dev. Board	(1 873)	(30 443)	-	16 809	780	-	-	-	(14 727)
SANRAL EMERGENCY PROJECT 1600 UNITS	PGWC Housing	(6 156)	(28 139)	-	26 050	156	-	-	-	(8 089)
ENKANINI HOUSING PROJECT	PGWC Housing	(3 499)	-	-	194	-	-	-	-	(3 305)
RIVER CLEAN AND GREEN PROJECT	PGWC Other	(339)	-	-	-	-	-	(20)	-	(359)
FIRE DETECTION SURVEILLANCE CAMERAS	PGWC Other	(61)	-	-	-	-	-	(4)	-	(65)
COASTAL ZONE DEVELOPMENT GUIDELINES FRAMEWORK	PGWC	(54)	-	-	-	-	-	(3)	-	(57)
REDHILL INFORMAL SETTLEMENT	PGWC Human Settlement Redevelopment Program	(230)	-	-	-	-	-	(14)	-	(244)
TESTING FACILITIES: LEARNER'S DRIVING	PGWC Transport & Public Works	(10)	-	-	-	-	-	-	-	(10)
PHILLIPI EAST MARKET	PGWC Agriculture	(501)	-	-	-	-	-	(30)	-	(531)

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PHOENIX UISP	PGWC Housing	(215)	-	-	73	-	-	-	-	(142)
WALLACEDENE PHASE 10B HOUSING PROJECT	PGWC Housing	(2 873)	-	-	-	-	-	-	-	(2 873)
ATHLONE STADIUM GENERAG UPGRADING	PGWC Transport & Public Works	(1 742)	-	-	-	-	-	-	-	(1 742)
LOCAL SPATIAL PLAN	PGWC Other	(1)	-	-	-	-	-	-	-	(1)
NATIONAL IMBIZO FOCUS WEEK	PGWC Other	(240)	-	-	-	-	-	-	-	(240)
TEMPERANCE TOWN	PGWC Housing	-	(1 817)	-	1 935	-	-	-	(118)	-
DU NOON PHASE 1 : TRANSFERS	Prov. House Dev. Board	(286)	-	-	-	-	-	-	-	(286)
PUBLIC LIBRARY FUND	PGWC Cultural Affair	(2 417)	(24 267)	-	9 756	14 194	-	(600)	-	(3 334)
GOV.GRANT (COMMUNITYDEV. WORKERS)	PGWC Housing	(1 000)	-	178	-	-	-	(59)	-	(881)
NONQUBELA PH2/MAKHAZA	Prov. House Dev. Board	-	-	-	49	(49)	-	-	-	-
DRIFTSANDS UISP	PGWC Housing	(260)	-	-	-	-	-	-	-	(260)
FACILITATION GRANT MASIPHATHISANE PHASE 1	PGWC Housing	(14)	-	-	-	-	-	(1)	-	(15)
FACILITATION GRANT IGUGULTHU PHASE 1	PGWC Housing	(32)	-	-	-	-	-	(2)	-	(34)
BARDALE HIGH MAST LIGHTING PROJECT	PGWC Housing	(471)	-	-	-	-	-	-	-	(471)
FAC. GRANT CHRIS HANI PARK	PGWC Housing	(2)	-	-	-	-	-	-	-	(2)
MANENBERG SPORT COMPLEX UPGRADE GMS	PGWC Cultural	(235)	-	-	-	-	-	-	-	(235)
GABRIEL SQUARE RESTITUTION	PGWC Housing	(37)	-	-	-	-	-	-	-	(37)
HOUSING LAND ACQUISITIONS PGWC	PGWC Housing	-	(10 051)	-	10 051	-	-	-	-	-
HAPPY VALLEY - BLACKHEATH	PGWC Housing	(659)	(53 892)	-	502	110	-	-	-	(53 939)
HANGBER HOUSING PROJECT	PGWC Housing	(94)	-	-	42	-	-	-	-	(52)
JAKKELSVLEI CANAL UPGRADING	Prov. House Dev. Board	(12 000)	-	-	1 536	-	-	-	-	(10 464)
RONDEVLEI HOUSING PROJECT	Prov. House Dev. Board	(235)	(345)	-	338	-	-	-	-	(242)
CRU: CONNAUGHT FLATS	PGWC Housing	(815)	(8 136)	-	5 209	-	-	-	-	(3 742)
CRU: SCOTSDENE/VILLE FLATS	PGWC Housing	(8 248)	(49 154)	-	34 108	-	-	-	-	(23 294)
CRU: UITSIG HOUSES	PGWC Housing	(9 081)	(51 346)	-	38 200	-	-	-	-	(22 227)
CRU: WOODLANDS FLATS	PGWC Housing	(1 229)	(23 801)	-	13 358	-	-	-	-	(11 672)
CRU: MANENBURG FLATS	PGWC Housing	(3 648)	(1 696)	-	1 837	-	-	-	-	(3 507)
CRU: THE RANGE FLATS	PGWC Housing	(1 040)	(15 054)	-	7 318	-	-	-	-	(8 776)
CRU: KEWTOWN FLATS	PGWC Housing	(2 562)	(31 933)	-	26 275	-	-	-	-	(8 220)
CRU: HANOVER PARK FLATS	PGWC Housing	(7 298)	(30 861)	-	37 404	-	-	-	-	(755)
CRU: HEIDEVELD FLATS	PGWC Housing	(2 331)	(14 134)	-	7 081	-	-	-	-	(9 384)
CRU: MARBLE FLATS	PGWC Housing	(3 608)	(22 232)	-	16 175	-	-	-	-	(9 665)
CRU: HOSTELS - LWANDLE	PGWC Housing	(404)	-	-	-	-	-	-	-	(404)
CRU: HOSTELS - MFULENI	PGWC Housing	(438)	-	-	-	-	-	-	-	(438)

## Appendix D: Disclosure of grants and subsidies in terms of section 123 of the MFMA

Description	Source	Balance unspent at beginning of the year	Current year receipts	Adjustments	Conditions met - transferred to revenue	Trf ex Operating Expenditure	Trf from Capital grant	Interest earned	Amounts to be claimed	Conditions still to be met - transferred to liabilities
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
CRU: SCOTTSDALE FLATS	PGWC Housing	(4 748)	(269)	-	3 599	-	-	-	-	(1 418)
SEFP: KEWTOWN FLATS	PGWC Housing	-	-	-	1 650	-	-	-	(1 650)	-
BOKMAKIERIE / HAZENDAL INFILL	PGWC Housing	-	(3 087)	-	358	48	-	-	-	(2 681)
OCEAN VIEW / MOUNTAIN VIEW	PGWC Housing	(5)	(9 591)	-	9 964	-	-	-	(368)	-
SOMERSET WEST HOUSING PROJECT	PGWC Housing	-	(5 000)	378	990	-	-	-	-	(3 632)
SERCOR PARK	PGWC Housing	-	-	-	1 930	(1 930)	-	-	-	-
LUVUYO CLINIC EXTENSION	PGWC	-	(17)	-	211	-	-	-	(194)	-
MACASSAR TREATMENT WORKS	PGWC	-	(8 000)	-	-	-	-	-	-	(8 000)
HEIDEVELD HOUSING INFILL	PGWC Housing	-	-	-	619	-	-	-	(619)	-
		<b>(111 561)</b>	<b>(423 265)</b>	<b>(32 336)</b>	<b>307 328</b>	<b>17 930</b>	<b>-</b>	<b>(1 214)</b>	<b>(3 190)</b>	<b>(246 308)</b>
<b>Total national government transfers and grants</b>		<b>(702 923)</b>	<b>(1 023 758)</b>	<b>81 118</b>	<b>955 533</b>	<b>47 528</b>	<b>(47 528)</b>	<b>(37 312)</b>	<b>-</b>	<b>(727 342)</b>
<b>Total provincial government transfers and grants</b>		<b>(246 903)</b>	<b>(719 762)</b>	<b>(19 248)</b>	<b>625 106</b>	<b>19 909</b>	<b>(17 357)</b>	<b>(6 597)</b>	<b>(29 954)</b>	<b>(394 806)</b>