



Annual Financial Statement 30 June 2011



VISION - Growing, Sharing, Delivering and Innovating Together

MISSION - The Cape Winelands District Municipality, in partnership with its citizens and stakeholders, commit themselves to inclusive, informed and responsible governance where sustainable service delivery and development create opportunities for all

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CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

General Information

Mayoral committee

Executive Mayor

Cllr. B.J. CHAABAN (Executive Mayor until 15 June 2011)
Ald. C.A. DE BRUYN (Executive Mayor from 15 June 2011)
Cllr. C.C.BRINK (Until 15 June 2011)
Cllr. C.G. DU PLESSIS (Until 15 June 2011)
Cllr. Z.J. MTHINI (Until 15 June 2011)
Cllr. P.X. SWANGAZA (Until 15 June 2011)
Cllr. N.D. HANI (Speaker until 15 June 2011)
Cllr. E.N. BUSHWANA (Until 15 June 2011)
Cllr. M.M. SMITH (Until 15 June 2011)
Cllr. R.B. ARNOLDS (From June 2011)
Cllr. G.J. GARINUS (From 15 June 2011)
Cllr. C.W. JOHNSON (Until 15 June 2011)
Cllr. H.M. JANSEN (From 15 June 2011)
Ald. (Dr.) N.E. KAHLBERG (From 15 June 2011)
Cllr. L.X. MDEMKA (From 15 June 2011)
Cllr. C. MEYER (From 15 June 2011)
Cllr. G. STALMEESTER (From 15 June 2011)
Cllr. J.R.F. TORR (From 15 June 2011)
Cllr. E.J. VAN ZYL (From 15 June 2011)
Cllr. J.D.F. VAN ZYL (From 15 June 2011)
Cllr. J.J. DU PLESSIS (From 15 June 2011)
Ald. (Dr.) N.E. KAHLBERG (Until 15 June 2011)
Ald. D.J. OOSTHUIZEN (Until 15 June 2011)
Cllr. A.M. DU TOIT (Until 15 June 2011)
Cllr. A.N. MHLAMBENI (Until 15 June 2011)
Cllr. C. DU PLESSIS (Until 15 June 2011)
Cllr. C. PHILANDER (Until 15 June 2011)
Ald. C.A. DE BRUYN (Until 15 June 2011)
Cllr. E.J. VAN ZYL (Until 15 June 2011)
Cllr. H.J. SMIT (Until 15 June 2011)
Cllr. H.M. JANSEN (Until 15 June 2011)
Cllr. J. THOMAS (Until 17 March 2011)
Cllr. J.I.K. GAGIANO (Until 15 June 2011)
Cllr. J.J. ABRAHAMS
Cllr. L. RICHARDS (Until 15 June 2011)
Cllr. L. SIWAKAMISA
Cllr. L.N. MBESHU (Until 25 November 2010)
Cllr. G.J. CARINUS (Until 15 June 2011)
Cllr. P.B.B. DU TOIT (Until 15 June 2011)
Cllr. P.W. BISCOMBE (Until 25 November 2011)
Cllr. C. DAMENS (Until 15 June 2011)
Cllr. R. BRAND (Until 15 June 2011)
Cllr. S. GELDENHUYS (Until 15 June 2011)
Cllr. S. ROSS (Until 15 June 2011)
Cllr. S.W. VAN EEDEN (Until 15 June 2011)
Cllr. J.R.F. TORR (Until 15 June 2011)
Cllr. A. TITUS (Until 15 June 2011)
Cllr. B.E. VOS (Until 15 June 2011)
Cllr. M. APOLLIS (From 15 June 2011)

Councillors

CAPE WINELANDS DISTRICT MUNICIPALITY

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General Information

Cllr. D.C. BOTHA (From 15 June 2011)
Cllr. C.C. BRINK (From 15 June 2011)
Cllr. B.J. CHAABAN (From 15 June 2011)
Cllr. J.B. CRONJE (From 15 June 2011)
Cllr. S.W. DAVIDS (From 15 June 2011)
Cllr. D.B. JANSE (From 15 June 2011)
Cllr. Z. GWADA (From 15 June 2011)
Cllr. N.D. HANI (From 15 June 2011)
Cllr. A.C. FORTUIN (From 25 November 2010 until 15 June 2011)
Cllr. D.A. HENDRICKSE (From 15 June 2011)
Cllr. P. HERADIEN (From 15 June 2011)
Cllr. J.J. JANUARIE (From 15 June 2011)
Cllr. X. KALIPA (From 15 June 2011)
Cllr. B.J. KRIEGLER (From 15 June 2011)
Cllr. P. MARRAN (From 15 June 2011)
Cllr. C. MCAKO (From 15 June 2011)
Cllr. S.J. MEI (From 15 June 2011)
Cllr. J.S. MOUTON (From 15 June 2011)
Cllr. L.W. NIEHAUS (From 15 June 2011)
Cllr. W.J. PRETORIUS (From 15 June 2011)
Cllr. A.C. STOWMAN (From 15 June 2011)
Cllr. M.S. TAYITAYI (From 15 June 2011)
Cllr. R.H. VAN NIEUWENHUYSEN (From 15 June 2011)
Cllr. E.J. VOLLENHOVEN (From 15 June 2011)
Cllr. M.H. YABO (From 15 June 2011)

Grading of local authority

GRADE 9

Accounting Officer

M MGAJO

Chief Finance Officer (CFO)

J. G. MARAIS

Registered office

46 ALEXANDER STREET
STELLENBOSCH
7600

Business address

46 ALEXANDER STREET
STELLENBOSCH
7600

Postal address

P.O. BOX 100
STELLENBOSCH
7599

Bankers

ABSA

Auditors

AUDITOR GENERAL

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

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Abbreviations	
COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements.

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

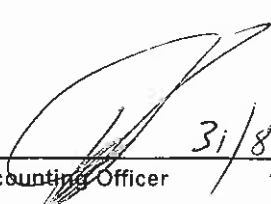
The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2012 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the government grants for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the government has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors.

The annual financial statements set out on pages 5 to 51, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2011.


Accounting Officer

31/8/2011

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Current Assets			
Inventories	7	1 999 599	1 662 218
Other Receivables	8	8 346 913	13 565 070
VAT receivable		2 173 525	5 416 351
Consumer debtors	9	674 259	1 564 617
Cash and cash equivalents	10	373 619 166	349 251 371
		386 813 462	371 459 627
Non-Current Assets			
Property, plant and equipment	4	182 256 576	175 764 820
Non-Current Assets		182 256 576	175 764 820
Current Assets		386 813 462	371 459 627
Non-current assets held for sale (and) (assets of disposal groups)		-	-
Total Assets		569 070 038	547 224 447
Liabilities			
Current Liabilities			
Finance lease obligation	14	136 829	156 267
Trade and other payables from exchange transaction	18	34 722 763	25 209 396
Liabilities relating to conditional grants	15	5 864 983	6 671 473
Medical Aid Liability	16	13 872 000	12 209 000
		54 596 575	44 246 136
Non-Current Liabilities			
Finance lease obligation	14	122 746	127 317
Medical Aid Liability	16	104 513 161	92 546 296
Pension Obligation	17	3 660 336	3 487 548
		108 296 243	96 161 161
Non-Current Liabilities		108 296 243	96 161 161
Current Liabilities		54 596 575	44 246 136
Liabilities of disposal groups		-	-
Total Liabilities		162 892 818	140 407 297
Assets		569 070 038	547 224 447
Liabilities		(162 892 818)	(140 407 297)
Net Assets		406 177 220	406 817 150
Net Assets			
Reserves			
Foreign currency translation reserve	11	-	166 269
Revaluation reserve	12	115 833 341	118 253 185
Accumulated surplus		290 343 879	288 397 687
Total Net Assets		406 177 220	406 817 141

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Revenue			
Property rates	22	442 637	395 666
Service charges	23	1 446 109	823 955
Property rates - penalties imposed and collection charges		50 171	19 774
Rental of facilities and equipment		113 291	105 071
Interest received (trading)		2 313	32 752
Income from agency services		6 589 219	4 882 757
Government grants & subsidies	24	286 665 656	264 078 992
Contribution from Surplus		25 903 170	32 886 291
Other income	25	6 277 349	8 413 955
Interest received - other	30	25 334 704	30 556 854
Total Revenue		352 824 619	342 196 067
Expenditure			
Employee related cost	27	(100 406 033)	(92 547 162)
Remuneration of councillors	28	(7 310 196)	(7 062 975)
Medical Aid Liability	29	(3 511 000)	(3 046 000)
Depreciation and amortisation	31	(8 113 171)	(10 808 117)
Finance costs	32	(10 193 884)	(8 679 122)
Debt impairment		(484 054)	(278 905)
Collection costs		(220 918)	-
Repairs and maintenance		(80 050 516)	(57 298 976)
General Expenses	26	(119 317 212)	(138 175 553)
Total Expenditure		(329 606 984)	(317 896 810)
Gain on disposal of assets and liabilities		262 702	35 599
Revenue		352 824 619	342 196 067
Expenditure		(329 606 984)	(317 896 810)
Other		262 702	35 599
Surplus for the year		23 480 337	24 334 856

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Statement of Changes in Net Assets

	Foreign currency translation reserve	Revaluation reserve	Total reserves	Accumulated surplus	Total net assets
Figures in Rand					
Balance at 01 July 2009 (Restated)	-	120 815 895	120 815 895	300 204 310	421 020 205
Changes in net assets					
Surplus	-	-	-	24 334 856	24 334 856
Receipts to NDR	-	-	-	158 754	158 754
Transfer to Income Statement	-	(2 547 605)	(2 547 605)	(579 371)	(3 126 976)
Receipts/ Additions	170 160	-	170 160	-	170 160
Cash Utilised (CRR)	-	-	-	(7 028 845)	(7 028 845)
Actuarial Gain/ Loss	-	-	-	(4 355 530)	(4 355 530)
Transfer to CRR	-	-	-	7 028 845	7 028 845
Interest Received	(3 891)	-	(3 891)	-	(3 891)
Offsetting Depreciation	-	-	-	3 126 976	3 126 976
Prior Year Adjustments	-	-	-	(143 978)	(143 978)
Capital Grants to purchase PPE	-	-	-	(158 756)	(158 756)
Conditional Grant Suspense account	-	-	-	(869 234)	(869 234)
Transfer to CRR	-	-	-	(32 886 291)	(32 886 291)
Task back pay	-	-	-	(434 049)	(434 049)
Actuarial Gain	-	(15 105)	(15 105)	-	(15 105)
Total changes	166 269	(2 562 710)	(2 396 441)	(11 806 623)	(14 203 064)
Balance at 01 July 2010	166 269	118 253 185	118 419 454	288 397 693	406 817 147
Changes in net assets					
Surplus for the year	-	-	-	23 480 337	23 480 337
Receipts to NDR	-	-	-	615 442	615 442
Transfer to Income Statement	-	(2 419 844)	(2 419 844)	(377 460)	(2 797 304)
Cash Utilised (CRR)	-	-	-	4 676 716	4 676 716
Actuarial Gain/ Loss	-	-	-	(4 575 322)	(4 575 322)
Transfer to CRR	-	-	-	(4 676 746)	(4 676 746)
Offsetting of Depreciation	-	-	-	2 797 303	2 797 303
Prior year adjustments	-	-	-	6 524 494	6 524 494
Capital Grants to purchase PPE	-	-	-	(305 265)	(305 265)
Donated PPE	-	-	-	(310 177)	(310 177)
Other	-	-	-	(25 903 171)	(25 903 171)
Rounding	-	-	-	35	35
Expenditure during the year	(166 269)	-	(166 269)	-	(166 269)
Total changes	(166 269)	(2 419 844)	(2 586 113)	1 946 186	(639 927)
Balance at 30 June 2011	-	115 833 341	115 833 341	290 343 879	406 177 220
Note(s)	11	12			

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Cash Flow Statement

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Receipts			
Grants		315 075 916	268 585 653
Interest income		23 780 435	30 556 854
Interest received (trading)		2 313	32 752
Other receipts		16 663 400	10 579 092
		<u>355 522 064</u>	<u>309 754 351</u>
Payments			
Employee costs		(137 777 208)	(96 510 211)
Suppliers		(169 367 561)	(200 793 777)
Finance costs		(10 170 947)	(8 647 931)
Other payments		(4 916 389)	(7 054 394)
		<u>(322 232 105)</u>	<u>(313 006 313)</u>
Total receipts		355 522 064	309 754 351
Total payments		(322 232 105)	(313 006 313)
Net cash flows from operating activities	34	<u>33 289 959</u>	<u>(3 251 962)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(10 824 214)	(14 151 758)
Proceeds from sale of property, plant and equipment	4	746 222	409 992
Proceeds from sale of financial assets		-	23 377
		<u>(10 077 992)</u>	<u>(13 718 389)</u>
Cash flows from financing activities			
Non Cash Transfers		-	3 288 179
Movement in pension obligation		172 788	12 104 708
Prior year movements		1 029 986	(523 997)
Finance lease payments		(46 946)	(35 035)
		<u>1 155 828</u>	<u>14 833 855</u>
Net increase/(decrease) in cash and cash equivalents		24 367 795	(2 136 496)
Cash and cash equivalents at the beginning of the year		349 251 371	351 387 867
Cash and cash equivalents at the end of the year	10	<u>373 619 166</u>	<u>349 251 371</u>

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period, except for the changes set out in note First-time adoption of International Financial Reporting Standards.

1.1 Going Concern Assumption

These annual financial statements are prepared on the going concern basis.

In finalising the financial statements, management must in terms of GRAP 1 disclose any material uncertainties related to events or conditions, which may cast significant doubt upon the organisation's ability to continue as a going concern. The determination whether the going concern assumption is appropriate is primarily relevant for individual entities rather than for a government as a whole.

The primary source of revenue for the Cape Winelands District Municipality is transfer payments from the National Government. The following National allocations were made to Cape Winelands District Municipality in respect of RSC Levy Replacement Grant. See note 24 at *:

2007/2008 Financial Year R143 203 000
2008/2009 Financial Year R161 122 430
2009/2010 Financial Year R177 491 000
2010/2011 Financial Year R182 783 000

The abovementioned allocations are sufficient for the sustainability of the District Municipality. An alternative source of income should be explored to reduce the dependency of the District Municipality on National funds.

1.2 Internal Reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred, for internal record keeping purposes, from the accumulated surplus/(deficit) to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

- The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance, whereafter such interest may be transferred from accumulated surplus to CRR.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.
- If gains or losses are made on the sale of assets the gains or losses on the sale of assets are reflected in the Statement of Financial Performance.
- The amounts transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

Government grant reserve

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.2 Internal Reserves (continued)

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the Statement of Financial Performance. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus or deficit.

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus or deficit while gains or losses on disposal, based on revalued amounts, are recognised in the Statement of Financial Performance.

1.3 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.3 Property, plant and equipment (continued)

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Where an asset is acquired at no cost or for nominal cost its cost is its fair value as the date of acquisition.

Heritage assets, which are culturally significant resources and are shown at cost, are not depreciated, owing to the uncertainty regarding their estimated useful lives.

- Heritage assets : Building in 46 Alexander street, was declared as an Provincial Heritage site on 8 September 1967.

Land is not depreciated.

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 recognised in surplus or deficit as incurred.

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 included in surplus or deficit whom such items is derecognised.

Revaluation on fixed property was done during the 2008/2009 financial year and will again done in the 2011/2012 financial year.

Depreciation and impairment losses

Depreciation is calculated using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives for the current and comparative years:

Item	Estimated useful life
Buildings	30-40
Specialist plant & equipment	10-15
Furniture and Fittings	5-10
Other vehicles	5-10
Office equipment & Air Conditioners	3-5
Other Plant & Equipment	5-10
Specialised vehicles	10-15

In the case of vehicles depreciation is calculated on cost less residual values, using the straight line method, over the estimated useful lives of the assets. The Auto Dealers Guide was used to determine the following percentages for residual values:

• Motor Cars	53,59%
• LDV's	45,81%
• Combi's	32,91%
• Specialized Fire Vehicles	43,44%

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 shorter, the term of the relevant lease.

Impairment of property, plant and equipment:

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.4 Investment property

Investment properties are properties held either to earn rental income, and for capital appreciation or both. Investment properties are measured at cost less accumulated depreciation. Investment properties are written down for impairment where considered necessary. 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. When investment property is acquired at no cost or for nominal cost, its cost is its fair value as at the date of acquisition.

No revaluation was done on investment property, because council does not have any investment property.

1.5 Intangible assets

An intangible asset is 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 Municipality recognises computer development software costs as intangible assets if the costs are clearly associated with an identifiable and unique system controlled by the Municipality, 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 and are amortised on the straight-line basis over the useful lives of the assets estimated at three to five years.

1.6 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - held for trading
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the Municipality has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises

Available-for-sale financial assets are financial assets that are designated as available for sale, and are subsequently measured at fair value at Statement of Financial Position date, except for investments in equity instruments that do not have quoted market price in an active market, and whose fair value cannot be reliably measured, which shall be measured at cost. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises

Held-for-trading financial assets include derivative financial instruments used by the Municipality to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings in the form of interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a non-current asset or liability, and is subsequently measured at fair value at Statement of Financial Position date.

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Initial recognition and measurement

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.6 Financial instruments (continued)

Financial instruments are recognised when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the Statement of Financial Performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Municipality has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Trade and other receivable

Trade and other receivables are recognised initially at fair value, and subsequently stated at 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 dedicated 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 Municipality 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.

Trade and other payables

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

Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand deposits held on call with banks and investment in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Financial liabilities and equity instruments

The Municipality measures all financial liabilities, including trade and other payables, at amortised cost, using the effective interest 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.

1.7 Inventories

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

CAPE WINELANDS DISTRICT MUNICIPALITY

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Accounting Policies

1.7 Inventories (continued)

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. Where inventories are acquired at no cost or for nominal consideration, the cost is deemed to be the fair value as at the date of acquisition.

Redundant and slow moving inventories are identified and written down to their estimated net realisable values. Consumables are written down according to their age, condition and utility.

1.8 Revenue Recognition

Revenue excluding value-added taxation where applicable is derived from a variety of sources which include rates levied in the District Management Area, Grants from other spheres of Government, RSC Levies and other services provided. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the Municipality and these benefits can be measured reliably.

Revenue from exchange transactions

- The Regional Establishment Levy and Regional Services Levy are recognized at the time of receipt. Levies that must be recognised are calculated as a percentage of turnover and remuneration. RSC Levies have been abolished at June 2006, however legislation was issued to allow municipalities to recover all outstanding RSC Levies until June 2008.
- Revenue from rates in the DMA is recognised when the Legal Entitlement to this revenue arises. Rates are levied on the land and improvements value of property. The DMA has been transferred to certain local municipalities as determined by the Demarcation Board, therefore council will not account for Revenue from Rates as from the 01 July 2009.
- Income in respect of housing rental and instalment sales agreements is accrued monthly in terms of the agreement.
- Government grants and public contributions are recognised as revenue when all conditions associated with the grant have been met
- Interest earned on unutilised conditional grants is allocated directly to the Statement of Financial Performance. Then the interest is allocated to the creditor: Unspent Conditional Grants, if the grant conditions indicate that interest is payable to the funder
- Interest on outstanding debtors is recognised on a time proportionate basis and is charged on all outstanding debtors older than 30 days.
- Collection charges are recognized when such amounts are legally enforceable.
- Donations are recognized on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.
- Revenue arising from the application of the approved tariff of charges is recognized when the relevant service is rendered by applying the relevant authorized tariff. This includes the issuing of licenses and permits.
- Various services are provided on a prepayment basis, in which case no formal billing takes place, and revenue is recognised when received.
- Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
 - The Municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
 - The Municipality 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

- 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 Municipality.
- 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

1.9 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. Revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.10 Conditional Grants and receipts

Income received from conditional grants, donations and subsidies is recognised to the extent that the Municipality 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 it is utilised.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

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.

1.11 Provisions and contingencies

A provision is recognised when the municipality 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.

The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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.

Provision for Performance Bonuses

The Municipality makes provision for bonuses payable owing to officials in terms of performance agreements.

Provision for Bonuses

Provision is made for unpaid bonuses payable to officials in their next bonus cycle prorated to the end of the financial year.

1.12 Environmental Rehabilitation Provision

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Municipality'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 subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

1.13 Employee Benefits

Short-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 municipality recognises the expected cost of performance bonuses only when the Municipality has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

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

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.13 Employee Benefits (continued)

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 Municipality contributes monthly to the funds.

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

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 using the 'corridor method'. Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10% of the present value of the gross defined benefit obligations in the scheme. Actuarial gains and losses exceeding 10% are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed annually.

Medical aid: continued members

The Municipality 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 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 they become payable.

Post retirement medical obligations

The Municipality 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 Municipality is associated, a member (who is on the current conditions of service) on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for 30% of the medical aid membership fee, and the Municipality for the remaining 70%. Under an accrued rights position agreed to by Council, the age of internally appointed staff under the Municipality's new conditions of service determines, on a sliding-scale basis, the post-retirement subsidy for medical aid. External appointments 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 using the 'corridor method'. Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10% of the present value of the gross defined benefit obligations in the scheme. Actuarial gains and losses exceeding 10% are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed annually.

1.14 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.14 Leases (continued)

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality.

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.

Municipality as lessor

Operating lease revenue is recognised as an revenue on a straight-line basis over the lease term.

Operating leases – lessee

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.

1.15 Grants-In-Aid

The Municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the Municipality 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 that the events giving rise to the transfer occurred.

1.16 Tax

The Municipality accounts for value-added tax on the payments basis.

1.17 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.

1.18 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), 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.

1.19 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.

1.20 Translation of foreign currencies

Foreign currency transactions

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.20 Translation of foreign currencies (continued)

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 balance sheet date by applying the exchange rate at that date. Exchange differences arising from the settlement of creditors, or on reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or as expenses in the period in which they arise. Council considers the necessity to take out forward cover before entering into foreign exchange transactions in order to avoid possible losses due to fluctuation in exchange rates.

1.21 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.

1.22 Segmental Information

The principal segments have been identified on a primary basis by service operation and on a secondary basis by the classification of income and expenditure. The primary basis is representative of the internal structure for both budgeting and management purposes. The secondary basis classifies all operations based on the classification of income and expenditure.

1.23 Community Support

The Cape Winelands District Municipality annually awards grants to organisations in terms of section 67 of the MFMA. When making these transfers, Council 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 financial statements as expenses in the period that the events giving rise to the transfer occurred.

In order to comply with the MFMA section 67(4)(a) a limit of R30 000 was approved by Council.

1.24 Comparative figures

Comparative figures are re-classified 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.

1.25 Non-current assets held for sale

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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2. Changes in accounting policy

Council implemented GAMAP/ GRAP in 2004/2005. Since then no changes were made that had a material impact on the annual financial statements.

3. New standards and interpretations

IFRIC 14 (AC 447) IAS 19 - The Limitation on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The interpretation addresses the limitation of a defined benefit asset in accordance with paragraph 58 of IAS 19 (AC 116) Employee Benefits. The interpretation provides guidance in the determination of the amount of economic benefits available in the form of refunds and reductions in future contributions, which will affect the maximum amount which may be measured as a defined benefit asset.

The effective date of the interpretation is for years beginning on or after 01 January 2011.

The municipality expects to adopt the interpretation for the first time in the 2012 annual financial statements.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1) (b) of the Public Finance Management Act, Act No. 1 of 1999, as amended.

The municipality expects to adopt the standard for the first time in the 2012 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

3.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2011 or later periods but are not relevant to its operations:

GRAP 18: Segment Reporting

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 – Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is for years beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1) (b) of the Public Finance Management Act, Act No. 1 of 1999, as amended.

No effective date has been determined by the minister of finance.

GRAP 23: Revenue from Non-exchange Transactions

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as recognise and amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1) (b) of the Public Finance Management Act, Act No. 1 of 1999, as amended.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

An municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach
- Restoration cost approach

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

- Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

An municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1) (b) of the Public Finance Management Act, Act No. 1 of 1999, as amended.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

GRAP 26: Impairment of cash-generating assets

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, a municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, a municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for that asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, a municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

CAPE WINELANDS DISTRICT MUNICIPALITY

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3. New standards and interpretations (continued)

A municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, a municipality estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1) (b) of the Public Finance Management Act, Act No. 1 of 1999, as amended.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

GRAP 25: Employee benefits

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires a municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when an municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP 25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP 25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by an municipality in exchange for service rendered by employees;
- Defined contribution plans as post-employment benefit plans under which an municipality 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;
- Defined benefit plans as post-employment benefit plans other than defined contribution plans;
- Multi-employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:
 - pool the assets contributed by various entities that are not under common control; and
 - use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the municipality that employs the employees concerned;
- Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service;
- Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;
- Post-employment benefit plans as formal or informal arrangements under which a municipality provides post-employment benefits for one or more employees;
- Short-term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;
- State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;
- Termination benefits as employee benefits payable as a result of either:
 - an entity's decision to terminate an employee's employment before the normal retirement date; or
 - an employee's decision to accept voluntary redundancy in exchange for those benefits;
- Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

- Short-term employee benefits;
 - All short-term employee benefits;
 - Short-term compensated absences;
 - Bonus, incentive and performance related payments;

CAPE WINELANDS DISTRICT MUNICIPALITY

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3. New standards and interpretations (continued)

- Post-employment benefits: Defined contribution plans;
- Other long-term employee benefits;
- Termination benefits.

The standard states Post-employment benefits: distinction between defined contribution plans and defined benefit plans:

- Multi-employer plans;
- Defined benefit plans where the participating entities are under common control;
- State plans;
- Composite social security programmes;
- Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

- Recognition and measurement;
- Presentation;
- Disclosure;
- Accounting for the constructive obligation;
- Statement of financial position;
- Asset recognition ceiling;
- Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;
- Statement of financial performance.

The standard prescribes recognition and measurement for:

- Present value of defined benefit obligations and current service cost:
 - Actuarial valuation method;
 - Attributing benefits to periods of service;
 - Actuarial assumptions;
 - Actuarial assumptions: Discount rate;
 - Actuarial assumptions: Salaries, benefits and medical costs;
 - Actuarial gains and losses;
 - Past service cost.
- Plan assets:
 - Fair value of plan assets;
 - Reimbursements;
 - Return on plan assets.

The standard also deals with entity combinations and curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1) (b) of the Public Finance Management Act, Act No. 1 of 1999, as amended.

No effective date has been determined by the minister of finance.

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle a entity to a portion of another entity's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, a municipality considers the substance of the contract and not just the legal form.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

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3. New standards and interpretations (continued)

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where a municipality subsequently measures financial assets and financial liabilities at amortised cost or cost, transaction costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another entity on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value, amortised cost or cost. A municipality measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

- Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. A municipality is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.
- Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, a municipality can however designate such an instrument to be measured at fair value.

An municipality can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once an municipality has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, an entity has transferred control of the asset to another entity.

A municipality derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishments of an existing liability and the recognition of a new financial liability. Where a municipality modifies the term of an existing financial liability, it is also treated as the extinguishments of an existing liability and the recognition of a new liability.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

A municipality cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for a municipality's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that a municipality is exposed to as a result of its annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. A municipality is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1) (b) of the Public Finance Management Act, Act No. 1 of 1999, as amended.

No effective date has been determined by the minister of finance.

GRAP 16 (Revised): Investment Property

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of an entity's operations.

GRAP 16 states that the use of property to provide housing as a social service does not qualify as investment property even though rentals are earned.

At initial recognition, investment property is measured at cost including transaction costs. However, where an entity acquires investment property through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

After initial recognition, entities can carry investment property at either the fair value (fair value model) or cost less accumulated depreciation and accumulated impairment (cost model).

An entity is required to disclose the fair value of investment property if the cost model is used. When an entity carries investment properties at fair value, the fair value needs to be determined at every reporting date. Gains or losses arising from changes in fair value are included in surplus or deficit for the period in which they arise.

The following Directives also need to be considered:

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions requires retrospective application of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities requires retrospective application of the Standard.

Directive 4 - Transitional provisions for medium and low capacity municipalities requires retrospective application of the Standard. However, entities are not required to measure investment properties in accordance with the requirements of the Standard for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard.

The effective date of the standard is for years beginning on or after 1 April 2011.

The municipality expects to adopt the standard for the first time in the 2012 annual financial statements.

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Annual Financial Statements for the year ended 30 June 2011

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4. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	155 914 595	(33 310 223)	122 604 372	156 901 297	(30 580 922)	126 320 375
Infrastructure	1 520 762	(562 168)	958 594	1 531 061	(512 429)	1 018 632
Other property, plant and equipment	77 851 828	(38 051 483)	39 800 345	76 197 674	(39 923 913)	36 273 761
Heritage	5 304 608	(1 990 325)	3 314 283	3 971 803	(1 558 183)	2 413 620
Work in Progress	15 578 982	-	15 578 982	9 738 432	-	9 738 432
Total	256 170 775	(73 914 199)	182 256 576	248 340 267	(72 575 447)	175 764 820

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Changes in Opening Balance	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Buildings	126 320 375	118 804	614 338	-	(1 562 989)	70 968	(2 957 124)	-	122 604 372
Infrastructure	1 018 632	-	(1)	-	(10 299)	-	(49 738)	-	958 594
Other property, plant and equipment	36 273 761	5 359 124	(614 339)	(996 199)	674 309	4 225 759	(5 106 306)	(15 764)	39 800 345
Heritage	2 413 620	-	-	-	900 663	-	-	-	3 314 283
Work in Progress	9 738 432	5 842 234	-	-	(1 684)	-	-	-	15 578 982
	175 764 820	11 320 162	(2)	(996 199)	-	4 296 727	(8 113 168)	(15 764)	182 256 576

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	129 185 961	-	(15 105)	(28 409)	(2 822 072)	126 320 375
Infrastructure	2 724 523	-	-	(1 655 727)	(50 164)	1 018 632
Other property, plant and equipment	36 486 374	7 321 649	(359 288)	760 907	(7 935 881)	36 273 761
Heritage	1 490 392	-	-	923 228	-	2 413 620
Other property, plant and equipment	2 908 323	6 830 109	-	-	-	9 738 432
	172 795 573	14 151 758	(374 393)	(1)	(10 808 117)	175 764 820

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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4. Property, plant and equipment (continued)

Assets subject to finance lease (Net carrying amount)

Other property, plant and equipment	333 435	311 238
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Revaluations

The effective date of the revaluations was 30 June 2009. Revaluations were performed by independent valuer, Mr. C.S. Dockel, of Dockel Sibanda & Associates. Dockel Sibanda & Associates is not connected to the municipality.

Land and buildings are re-valued independently every 3 years.

The valuation was performed using the Capitalisation of Income Method, Comparable Sales Method and the Depreciated Replacement Cost Method.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Two housing schemes was transferred from the Department Public Works to council to do further upgrading and development. During the 2008/2009 financial year several even in these housing projects were disposed at no cost to the beneficiaries. Although these transactions are reflected as a loss on sale in the Income Statement there were no cash implications to the municipality in this regard.

5. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Loans and receivables	Total
Other Receivables	8 346 913	8 346 913
Cash and cash equivalents	373 619 166	373 619 166
Consumer Debtors	674 259	674 259
	382 640 338	382 640 338

2010

	Loans and receivables	Total
Other Receivables	13 565 070	13 565 070
Cash and cash equivalents	349 251 371	349 251 371
Consumer Debtors	1 564 617	1 564 617
	364 381 058	364 381 058

6. Employee benefit obligations

Defined benefit plan

All Council employees belong to one of the following funds. These schemes are subject to a tri- annual, bi- annual or annual actuarial valuation as set out. The Council's contributions to these funds are reflected in surplus or deficit.

Cape Joint Pension fund, which is a defined benefit fund and is governed by the Pension funds Act of 1956. 6.81% of Council's employees are members of this fund. The fund is also a multi employer plan and the contribution rate payable is 27%, 9% by the members and 18% by Council. The recommended total contribution rate of 32.06% of pensionable salaries, as recommended in the previous statutory actuarial valuation, exceeds the total current contribution of 27% of salaries in the Defined Benefit Section. This shortfall translates to about R9.8 million a year based on Defined Benefit Section active members salaries at the valuation date.

CAPE WINELANDS DISTRICT MUNICIPALITY

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Notes to the Annual Financial Statements

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6. Employee benefit obligations (continued)		
<p>A final interest rate of 7.0% p.a. was declared in the Defined Contribution Section for the year ending 30 June 2010. A pension increase of 2.0% on 1 January 2011 was awarded.</p> <p>SAMWU National Provident Fund, which is a privately-administered fund. The fund is subject to actuarial valuation. According to the actuarial valuation the value of total assets of the SAMWU National provident Fund was R 2 007 million on 30 June 2006. 6.49 % of Council's employees are members of this fund. The funding level of the fund was 110.3% on 30 June 2006. Financial Statements for the 2009/2010 financial year are not available yet.</p> <p>The Municipal Councillors Pension Fund operates as a defined contribution fund. The fund was established in 1988 and an actuarial valuation is carried out every 3 years. The fund was sound at its previous valuation in 2009.</p>		
7. Inventories		
Consumable stores	1 999 599	1 662 218
8. Other Receivables		
Insurance	17 192	14 290
*Other receivable	8 329 721	13 550 780
	8 346 913	13 565 070
*Other Receivable		
Accrued Interest	5 589 625	5 686 961
Recoverable Group life	-	993 219
Outstanding Department of Water Affairs- claims	1 720 962	1 584 350
Deposits	255 000	255 000
TCTA year end Debtor	550 411	487 556
Suspense General	-	45 000
Roads Debtor	-	4 474 662
Government grant suspense vote	156 235	-
Other debit balances	57 488	24 032
	8 329 721	13 550 780
9. Consumer debtors		
Gross balances		
Rates	707 659	706 114
Other	812 254	1 297 784
	1 519 913	2 003 898
Less: Provision for bad debts		
Rates	(186 564)	-
Other	(659 090)	(439 281)
	(845 654)	(439 281)
Net balance		
Rates	521 095	706 114
Other	153 164	858 503
	674 259	1 564 617

CAPE WINELANDS DISTRICT MUNICIPALITY

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Figures in Rand	2011	2010
9. Consumer debtors (continued)		
Rates		
Current (0 -30 days)	-	61
61 - 90 days	-	143 490
121 + Days	521 095	562 563
	521 095	706 114
Other		
Current (0 -30 days)	50 211	45 516
31 - 60 days	33 924	27 677
121+ Days	728 119	1 223 591
	812 254	1 296 784
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	20 553	15 006
31 - 60 days	7 175	928
61 - 90 days	-	143 490
121 + Days	1 435 778	1 786 154
	1 463 506	1 945 578
Less: Provision for bad debts	(845 654)	(426 567)
	617 852	1 519 011
National and provincial government		
Current (0 -30 days)	29 658	31 571
31 - 60 days	26 748	26 748
	56 406	58 319
Less: Provision for bad debts	-	(12 714)
	56 406	45 605
Total		
Current (0 -30 days)	50 211	46 577
31 - 60 days	33 924	27 677
61 - 90 days	-	143 490
121 + Days	1 435 777	1 786 154
	1 519 912	2 003 898
Less: Provision for bad debts	(845 653)	(439 281)
	674 259	1 564 617
Less: Provision for debt impairment		
Current (0 -30 days)	-	(10 154)
31 - 60 days	-	(6 033)
61 - 90 days	-	(31 281)
121 + Days	(845 654)	(391 813)
	(845 654)	(439 281)

Council does not have trade services and it is therefore complicated to determine payment trends on debtors. However, over the past five years an average of 25.2% (2009/2010 - 21.08%) of the amount of debtors levied did not make any payments on their accounts; hence, a provision for bad debt on trade debtors was made at a rate of 25.2% (2009/2010 - 21.8%).

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

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Figures in Rand	2011	2010
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9. Consumer debtors (continued)

Reconciliation of bad debt provision

Opening Balance	439 281	160 377
Contributions to provision	484 054	278 905
Bad debts written off against provision	(77 682)	-
	845 653	439 282

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4 600	4 640
Bank balances	3 055 148	2 824 760
Short-term Investments (See note 35)	370 559 418	346 421 971
	373 619 166	349 251 371

11. Foreign currency transaction reserve

Transaction reserve comprises exchange differences on consolidation of foreign subsidiaries

Opening balance	166 269	-
Receipts/ Additions	-	170 160
Interest Received	-	(3 891)
Expenditure during the year	(166 269)	-
	-	166 269

12. Revaluation reserve

Opening balance	118 253 185	120 815 895
Transfer to NDR	-	(15 105)
Transfer to Depreciation	(2 419 844)	(2 547 605)
	115 833 341	118 253 185

13. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2011

	Capital replacement reserve	Actuarial Gains/ Losses	Government grant reserve	Total
Opening balance	76 107 925	1 025	1 707 778	77 816 728
Cash Utilised	(4 676 716)	-	615 442	(4 061 274)
Received additions to NDR	-	-	(377 460)	(377 460)
Gain for Financial Year	-	(4 575 322)	-	(4 575 322)
	71 431 209	(4 574 297)	1 945 760	68 802 672

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13. Accumulated surplus (continued)

Ring-fenced internal funds and reserves within accumulated surplus - 2010

	Capital replacement reserve	Actuarial Gains/ Losses	Government grant reserve	Total
Opening balance	83 114 158	4 356 555	2 128 393	89 599 106
Transfer to depreciation	-	-	(579 371)	(579 371)
Cash Utilised	(7 006 233)	-	-	(7 006 233)
Received additions to NDR	-	-	158 756	158 756
Transfer to inappropriate surplus	-	(4 355 530)	-	(4 355 530)
	76 107 925	1 025	1 707 778	77 816 728

Reconciliation of Accumulated surplus

Opening Balance	288 397 691	300 204 307
Actuarial Gains/ Losses	(4 575 322)	(4 355 528)
Cash Utilised (CRR)	(4 676 716)	(7 006 233)
Transfer to Income Statement (GGR)	(377 460)	(579 371)
Capital Grants used to purchase PPE (GGR)	615 442	158 756
Transfer to CRR	4 676 716	7 006 233
Capital Grants used to purchase PPE	(305 265)	(158 756)
Transfer to Offset Depreciation	2 797 303	3 126 976
Other	(25 903 171)	(34 189 575)
Donated/ Contributed Asset	(310 177)	-
Prior Year Adjustments	6 524 497	(143 976)
Net surplus for the year	23 480 337	24 334 858
	290 343 875	288 397 691

14. Finance lease obligation

Non-current liabilities	122 746	127 317
Current liabilities	136 829	156 267
	259 575	283 584

It is the policy of the council to lease cellphones under finance leases.

The lease term is 24 months.

Interest rates are linked to prime through the lease term.

Depreciation and interest paid will be added to and disclosed together with the other depreciation and interest paid of the entity.

Opening Balance	283 585	287 429
Capitalised lease liabilities	185 770	156 660
Payments during the year	(209 779)	(160 504)
	259 576	283 585
Finance lease obligation	(136 829)	(156 267)
Long term liabilities	122 747	127 318

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

Depreciation and interest paid will be added to and disclosed together with the other depreciation and interest paid of the entity.

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15. Liabilities relating to conditional grants

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Government Grants and Subsidies	5 864 983	6 671 473
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See Appendix F for reconciliation of grants from National/ Provincial Government.

16. Liabilities

Reconciliation of liabilities - 2011

	Opening Balance	Additions	Reversed during the year	Change in discount factor	Reduction due to re-measurement of settlement without cost to entity	Total
Medical Contribution	104 755 296	3 511 000	9 274 000	4 575 322	(3 730 457)	118 385 161

Reconciliation of liabilities - 2010

	Opening Balance	Additions	Reversed during the year	Change in discount factor	Reduction due to re-measurement of settlement without cost to entity	Total
Medical Contribution	92 434 945	3 046 000	8 207 000	4 355 530	(3 288 179)	104 755 296

Non-current liabilities	104 513 161	92 546 296
Current liabilities	13 872 000	12 209 000
	118 385 161	104 755 296

16.1 Medical aid liability

Reconciliation of net liability recognised in the Statement of Financial Position:

Opening balance	90 883 296	80 225 945
Medical Aid Liability - Current Service Cost	3 511 000	3 046 000
Interest paid to Future Medical Aid Liability	9 274 000	8 207 000
Actuarial Gain	-	4 355 530
	103 668 296	108 043 475
Expected Employer Benefit Payments	(3 730 457)	(3 288 179)
	99 937 839	92 546 296

Reconciliation of Assets and Liabilities recognised in the Statement of Financial Position

Opening balance	90 883 296	80 225 945
Actuarial Gain/ loss	4 575 322	4 355 530
Interest paid on Future Medical Aid Liability	9 274 000	8 207 000
Medical Aid Liability - Current Service Cost	3 511 000	3 046 000
Expected Employer Benefit Payments	(3 730 457)	(3 288 179)
	104 513 161	92 546 296

16.2 Valuation Methodology and Assumptions

CAPE WINELANDS DISTRICT MUNICIPALITY

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16. Liabilities (continued)

16.2.1 Methodology

Liabilities are valued using discounted cash flow techniques. Using a set of Actuarial assumptions, future cashflows are projected and discounted back to the Valuation Date, allowing for future investment returns and the probability of each cashflow occurring.

This methodology allows for the probability of and benefit payable in respect of different types of exit from active employment e.g. Withdrawal, Death, Retirement.

We assume that benefit entitlement accrues uniformly over each employee's total service. The accrued liability is calculated as the ratio of the past service to total service for each employee.

The method of valuing the PRMA liabilities of the Municipality is consistent with the previous valuation.

We have not explicitly allowed for the impact of HIV/AIDS on projected future healthcare costs. This could be a source of significant strain over the short to medium term future, leading to higher Medical Aid Inflation than was allowed for.

It was implicitly assumed that all Members would stay on the same Medical Aid Scheme and chosen option in future. We have also not allowed for any significant shift in the demographic profiles of the various Medical Aid Schemes e.g. the impact of an ageing population.

16.2.2 Assumptions

In order to project the liability, it was necessary to make a number of assumptions concerning future experience.

Assumptions should not be assessed in isolation, but rather in relation to each other. The difference between the financial assumptions drives the results of the Valuation.

The set of assumptions used in this Valuation is largely similar to that used in the Previous Valuation. Differences have been highlighted below.

Financial Assumptions

The main financial assumptions are as follows:

Medical Aid inflation rate	7,5 %
Investment return	8,5 %

Accounting Standard AC, 116, Employee Benefits defines the determination of the Investment Return assumption to be used as the rate that can

"be determined by reference to Market Yields at the Statement of Financial Position Date on high quality Corporate Bonds. In countries where there is no deep market in such bonds, the market yields (at the Statement of Financial Position Date) on Government Bonds should be used. The currency and term of the Corporate Bonds or Government Bonds should be consistent with the currency and estimated term of the Post-Employment Benefit obligations."

Our investment return assumption was based on the current yields of long-term Government bonds plus a risk premium as a proxy for the yield on high quality Corporate Bonds.

Medical Aid Inflation was based on an assumed long-term rate of consumer inflation of 6% p.a. plus a margin of 1.5% p.a.

The Real Rate of Return (Investment Return less Medical Aid Inflation) is thus 1% p.a.

Mortality Rates

Mortality for Pre-Retirement benefits has been based on the SA 56-62 mortality table rated down by three years for Females.

Mortality for Post-Retirement benefits has been based on the PA (90) ultimate mortality table.

Withdrawal rates from Employment were allowed for using the following rates:

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Figures in Rand	2011	2010
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16. Liabilities (continued)

Withdrawal Rate

	Males	Females
20	16,00 %	24,00 %
25	12,00 %	18,00 %
30	10,00 %	15,00 %
35	8,00 %	10,00 %
40	6,00 %	6,00 %
45	4,00 %	4,00 %
50	2,00 %	2,00 %
55+	- %	- %

III- Health Retirement Rates

	Males	Females
25	0,00%	0,00%
30	0,02%	0,02%
35	0,08%	0,12%
40	0,21%	0,22%
45	0,38%	0,32%
50	0,82%	0,50%
55	1,96%	1,02%
59	3,00%	1,50%
64	4,30%	2,50%

Early Retirement Rates

	Males	Females
55	2,00 %	2,00 %
56	1,00 %	1,00 %
57	1,00 %	1,00 %
58	1,00 %	1,00 %
59	2,00 %	2,00 %
60	2,00 %	2,00 %
61	2,00 %	2,00 %
62	3,00 %	3,00 %
63	4,00 %	4,00 %
64	5,00 %	5,00 %

Family and General Assumptions

It was assumed that all Employees currently married will be married at the time of their exit from Employment. It was assumed that 90% of current single Male Employees and 50% of current single Female Employees would be married at the time of their exit from Employment.

We assumed that husbands are on average 4 years older than their wives.

After Retirement the actual number of qualifying children was taken into account up to a maximum of three. It was assumed that Child Dependant status ceases at age 25.

An increase in Medical Aid premiums was allowed for to reflect the Valuation Date being set midway through a Calendar Year.

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Figures in Rand	2011	2010
17. Pension Obligation		
Ex Gratia Pension Provision		
Opening Balance	3 487 548	3 703 195
Movements for the year	172 788	(215 647)
	3 660 336	3 487 548

Actuarial Methodology

Liabilities are valued using discounted cash flow techniques. Using a set of Actuarial assumptions, future cashflows are projected and discounted back to the Valuation Date, allowing for future investment returns and the probability of each cashflow occurring.

Ex-Gratia Pensioners

- (i) Ex-Gratia Pensions are paid to certain Employees, who for historic reasons were not allowed to join the Cape Joint Pension Fund prior to 31 May 1990.
- (ii) Employees receive the lump sum equivalent of the following pension: Salary at Retirement/Death * Years Service prior to 31 May 1990 / 60.
- (iii) This benefit is payable on Retirement or Death in Service.
- (iv) As at the Valuation Date, there were 27 Male Employees who qualified for this Ex-Gratia benefit. The Municipality's liability towards them was R2.479 million as at the Valuation Date.
- (v) There were 30 Male Employees present at the Previous Valuation Date; the liability at that time was R2.499 million.
- (vi) These benefits were valued as future pension benefits

Gratuity Beneficiaries

- (i) Gratuity benefits are paid to certain Employees, who for historic reasons were not allowed to join a pension fund prior to 31 December 1989.
- (ii) They are paid a lump-sum based on the following formula: 10% * Annual Salary at 31 December 1989 * Full years Service prior to 31 December 1989.
- (iii) We have been supplied with information for 18 employees as at 30 June 2010 who are entitled to receive this benefit. We have calculated a liability of R 0.026 million in respect of these employees.
- (iv) In the 2009 Valuation Report there were 21 employees entitled to this benefit; the liability was R 0.032 million as at that date.

Spouses' Pensions

- (i) The Municipality is paying monthly pension benefits to 14 surviving spouses of employees who passed away while in active service or pensioners who passed away after retirement. This benefit was also paid to Mr LJ Kriel who was a pensioner in his own right, he has recently passed away.
- (ii) As at the Valuation Date, the Municipality had a liability of R0.090 million in respect of these benefit payments
- (iii) As at the Previous Valuation Date, there were 18 of such beneficiaries with liability of R 0.097 million. The benefit was increased by only 2% in 2010 and 4 beneficiaries died during the 2010 Financial Year, leading to the reduction in liability.
- (iv) These benefits were valued as pension benefits in payment.

Payments to Exited Employees

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

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Figures in Rand	2011	2010
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17. Pension Obligation (continued)

(i) The Municipality was paying monthly benefits to 5 former employees. These payments are to continue until each former employee's normal retirement date. No reversionary pensions are payable to surviving spouses of former employees on death before normal retirement date.

(ii) As at the Valuation Date, the Municipality had a liability of R0.960 million in respect of these benefits.

(iii) As at the previous valuation date, there were 7 such beneficiaries with a liability of R1.074 million. The benefit was increased by only 2% in 2010 and a beneficiary died during the 2010 financial year (a second beneficiary reached normal retirement age), reducing the liability.

(iv) These benefits were valued assuming salary increases.

Assumptions:

The main actuarial assumptions are set out below. These are the same as the previous valuation.

Financial Assumptions:

Excess of investment return over salary escalation prior to retirement	2%
Excess of investment return over pension increases after retirement	6%

Mortality:

Pre-Retirement	SA 5662 ultimate. Rated down 3 years for Females.
Post-Retirement	PA(90) ultimate.

Withdrawals

This assumption applies to the valuation of Ex-Gratia benefits only.

Age	Rate	Rate
20	}	16
25	?	12
30)	10
35		8
40		6
45		4
50		2

Normal Retirement Age:

Ex-Gratia benefits	Earliest of age 65 or age after 55 when Employee has 35 years of service
Exited Employees	65 years

18. Trade and other payables from exchange transaction

Payments received in advanced Retention	127 570	114 807
Accrued leave pay	1 759 835	2 217 180
Accrued bonus	8 473 044	5 987 525
Task Back Pay	3 270 096	5 187 558
Accrued salary expenses	-	434 049
Deposits received	321 594	41 746
Other creditors *(See footnote)	1 497 550	1 003 495
	19 273 074	10 223 036
	34 722 763	25 209 396

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Figures in Rand	2011	2010
18. Trade and other payables from exchange transaction (continued)		
Other creditors		
Suspense vote conditional grant	2 415 010	2 415 009
General Creditors	8 706 580	5 984 715
Suspense: Foreign exchange transactions	-	119 000
WCA	376 042	440 215
Unclaimed funds	474 089	474 089
Performance Bonus	737 650	528 871
Lanquedoc capital	110 550	110 550
Hermon housing	76 166	94 512
Roads Agency	4 195 410	-
Sundry creditor payments	2 125 800	-
Other creditors	55 777	56 075
	19 273 074	10 223 036

19. VAT payable

VAT is payable on the cash basis. Only once payment is received from debtors is VAT paid over to SARS.

20. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Financial liabilities at amortised cost	Total
Other financial liabilities obligations	136 829	136 829
Trade and other payables from exchange transactions	33 983 460	33 983 460
	34 120 289	34 120 289

2010

	Financial liabilities at amortised cost	Total
Other financial liabilities obligations	156 267	156 267
Trade and other payables from exchange transactions	25 209 396	25 209 396
	25 365 663	25 365 663

21. Revenue

Property rates	442 637	395 666
Property rates – Penalties imposed and collection charges	50 171	19 774
Service charges	1 446 109	823 955
Rental of facilities & equipment	113 291	105 071
Interest received – trading	2 313	32 752
Income from agency services	6 589 219	4 882 757
Government grants & subsidies	286 665 656	264 078 992
Contribution from Surplus	25 903 170	32 886 291
	321 212 566	303 225 258

CAPE WINELANDS DISTRICT MUNICIPALITY

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Figures in Rand

	2011	2010
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21. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	1 446 109	823 955
Rental of facilities & equipment	113 291	105 071
Interest received – trading	2 313	32 752
Income from agency services	6 589 219	4 882 757
	8 150 932	5 844 535

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Property rates	442 637	395 666
Property rates – Penalties imposed and collection charges	50 171	19 774

Transfer revenue

Grants and Subsidies	286 665 656	264 078 992
Contribution from Surplus	25 903 170	32 886 291

313 061 634 **297 380 723**

22. Property Rates

Rates received

Residential	442 637	395 666
	442 637	395 666
Property rates - penalties imposed and collection charges	50 171	19 774
	492 808	415 440

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2006.

Supplementary valuations are processed on an annual basis to take into account changes in the individual property values due to alterations

23. Service charges

Building Plan and Scrutiny Fees	12 110	753
Fire Fighting Services	1 433 999	823 202
	1 446 109	823 955

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
24. Government grants and subsidies		
Equitable share	12 717 000	8 520 000
Invusa Trading	-	627 324
RSC Replacement Grant	182 783 243	177 467 076
MIG Grant	763 000	6 681 000
Perception Survey	91 257	1 793 176
Masimbambane Project	-	640 647
Municipal Systems Improvement Grant	538 565	714 960
Financial Management Grant	1 230 625	1 628 398
Bulk Infrastructure Grant	1 222 282	484 343
Working For Water	9 264 756	8 340 937
Capital Grants	615 441	158 756
Sandhills - Toilet Hire	481 467	421 386
Training of Housing Officials	-	20 400
Consumer Housing Education	21 100	33 356
Water and Sanitation Master Plan	54 264	161 000
Income Agency Roads	72 778 082	52 641 085
Fire (PAWC)	333 000	280 000
Environmental Planning Grant	-	105 618
Government grants (operating) 1	1 500 000	-
Bocma Donation	60 000	-
Integrated Transport Plan	899 177	699 826
Contribution from Private Land Owners	7 490	2 492 741
Health Agency Income	184 862	166 963
Management Support Programme	21 052	-
Madiba House	445 479	-
Environmental Planning	615 516	-
Human Rights Education	37 998	-
	286 665 656	264 078 992
25. Other income		
Seta Refunds	302 272	403 229
Exhibition Income	37 281	51 380
Admin: Work for Water	695 733	681 501
Income: City of Cape Town	-	592 800
Shop Steward Refund	-	4 084
RSC Levies Recovered	55	1 781
Future Medical Aid Liability	3 730 457	3 288 179
Emergency Kit	-	16 000
Bad Debt Recovered	-	41 148
Health Debt Recovered	-	25 041
PMS Income	62 700	62 700
Miscellaneous Roads Income	69 662	1 627 148
Miscellaneous Income	1 379 189	1 618 964
	6 277 349	8 413 955

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
26. General expenses		
Accounting fees	86 442	75 418
Advertising	762 384	788 376
Assessment rates & municipal charges	1 474	32 713
Auditors remuneration	2 348 828	2 102 017
Bank charges	90 531	83 315
Cleaning	329 715	353 660
Study Bursary Fund	865 030	1 003 127
Fire Breaks	413 389	487 200
Consulting and professional fees	4 593 858	1 224 880
Consumables	420 286	366 283
Debt collection	-	5 382
Voluntary Fire Service	913 264	1 122 093
Maintenance Contracts	292 867	336 648
Entertainment	299 068	225 311
Site expenditure	108 917	63 742
Flowers	2 840	8 909
Data Storage	-	20 650
Insurance	1 218 158	941 227
Seta Levy	738 342	675 031
Conferences and seminars	344 932	277 010
Public Participation	320 940	311 703
IT expenses	107 497	652 134
Equipment General Items	320 869	287 367
Rentals	1 264 866	1 474 573
Levies	26 909	24 733
Magazines, books and periodicals	6 810	7 029
Medical expenses	6 445	2 835
Motor vehicle expenses	3 234 123	3 164 104
Refreshments and Tea	259 445	275 770
Fuel and oil	7 170 875	6 792 876
Placement fees	12 136	9 533
Postage and courier	38 680	50 048
Printing and stationery	1 684 110	1 594 649
Communications	1 801 611	1 945 622
Protective clothing	73 356	88 074
Projects	75 907 220	88 685 172
Lisence Fees - Radio	54 130	23 181
Security (Guarding of municipal property)	527 925	465 279
Software expenses	849 700	264 460
Subscriptions and membership fees	978 907	1 108 623
Telephone and fax	3 516 069	3 464 481
Transport and freight	1 512 542	1 675 224
Training	3 169 532	3 841 796
Travel - local	2 061 773	3 180 299
Loss on sale	447 570	18 715
Exhibitions and Event	862 435	1 378 235
Electricity	1 565 419	1 176 638
Sewerage and waste disposal	155 264	166 163
Water	163 210	126 634
Refuse	50 212	44 007
Uniforms	950 105	1 156 873
Tourism development	265 915	176 109
Co- operational agreements	12 939	34 656
Stock Write-Off	43 430	68 082
Workshop Cost	4 201 661	4 248 937
Audit and Risk Support Services	199 511	322 524
Expenditure Debited Elsewhere	(47 651 302)	(42 330 552)
Office Accomodation	29 270 925	29 451 118
Fire fighting special events	4 798 082	5 428 548
Workshops and Meetings	119 996	139 949

CAPE WINELANDS DISTRICT MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
26. General expenses (continued)		
Chemicals	203 872	227 019
Other expenses (See footnote)*	3 906 204	5 772 287
Property only	1 014 969	987 054
	119 317 212	138 175 553

See Appendix L for detail on grants made to municipalities.

*** Items included in other expenses**

Contingencies	-	5 898
Emergency Aid	203 403	479 017
Contribution Academy of Learning	-	154 533
Herbicides	58 824	25 892
NGO Services	199 439	923 000
Payment in Advance	-	662 367
Public Functions	250 337	206 951
Relocation Cost	225 338	213 731
Translation	338 970	286 062
Water/ food samples testing	837 601	757 606
Year end function	157 899	187 580
Video/ DVD	223 620	276 502
Women's Day Celebrations	156 611	188 076
Disciplinary Hearings	-	263 107
Planning: Water and Sanitation	195 600	-
* Other expenses less than R 100 000	1 058 562	1 147 048
	3 906 204	5 777 370

27. Employee related costs

Basic	55 712 695	52 446 860
Bonus	5 012 454	4 740 902
Medical aid - company contributions	5 681 247	5 209 525
UIF	439 559	450 198
WCA	621 916	583 246
Leave pay provision charge	2 141 542	506 550
Other short term costs	2 478 236	2 097 051
Post-employment benefits - Pension - Defined contribution plan	9 288 447	8 369 952
Travel, motor car, accommodation, subsistence and other allowances	9 074 580	8 282 562
Overtime payments	2 214 850	1 578 595
Long-service awards	3 000	1 000
Housing benefits and allowances	1 606 067	1 914 578
Other Allowances	4 338 499	3 399 431
Student Employment	73 987	-
Group Schemes	903 599	780 406
Telephone	77 706	79 945
Performance Bonus	737 649	479 874
Termination benefits	-	1 626 487
	100 406 033	92 547 162

CAPE WINELANDS DISTRICT MUNICIPALITY

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Figures in Rand	2011	2010
27. Employee related costs (continued)		
Remuneration of Municipal Manager		
Annual Remuneration	811 416	756 323
Car Allowance	65 000	65 000
Performance Bonuses	134 956	98 683
Contributions to UIF, Medical and Pension Funds	194 563	179 847
Other	46 396	17 124
	1 252 331	1 116 977
Remuneration of Chief Financial Officer		
Annual Remuneration	696 749	606 630
Car Allowance	24 000	78 000
Performance Bonuses	97 170	75 828
Contributions to UIF, Medical and Pension Funds	184 710	161 824
Other	39 682	14 370
	1 042 311	936 652
Remuneration of Executive Director (Corporate and Strategic Services) - G. Qounde		
Performance Bonuses	-	51 544
Contributions to UIF, Medical and Pension Funds	-	125
Other	-	515
	-	52 184
Remuneration of Executive Director (Corporate and Strategic Services) - C. Mvalo		
Annual Remuneration	541 427	-
Car Allowance	80 000	-
Contributions to UIF, Medical and Pension Funds	122 275	-
Other	19 401	-
	763 103	-
Remuneration of Executive Director (Community and Developmental Services)		
Annual Remuneration	792 227	756 052
Car Allowance	84 000	62 000
Performance Bonuses	70 809	59 808
Contributions to UIF, Medical and Pension Funds	16 497	16 497
Other	53 198	37 903
	1 016 731	932 260
Remuneration of Executive Director (Rural and Social Development)		
Annual Remuneration	588 851	540 065
Car Allowance	166 000	166 000
Performance Bonuses	95 801	29 904
Contributions to UIF, Medical and Pension Funds	137 873	128 484
Other	67 944	92 161
	1 056 469	956 614

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Figures in Rand	2011	2010
27. Employee related costs (continued)		
Remuneration of Executive Director (Regional Development and Planning)		
Annual Remuneration	682 198	633 517
Car Allowance	76 000	76 000
Performance Bonuses	108 297	74 760
Contributions to UIF, Medical and Pension Funds	134 526	125 131
Other	71 900	37 716
	1 072 921	947 124
Remuneration of executive director (Engineering and Infrastructure Services)		
Annual Remuneration	760 443	732 905
Car Allowance	96 000	72 000
Performance Bonuses	105 620	75 828
Contributions to UIF, Medical and Pension Funds	48 467	41 549
Other	75 540	65 049
	1 086 070	987 331
28. Remuneration of councillors		
Executive Mayor	437 732	513 967
Deputy Executive Mayor	559 674	536 280
Mayoral Committee Members	2 075 464	1 889 230
Speaker	394 462	384 452
Councillors	1 992 320	1 891 121
Councillors' pension contribution	376 896	385 462
Travelling Expenses	1 153 597	1 115 079
Allowances: Other	320 051	347 384
	7 310 196	7 062 975
In-kind benefits		
The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time councillors. Each is provided with an office and secretarial support at the cost of the Council.		
As certified in the declaration by the municipal manager, salaries, allowances and benefits of Councillors as disclosed in this note are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.		
29. Medical Aid Liability		
Medical Aid - Current Service Cost	3 511 000	3 046 000
30. Investment revenue		
Interest revenue		
Other Interest	25 334 704	30 556 854
31. Depreciation and amortisation		
Property, plant and equipment	8 113 171	10 808 117

CAPE WINELANDS DISTRICT MUNICIPALITY

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Figures in Rand	2011	2010
32. Finance costs		
Interest paid on to Future Medical Aid Liability	9 274 000	8 207 000
Finance leases	22 937	31 191
Interest paid to funds	896 947	440 931
	10 193 884	8 679 122
33. Auditors' remuneration		
Fees	2 348 828	2 102 017
34. Cash generated from (used in) operations		
Surplus	23 480 337	24 334 856
Adjustments for:		
Depreciation and amortisation	8 113 171	10 808 117
Gain on sale of assets	(262 702)	(32 841)
Loss on sale of Assets	447 570	-
Contribution from Surplus	(25 903 170)	(32 886 291)
Finance costs - Finance leases	(22 937)	(31 191)
Internal Transfers	-	(20 861 562)
Office Accomodation	17 248 002	-
Interest provision	(5 485 759)	-
Impairment deficit	-	32 756
Debt impairment	484 054	278 905
Movements in provisions	13 629 865	12 362 093
Transfers from creditors not on income statement	(2 768 885)	-
Income from agency function	(7 500 000)	-
Departmental Recoveries	(7 047 791)	-
Transactions Reflected in Ledger:	-	-
TCTA Advance payment	(1 003 494)	-
TCTA Advance Received	1 492 550	-
Retention Release	1 052 365	-
Deposit (Petrol)	100 000	-
Changes in working capital:		
Inventories	(337 381)	(110 792)
Other Receivables	5 218 157	(2 879 693)
Consumer debtors	406 304	(1 215 175)
Trade and other payables from exchange transaction	9 513 367	10 156 515
VAT	3 242 826	(1 868 254)
Liabilities relating to conditional grants	(806 490)	(1 339 405)
	33 289 959	(3 251 962)

CAPE WINELANDS DISTRICT MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
35. Short-term Investments		
Invested as at 30 June 2010 at the following A1 banks as prescribed by Council's Investment Policy.		
ABSA Call Account		
Opening balance	22 421 970	14 297 474
Interest previous financial year	101 713	-
Current year Movements	(17 862 553)	8 124 496
	4 661 130	22 421 970
ABSA		
Opening balance	70 000 000	65 000 000
Current year Movements	20 000 000	5 000 000
	90 000 000	70 000 000
FNB		
Opening balance	55 000 000	63 000 000
Current year Movements	(25 000 000)	(8 000 000)
	30 000 000	55 000 000
INVESTEC		
Opening balance	57 000 000	80 000 000
Current year Movements	23 000 000	(23 000 000)
	80 000 000	57 000 000
NEDCOR		
Opening balance	80 000 000	50 000 000
Current year Movements	3 000 000	30 000 000
	83 000 000	80 000 000
STANDARD BANK		
Opening Balance	62 000 000	75 000 000
Current year Movements	21 000 000	(13 000 000)
	83 000 000	62 000 000
Total Short-term Investments (See note 11)	370 661 130	346 421 970
Bank/ Cash - Absa		
Bank balances	3 055 148	2 824 760
	373 716 278	349 246 730
Future Obligations and Reserves linked to investments.		
Future Medical Aid	118 385 161	104 755 296
Capital replacement reserve	71 431 209	76 107 925
Government grant reserve	1 945 760	1 707 778
Unspent conditional grants and receipts	5 864 983	6 671 473
Accrued expenses	12 064 734	11 650 878
Retention	1 759 835	2 217 180
Other creditors	19 273 074	10 223 036
Working Capital	142 991 522	135 913 164
	373 716 278	349 246 730

See Appendix H for detail on future commitments

CAPE WINELANDS DISTRICT MUNICIPALITY

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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36. Contingencies

Contingent Asset

(i) The outstanding health accounts were never recognised by Health as a Creditor (liability) and consequently not reflected as such in their Annual Financial Statements. Irrespective of various proposals the Municipality made to resolve the dispute under discussion, Health declined these proposals and indicated that they deny the District Municipality's claim in its entirety.

It is clear that the Cape Winelands District Municipality has done everything in its power to resolve this matter on an intergovernmental relations basis and the only resort left, was to take legal action against the Provincial Department of Health in order to enforce payment of the outstanding amount, however, the cost of legal action (judicial steps) and the chances of winning such a case, have been considered. This resulted in Council withdrawing the arrear accounts, amounting to R8, 640,468.83, owed to the Municipality for the rendering of Personal Primary Health Care Services on behalf of the Department of Health of the Western Cape: Provincial Government.

(ii) The municipality has outstanding fire accounts of R 4 792 598. Currently 179 cases has been handed over for legal action. Council withdrew all fire fighting accounts levied to organs of state (R3 075 199) and other municipalities (R2 289 174) and indemnify organs of state and other municipalities from all fees and charges regarding the rendering of fire fighting services.

Other	6 493 200	4 792 598
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(iii) During the first half of the 2010/2011 financial year, Cape Winelands District Municipality (CWDM) have had some indications from the attorneys representing the levy payers that a settlement, on the basis of each party pays own costs, were possible but that a final agreement would be reached during 2011.

In view of thereof that the proposed settlement might be considered favourably by the levy payers, Council at its meeting held on 31 March 2011, Item C. 14.3 withdrew the arrear accounts amounting to R500, 800,413 owed to the Cape Winelands District Municipality (CWDM) in respect of Regional Services Council Levies, since –

(a) It will be in the best interest of Council not to commence any further legal action, resulting in accumulating legal costs; and

(b) The probability of success is not guaranteed.

RSC Levies	-	500 800 413
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Contingent liabilities

(i) Cape Joint Pension Fund - There may be a possibility that this fund is not 100% funded. The amount cannot be disclosed since it cannot be calculated from the information that is currently available from the fund.

(v) Guarantees to Building Societies and Banks in respect of housing loans to employees.	15 180	118 850
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(ii) During December 2005 mountain fires caused extensive damage to various properties in the district. The fire started at approximately 15:24 on 25 December 2005 above "Groendal" informal settlement near Franschoek. The fire rapidly spread upslope in extreme weather conditions, (hot, dry and windy). Although the response was quick the fire was beyond reach by the time the resources arrived. The fire spread to inaccessible mountain terrain, fanned by strong, gusty winds. It spread towards Wemmershoek dam and Du Toitskloof. A number of farms, buildings, vineyards, orchards and plantations were threatened. Fire fighters battled under extremely difficult and dangerous conditions to save lives and property. On the 2 January 2006, it was necessary to close both the N1 toll road and the Du Toitskloof pass due to heavy smoke and fire in close proximity to the traffic. The fire was brought under control and finally extinguished on the 5 January 2006. The area destroyed by the fire was ±12 380 hectares which consists mainly of fynbos and damage to some orchards. No structural damage has been reported. It must be noted that Stellenbosch Municipality is the first defendant on this case. The plaintiff (Cape Nature) sued the first defendant (Stellenbosch Municipality) or second defendant (Cape Winelands District Municipality) for R 10 706 557. The access amount on this claim amounts to R 5 000.00. Therefore council will be liable for only the amount of R 5 000.00 should the plaintiff be successful.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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37. Related parties

Only the known related parties were disclosed. An forensic investigation is currently being conducted, therefore the related parties might change. See Appendix G and Appendix I (Study Bursaries).

According to a CIPRO check it was noted that the world cup soccer 2010 co-ordinator, the deputy mayor and a supplier were directors of the same company. It was noted that the associate director, who is a supplier traded with Cape Winelands District Municipality for the previous and current year under review. The total expenditure amounted R85 000.00 in 2009/2010.

38. Restatement of corresponding figures

Certain corresponding figures as at 30 June 2010 have been restated as a result of an error discovered in the financial statements of the municipality as at 30 June 2010 as well as for 30 June 2011.

A correction was made. The amount of R 1 003 495 (Working for Water Advance) was moved from Government Grant and Subsidies to Deposits Received. This movement has no effect on the liabilities or profit of the Municipality.

39. Risk management

Interest rate risk

The Council has no outstanding loans as at 30 June 2011. The increases in interest rates will therefore have no effect on the liquidity of Council. The average interest rate on investments was 6.30%.

Credit risk

Credit Risk primarily relates to cash investments. Council deposits cash surpluses with financial institutions of high quality and standing. A cash management and investment policy has been approved.

In terms of the MFMA Act 56 of 2003 the granting of credit (Loans) are prohibited.

Foreign exchange risk

Foreign currency risk is deemed to be minimal as very few international transactions are conducted.

Reliance on national government for funds (income)

With the phasing out of the Regional Services Levies on 30 June 2006 the Cape Winelands will be dependant on the National and Provincial Governments for approximately 80% of its revenue. This created a lot of uncertainties regarding the future of District Municipalities.

Political risk

The political landscape of the Western Cape has been quite stable and there is respect for the rule of law.

Disclosure on collateral

Refer to note 36.

40. Fruitless and wasteful expenditure

During November a payment was made to Worcester Wendyhuise, Suggetstraat 82 Worcester, in the amount of R11 900 to supply a Wendy house to Sandy's Wash & Cleaning Services. The Wendy house was never delivered. A New Wendy house was then purchased at Poplar Trading for the amount of R11 700.00 and delivered. This matter was brought to our attention by council's internal auditors and has been reported to council's insurance brokers.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand 2011 2010

41. Irregular expenditure

Irregular expenditure: Soccer 2010

In the year under review it was noted that certain expenditure items were procured without following the formal procurement processes, and no supporting documentation was provided to support the expenditure as deviations which meet the section 36(1)(a) requirements. The total expenditure amounted to R1 692 117.

Ms N Nkani's (Soccer 2010 co-ordinator) curriculum vitae indicate that she has ties with Ajax Cape Town, since it was noted that for the period under review, she promoted this football club in the form of making submissions to the municipality in order for them to enter into a contract with this club. The said person's independence in this respect is questionable as she was also appointed by the municipality as its 2010 Soccer World Cup co-ordinator.

The following are the details of a payment made by CWDM to Ajax Cape Town for Ajax to host the following home league fixtures of the Premier Soccer League at Boland Stadium, Wellington.

- Ajax vs Free State Stars – 25 November 2009
- Ajax vs Supersport – 1 December 2009
- Ajax vs Amazulu – 9 December 2009

The total expenditure amounted to R875 000.

42. Other Income

Seta Refunds	302 272	403 229
Exhibition Income	37 281	51 380
Admin: Work for Water	695 733	681 501
Income: City of Cape Town	-	592 800
Shop Steward Refund	-	4 084
RSC Levies Recovered	55	1 781
Future Medical Aid Liability	3 730 457	3 288 179
Emergency Kit	-	16 000
Bad Debt Recovered	-	41 148
Health Debt Recovered	-	25 041
PMS Income	62 700	62 700
Miscellaneous Roads Income	69 662	1 627 148
Miscellaneous Income	1 379 189	1 618 964
	6 277 349	8 413 955

43. Fair Value

Financial instruments which includes short-term trade receivables and payables are stated at cost excluding debt premiums and discounts which is also equal to their fair value.

Although there are no specific investments linked to the Future Medical Aid Liability Fund, it is cash backed.

Councils surplus funds are not managed by external asset management service providers.

44. Pension Fund Liability

Ex- Gratia Pensions are paid to certain Employees, who for historic reasons were not allowed to join the Cape Joint Pension Fund prior to 31 May 1990

Employees receive the lump sum equivalent of the following pension:
Salary at Retirement/Death* Years Service prior t 31 May 1990 / 60

This benefit is payable on Retirement or Death in Service.

As at the Valuation Date, there were 27 Male Employees who qualified for this Ex- Gratia benefit. The Municipality's liability towards them was R2.665 million as at the Valuation Date, using 5% assumed salary increase for 2011.

There were the same 27 Male Employees present at the Previous Valuation Date; the liability at that time was R2.479 million.

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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These benefits were valued as future Pension benefits.

Gratuity benefits are paid to certain Employees, who wa for historic reasons were not allowed to join a pension fund prior to 31 December 1989

They are paid a lump- sum based on the following formula:

10% 8 Annual Salary at 31 December 1989 * Full years Service prior to 31 December 1989

We have supplied with information for 18 Employees as at the Valuation Date who were entitled to receive this benefit. We have calculated a liability of R 0.026 million in respect of these Employees.

In the previos Valuation Report there were the same 18 Employees entitled to this benefit; liability was also R 0.026 million as at that date.

The Municipality is paying monthly Pension benefits to 10 surviving spouses of Employees who passed away while in active service or Pensioners who passed away after retirement.

As at the Valuation Date, the Municipality had a liability of R 0.089 million in respect of theses benefit payments. This follows for an assumed invreace of 5% in 2011.

As at the Previous Valuation Date, there were 14 of such beneficiaries with liability of R 0.090 million.

These benefits were valued as Pension benefits in payment.

The Municipality was paying monthly benefits to 5 Former Employees. These payments are to continue until each Former Employee's Normal Retirement Date. No reversionary pensions are payable to surviving spouses of Former Employees on death before Normal Retirement Date.

As at Valuation Date, the MUnciplaity had a liability of R 0.881 million in respect of theses benefits. This allows for an assumed increase of 5% in 2011.

As at the Previous Valuation Date, the same 5 beneficiaries were present with a liability of R 0.960 million.

These benefits were valued assuming Salary increases.

Ex- Gratia	2 479 000	2 665 000
Gratuity	26 000	26 000
Spouses Pensions	90 000	89 000
Exited Employees	960 000	881 000
	3 555 000	3 661 000

Financial Assumptions

Excess of investment return over salary escalation prior to Retirement 2%

Excess of investment return over pension increases after Retirement 6%

Mortality

Pre- Retirement: SA 5662 ultimate. Rated down 3 years for Females

Post- Retirement: PA (90) ultimate

Withdrawals

Age	Rate
20	16%
25	12%
30	10%
35	8%
40	6%
45	4%

CAPE WINELANDS DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
	50	2%
	55+	0%

Normal Retirement Age

Ex- Gratia benefits: Earliest of age 65 or age after 55 when Employee has 35 years of service

Exited Employees: 65 years

45. Commitments

Future commitments	9 478 844	25 854 950
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See Appendix H for detail on future commitments

46. Discontinued Operation

Discontinued Operation:

In terms of Notice No.1022 of 2008 (published in Government Gazette No. 31353 on 19 August 2008) read together with Provincial Gazette Extraordinary 6852 of 25 February 2011 the District Management Area (DMA) of the Cape Winelands District Municipality has been withdrawn.

Following consultation with the Auditor General, Management decided to enter into Service Level Agreements with the affected Municipalities to arrange for transfer of the relevant services, assets and liabilities as from 1 July 2011, and in doing so streamline the transfer process. The Ceres Air Field was however transferred on the 18th of May 2011 to Witzenberg Municipality, but Management decided not to remove the asset from its asset register, because although the property was transferred to Witzenberg Municipality, it has not yet been registered by the Deeds Office as the property of Witzenberg Municipality. According to the latest municipal valuation the value of the airfield amounts to R37 000.

The transfer of the Ceres Air Field will be fully disclosed in the 2011/2012 Financial Year as part of the Discontinued Operations, in order for the Deed transfer to be completed and the property to be registered to Witzenberg Municipality.

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix A

June 2011

Schedule of external loans as at 30 June 2010

Loan Number	Redeemable	Balance at 30 June 2010	Received during the period	Redeemed written off during the period	Balance at 30 June 2011	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand	Rand	Rand
Loan Stock		-	-	-	-	-	-
Structured loans		-	-	-	-	-	-
Funding facility		-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-
Bonds		-	-	-	-	-	-
Other loans		-	-	-	-	-	-
Lease liability		-	-	-	-	-	-
Annuity loans		-	-	-	-	-	-
Government loans		-	-	-	-	-	-
Total external loans		-	-	-	-	-	-

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix B

June 2011

Analysis of property, plant and equipment as at 30 June 2011
Cost/Revaluation **Accumulated depreciation**

	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Disposals	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Buildings										
Buildings	21 448 751	-	-	21 448 751	(13 533 367)	-	(743 215)	-	(14 276 582)	7 172 169
Care Centres	101 778	-	-	101 778	(101 778)	-	-	-	(101 778)	-
Community Centre	2 295 919	-	-	2 295 919	(513 400)	-	(78 991)	-	(592 391)	1 703 528
Clinics/ Hospitals	4 896 202	-	-	4 896 202	(2 193 964)	-	(115 145)	-	(2 309 109)	2 587 093
Hostel Workers	1 795 084	-	-	1 795 084	(1 195 189)	-	(84 154)	-	(1 279 343)	515 741
Housing Schemes	7 293 989	-	-	7 293 989	(788 512)	-	(278 817)	-	(1 067 329)	6 226 660
Informal Housing	859 192	-	-	859 192	-	-	-	-	-	859 192
Laboratories	40 172	-	-	40 172	(8 373)	-	(1 339)	-	(9 712)	30 460
Office Building	28 882 998	-	-	28 882 998	(7 949 254)	-	(1 155 762)	-	(9 105 016)	19 777 982
Outdoor Sports	19 621	-	-	19 621	(5 888)	-	(654)	-	(6 542)	13 079
Parks	196 211	-	-	196 211	(58 881)	-	(6 540)	-	(65 421)	130 790
Public Conveniences	218 824	-	-	218 824	(155 542)	-	(6 128)	-	(161 670)	57 154
Workshops/ Depots	16 892 720	-	-	16 892 720	(2 883 729)	-	(482 979)	-	(3 366 708)	13 526 012
	84 941 461	-	-	84 941 461	(29 387 877)	-	(2 953 724)	-	(32 341 601)	52 599 860
Infrastructure										
Car Parks	189 800	-	-	189 800	(52 739)	-	(6 327)	-	(59 066)	130 734
Water Meter	11 547	-	-	11 547	(10 704)	-	(844)	-	(11 548)	(1)
Paving	168 916	-	-	168 916	(87 441)	-	(12 022)	-	(99 463)	69 453
Power Stations	328 681	-	-	328 681	(167 046)	-	-	-	(167 046)	161 635
Airports/ Radio	832 114	-	-	832 114	(194 499)	-	(27 737)	-	(222 236)	609 878
	1 531 058	-	-	1 531 058	(512 429)	-	(49 739)	-	(562 168)	968 890
Leased Assets										
Cellphones: Agent Services	110 834	-	-	110 834	-	-	-	-	-	110 834
Cellphones	451 983	185 770	(153 920)	483 833	(251 579)	138 553	(148 206)	-	(261 232)	222 601
	562 817	185 770	(153 920)	594 667	(251 579)	138 553	(148 206)	-	(261 232)	333 435

**CAPE WINELANDS DISTRICT
MUNICIPALITY**

Appendix B

June 2011

Analysis of property, plant and equipment as at 30 June 2011
Cost/Revaluation **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets										
Buildings	5 294 310	-	-	5 294 310	(2 955 546)	-	-	-	(2 955 546)	2 338 764
	5 294 310	-	-	5 294 310	(2 955 546)	-	-	-	(2 955 546)	2 338 764
Land										
Other Land	70 854 331	-	-	70 854 331	-	-	-	-	-	70 854 331
	70 854 331	-	-	70 854 331	-	-	-	-	-	70 854 331
Other assets										
Access Control	6 300	-	-	6 300	(399)	-	(189)	-	(588)	5 712
Agency Services	2 380 606	309 166	(135 889)	2 553 883	(47)	-	(47)	-	(94)	2 553 789
Air Conditioner	365 812	34 420	-	400 232	(323 608)	-	(5 861)	-	(329 469)	70 763
Audio Equipment	753 209	144 019	(44 195)	853 033	(609 626)	37 822	(55 603)	-	(627 407)	225 626
Bulk Containers	348 466	-	-	348 466	(33 922)	-	(31 362)	-	(65 284)	283 182
Cabinets/ Cupboards	748 351	62 328	(2 076)	808 603	(607 122)	1 871	(17 657)	-	(622 908)	185 695
Canopy	32 114	-	-	32 114	(21 735)	-	(3 651)	-	(25 386)	6 728
Chairs	1 299 395	60 743	(22 670)	1 337 468	(1 037 367)	18 498	(40 944)	-	(1 059 813)	277 655
Cleaner -Steam	35 086	-	-	35 086	(4 882)	-	(6 278)	-	(11 160)	23 926
Computer Hardware	12 451 510	1 875 629	(1 227 976)	13 099 163	(8 267 766)	1 118 334	(1 940 096)	-	(9 089 528)	4 009 635
Conveyers	40 387	-	-	40 387	(36 349)	-	-	-	(36 349)	4 038
Drill Concrete	313	-	-	313	(160)	-	(56)	-	(216)	97
Equipment/ Apparatus	219 842	-	-	219 842	(65 929)	-	(39 572)	-	(105 501)	114 341
Electrical Equipment	518 533	71 625	(8 998)	581 160	(274 933)	8 097	(68 660)	-	(335 496)	245 664
Laboratory Equipment	7 059	-	-	7 059	(2 367)	-	(1 271)	-	(3 638)	3 421
Radio Equipment	839 130	150 477	(52 221)	937 386	(593 277)	36 036	(67 967)	-	(625 208)	312 178
Telecommunication	177 581	-	(32)	177 549	(157 575)	29	(4 584)	-	(162 130)	15 419
Fencing	1 052 625	-	-	1 052 625	(369 858)	-	(176 179)	-	(546 037)	506 588
Fire Equipment	2 887 249	164 062	(1 008)	3 050 303	(834 525)	328	(281 785)	-	(1 115 982)	1 934 321
Generator	1 324 017	70 000	-	1 394 017	(719 298)	-	(222 332)	-	(941 630)	452 387

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix C

June 2011

Segmental analysis of property, plant and equipment as at 30 June 2011
Cost/Revaluation **Accumulated Depreciation**

	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Disposals	Depreciation	Impairment deficit	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Municipality										
Executive & Council/Mayor and Council	1 406 998	11 148	(69 388)	1 348 758	(1 165 855)	61 447	(60 498)	-	(1 164 906)	183 852
Finance & Admin/Finance	194 953 719	2 480 702	(2 596 717)	194 837 704	(52 583 775)	1 816 075	(5 626 934)	-	(56 394 634)	138 443 070
Planning and Development/Economic Development/Plan	929 757	13 300	(81 353)	861 704	(610 040)	71 518	(122 015)	-	(660 537)	201 167
Health	1 825 123	206 667	(215 238)	1 816 552	(1 209 301)	179 375	(105 766)	-	(1 135 692)	680 860
Comm. & Social	294 581	25 445	(23 880)	296 146	(160 544)	21 496	(43 405)	-	(182 453)	113 693
Housing	4 521 130	21 139	(139 412)	4 402 857	(1 131 625)	127 187	(237 474)	-	(1 241 912)	3 160 945
Public Safety	31 808 852	2 287 710	(184 912)	33 911 650	(10 908 665)	154 353	(1 867 864)	-	(12 622 176)	21 289 474
Environmental Protection/Pollution Control	-	58 819	(5 830)	52 989	-	-	(7 395)	-	(7 395)	45 594
Road Transport/Roads	2 486 174	371 244	(130 175)	2 727 243	(194 614)	7 409	(23 223)	-	(210 428)	2 516 815
Other	377 185	1 754	(44 435)	334 504	(315 986)	40 515	(18 594)	-	(294 065)	40 439
Work in Progress	9 738 433	5 842 235	-	15 580 668	-	-	-	-	-	15 580 668
	248 341 952	11 320 163	(3 491 340)	256 170 775	(68 280 405)	2 479 375	(8 113 168)	-	(73 914 198)	182 256 577
Total	248 341 952	11 320 163	(3 491 340)	256 170 775	(68 280 405)	2 479 375	(8 113 168)	-	(73 914 198)	182 256 577

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix D

June 2011

Segmental Statement of Financial Performance for the year ended
Prior Year **Year to Date**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
225 123 500	41 054 372	184 069 128	Executive & Council/Mayor and Council	235 343 521	50 425 682	184 917 839
5 083 995	38 597 316	(33 513 321)	Finance & Admin/Finance	2 066 367	31 179 519	(29 113 152)
2 016 710	15 790 239	(13 773 529)	Planning and Development/Economic Development/Plan	928 464	8 238 433	(7 309 969)
2 168 867	32 113 295	(29 944 428)	Health/Clinics	409 764	31 534 748	(31 124 984)
2 732 092	14 380 465	(11 648 373)	Comm. & Social/Libraries and archives	182 183	20 452 116	(20 269 933)
34 109 927	48 973 866	(14 863 939)	Housing	15 590 894	35 864 921	(20 274 027)
1 681 644	39 576 727	(37 895 083)	Public Safety/Police	2 405 136	42 249 427	(39 844 291)
8 846 556	11 135 780	(2 289 224)	Environmental Protection/Pollution Control	12 336 642	15 818 412	(3 481 770)
59 966 997	66 912 212	(6 945 215)	Road Transport/Roads	83 785 966	86 828 027	(3 042 061)
501 380	9 362 536	(8 861 156)	Other/Air Transport	38 385	7 015 700	(6 977 315)
342 231 668	317 896 808	24 334 860		353 087 322	329 606 985	23 480 337
Other charges						
342 231 668	317 896 808	24 334 860	Total	353 087 322	329 606 985	23 480 337

CAPE WINELANDS DISTRICT MUNICIPALITY
Appendix E(1)

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2011

	Current year 2010 Adjusted budget Rand	Current year 2010 Act. Bal. Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Property rates	435 000	442 637	(7 637)	(1,7)	
Service charges	161 000	1 446 110	(1 285 110)	(88,9)	An amount of R 988 400 was received from province for helicopter hours in fire season.
Property rates - penalties imposed and collection charges	-	50 171	(50 171)	(100,0)	Penalties not budgeted for. Rates was only raised in last three months of financial year.
Rental of facilities and equipment	148 100	113 291	34 809	30,7	Rental of roads quipment varies form year to year. Budget is made accoording previous years actual amount received.
Interest received (trading)	9 000	2 313	6 687	289,1	Debtors paid accounts on time of accounts was written off. This means that less interest was raised.
Income from agency services	5 500 000	6 589 219	(1 089 219)	(16,5)	Province paid large amounts after the apporval of the budget to the Municiplaity.
Government grants & subsidies	309 496 323	286 665 655	22 830 668	8,0	
Cotribution from Surplus	34 478 789	25 903 171	8 575 618	33,1	Not all the projects that was supposed to be funded fom the surplus was finished or was even started.
Other income	9 988 200	6 277 348	3 710 852	59,1	Various items. A detailed report can be supplied
Interest received -Investment	25 200 000	25 334 704	(134 704)	(0,5)	
	385 416 412	352 824 619	32 591 793	9,2	
Expenses					
Personnel	(100 736 886)	(100 406 033)	(330 853)	0,3	
Remuneration of councillors	(7 071 800)	(7 310 196)	238 396	(3,3)	
Administration	(2 986 000)	(3 511 000)	525 000	(15,0)	Service Cost of Medical Aid liability was higher than budgeted for. Increase in the liability led to the additional coast
Depreciation	(10 977 800)	(8 113 171)	(2 864 629)	35,3	Assets worth R5m was not capatalised, because it was not finished.
Finance costs	(7 890 730)	(10 193 884)	2 303 154	(22,6)	Valuarion from actuaries was more than budget for.
Debt impairment	(443 100)	(484 054)	40 954	(8,5)	
Collection costs	(300 000)	(220 918)	(79 082)	35,8	Decrease in debtors led to less funds spend on collection debt from debtors.
Repairs and maintenance - General	(94 696 768)	(80 050 516)	(14 646 252)	18,3	Additional funds recieved for repairs and maintenance was received near the end of the financial year and could not be spent in time.

**CAPE WINELANDS DISTRICT
MUNICIPALITY
Appendix E(1)**

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2011

	Current year 2010 Adjusted budget	Current year 2010 Act. Bal.	Variance	Explanation of Significant Variances greater than 10% versus Budget
General Expenses	(158 455 347)	(119 317 212)	(39 138 135)	32,8 Not all the operating projects came of the ground in the 2010/2011 Financial year. The projects was rolled over to the next financial year.
Other revenue and costs	(383 558 431)	(329 606 984)	(53 951 447)	16,4
Gain or loss on disposal of assets and liabilities	9 740	262 702	(252 962)	(96,3)
	9 740	262 702	(252 962)	(96,3)
Net surplus/ (deficit) for the year	1 867 721	23 480 337	(21 612 616)	(92,0)

CAPE WINELANDS DISTRICT MUNICIPALITY

Appendix E(2)

June 2011

Budget Analysis of Capital Expenditure as at 30 June 2011

	Additions	Revised Budget	Variance	Variance	Explanation of significant variances from budget greater than 10 %
	Rand	Rand	Rand	%	
Municipality					
Executive & Council/Mayor and Council	34 940	42 824	7 884	18	Assets purchased cost less than budgeted for.
Finance & Admin/Finance	4 422 040	4 911 793	489 753	10	
Planning and Development	4 003 216	4 295 000	291 784	7	
Health	188 472	196 447	7 975	4	
Comm. & Social	13 879	20 350	6 471	32	Offices not completed within the financial year and therefore assets not purchased
Public Safety	2 264 150	2 461 537	197 387	8	
Environmental Protection/Pollution Control	32 567	48 000	15 433	32	Offices not completed within the financial year and therefore assets not purchased
Road Transport	332 894	489 405	156 511	32	Assets will be purchased in 2011/2012 financial year. The Roads funds for these assets was received in March 2011.
Water	26 252	-	(26 252)	-	
Other/ Tourism	1 754	1 754	-	-	
	11 320 164	12 467 110	1 146 946	9	

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

DESCRIPTION	FUNDS UNSPENT 01/07/2010	INCOME RECEIVED 2010/2011	EXPENDITURE 2010/2011	UNSPENT 30/06/2011
TRAINING OF HOUSING OFFICIALS	-2 159	-	-	-2 159
PLANNING	-232 189		232 189	-0
PERCEPTION SURVEY	-1 391 780	-	91 257	-1 300 523
COMMUNITY DEVELOPMENT WORKERS	-61 521	-	37 998	-23 524
CONSUMER HOUSING	-65 014	-	21 100	-43 914
TOURISM DEVELOPMENT FRAMEWORK	-115 904	-	115 904	0
TOURISM TRAINING- PAWC	-72 248	-	72 248	0
PUBLIC WORKS: MEERLUST HOUSING	-81 109	-	-	-81 109
PAWC: ECON. DEV. - MADIBA HOUSE	-254 812	-	254 812	0
FINANCE MANAGEMENT GRANT	-1 673 184	-1 000 000	1 230 625	-1 442 559
WARD COMMITTEE SUMMIT	-23 884	-	-	-23 884
BREERIVIER STRUKTUURPLAN	-383 327	-	383 327	0
MANAGEMENT SUPPORT PROGRAMME	-51 415	-	21 053	-30 362
LED- PROGRAM: RURAL TOURISM	-2 516	-	2 516	0
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	-20 040	-750 000	538 565	-231 475
INTEGRATED TRANSPORT PLAN	-1 300 174	-1 430 000	899 177	-1 830 997
BULK INFRASTRUCTURE GRANT	-515 657	-1 000 000	1 222 282	-293 375
CONTRIBUTION TO PRIVATE LAND (ELECTR)	-175 541	-258 315	7 490	-426 365
WATER & SANITATION MANAGEMENT	-189 000	-	54 264	-134 736
BOCMA DONATION	-60 000	-	60 000	-
PUBLIC SHELTERS AND EMBAYMENTS	-	-763 000	763 000	-
	-6 671 473	-5 201 315	6 007 806	-5 864 983

* Working for Water Advance was moved to deposits received

APPENDIX G

Cape Winelands District Municipality

Summary Report i.t.o. Procurement Exceptions & Deviations - Acquisitions made JULY 2010 - JUNE 2011

Name of the Person/Organisation to whom the award was made:	Amount	The reason why the award was made:	Procurement Method Followed:	Comments:
	1.00%	of expenditure excluding salaries.		
SUMMARY OF EXCEPTIONS / DEVIATIONS:				
PPPPA SEC.2(1)(f) (9 Exceptions = 2.88%)	276 218.00	Preferential Procurement Policy Framework Act, 2000. Sec 2. Framework for implementation of preferential procurement policy.— (1) An organ of state must determine its preferential procurement policy and implement it within the following framework: (f) the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer;		
REG.16(c) WQ - (652 Exceptions = 25.22%)	2 415 781.46	SCM Reg.16. Written or verbal quotations.— A supply chain management policy must stipulate the conditions for the procurement of goods or services through written or verbal quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer; (Delegated to the Chief Financial Officer)		
REG.17(1)(c) FWPQ - (299 Exceptions = 62.01%)	5 939 437.67	SCM Reg.17. Formal written price quotations.— (1) A supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating— (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer; (Delegated to the Deputy Director: Finance - To report to the CFO by the 3rd working day of the next month)		
REG.31(1)	-	Procurement of IT related goods or services - SCM Reg.31(1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.		
REG.32(1)	-	Procurement of goods and services under contracts secured by other organs of state SCM Reg.32. (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if – (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state; (b) there is no reason to believe that such contract was not validly procured; (c) there are demonstrable discounts or benefits to do so; and (d) that other organ of state and the provider have consented to such procurement in writing.		
DEV-REG.36(1)(a)(i) (8 Exceptions = 1.94%)	185 788.86	SCM Reg.36. Deviation from, and ratification of minor breaches of, procurement processes.— (1) A supply chain management policy may allow the accounting officer— (a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only— (i) in an emergency; (ii) if such goods or services are produced or available from a single provider only; (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile; (iv) acquisition of animals for zoos; or (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and (b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature. (2) The accounting officer must record the reasons for any deviations in terms of subregulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.		
DEV-REG.36(1)(a)(ii) (1 Exceptions = 0.31%)	30 000.00			
DEV-REG.36(1)(a)(iii)	-			
DEV-REG.36(1)(a)(iv)	-			
DEV-REG.36(1)(a)(v) (8 Exceptions = 6.34%)	607 375.84			
DEV-REG.36(1)(b) (8 Exceptions = 0.80%)	77 029.59	(b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature. (2) The accounting officer must record the reasons for any deviations in terms of subregulation (1) (a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.		
UNAUTHORISED EXPENDITURE	-	Officials acquired goods and/or Services without an official Order and/or following the correct procurement procedures		
EXPENDITURE TO BE APPROVED (13 Exceptions = 0.50%)	47 891.00	Expenditure incurred where the prescribed legislation were not complied to in all aspects		
	<u>9 579 522.42</u>			

BREAKDOWN OF PROCUREMENT PER CATEGORY:

No. Trans.			
10503	<R2000-NO PROCUREMENT:	8 110 060.47	Acquisitions less than R2,000 - no procurement process is followed for small purchases
2099	3rd PARTY PAYMENT:	60 810 364.27	Transactions where procurement plays no role - contribution payments / S&Ts / etc.
393	COUNCIL POLICY:	14 778 725.90	Study Bursaries / Sponsorships / Donations / etc.
9	DEV-PPPFA SEC.2(1)(f)	276 218.00	The supplier selected for the contract/tenderer did not score the highest points
16	DEV-REG.36(1)(a)	823 164.70	Transactions where no procurement process were followed (Emergencies/Sole Providers/etc.)
8	DEV-REG.36(1)(b)	77 029.59	Ratifying minor breaches of the procurement processes which are purely of a technical nature.
436	DWAF: PRE-PROCURED	8 201 635.69	DWAF Contracts where the CWDM did not do the procurement.
1	PAWC: PRE-PROCURED	35 420.89	PAWC Contracts where the CWDM did not do the procurement.
279	PETTY CASH:	9 946.20	Mainly small out of pocket refunds
2363	QUOTATION PROCESS:	30 514 794.17	Acquisitions made in terms of a full quotation process up to R200,000 - minimum three quotes
48	QUOTES: INVEST/POLICY:	638 000 000.00	Investments are made in terms of council policy - Quotes are obtained from A-Rated Banks
638	REG.16(c) < 3 WQ	2 357 604.53	Acquisitions where it was not possible to obtain at least three quotations up to R10,000
294	REG.17(1)(c) < 3 FWQP	5 789 751.67	Acquisitions where it was not possible to obtain at least three quotations between R10,000-R30,000
0	REG.31 SITA	-	Where SITA assists with acquisitions of IT related goods or services.
0	REG.32 ORGANS OF STATE:	-	Services contracted through Contracts from Other Organs of State
1339	SERVICE ACCOUNTS:	8 396 953.50	Contracts with service providers - Telkom / Vodacom / municipal services / copy machines / etc.
253	SERVICE PROVIDERS:	2 843 500.24	Payments made in terms of contracts/agreements with long-term service providers
235	STATUTORY PAYMENTS:	21 528 482.43	Prescriptive payments made in terms of legislation - licensing / taxes / membership fees / etc.
119	SUBSCRIPTIONS:	1 422 252.36	Service provider is selected for the specific service and cannot be procured - sole providers
0	SUBSIDY:	-	Mainly seed funding for small farmers / SMMEs / PDIs per pre-qualification
13431	TENDER PROCESS:	153 768 631.06	Acquisitions made in terms of a full tender process on amounts above R200,000
0	UNAUTHORISED EXPENDITUR	-	Officials acquired goods and/or Services without an official Order
0	EXPENDITURE TO BE APPROVED	45 941.00	Expenditure incurred where the prescribed legislation were not complied to in all aspects
32464	TOTAL:	957 790 476.67	

CAPITAL: Included in Total 18 350 339.70

DECLARATIONS IN TERMS OF:-

Regulation 44. Prohibition on awards to persons in the service of the state

NONE

Regulation 45. Awards to close family members of persons in the service of the state

NAME:	TOTAL	RELATION:
KLEINPLASIE RESTAURANT The total procurement for the period amounted to:	33 451.32	The owner of the restaurant is the spouse of an official working at Council. The official does not work in the Department: Financial Management Services and has no influence over the SCMU

APPENDIX H: FUTURE COMMITMENTS

CONTRACT	STRATEGIC OBJECTIVE	CONTRACT VALUE	2011/2012	2012/2013	2013/2014	2014/2015	AMOUNT
Agreement between CWDM and The Legal Aid Clinic University of Stellenbosch	Rural and Social Development	R 1 571 000	R 571 273	R 571 273			R 1 142 545
Agreement between Telkom SA Limited and CWDM	Corporate Services	R 35 086	R 442 341	R 456 400	R 464 735	R 357 265	R 1 720 740
Agreement of Lease between LSW Eiendomme CC and CWDM	Corporate Services	R 597 618	R 198 605	R 218 465			R 417 069
Agreement of Lease between Stellenbosch Municipality and CWDM	Corporate Services	R 110 771	R 19 958	R 21 954	R 24 150	R 26 565	R 92 627
Agreement of Lease between Witzenberg Municipality(Tulbagh offices) and CWDM	Corporate Services	R 39 720	R 21 480				R 21 480
Agreement of Lease between Witzenberg Municipality(Wolseley offices) and CWDM	Corporate Services	R 23 038	R 20 422				R 20 422
Air Quality Project	Community and Developmental Services	R 493 145	R 125 449				R 125 449
Cape Winelands District Integrated Transport (DORA)	Engineering and Infrastructure	R 1 300 000	R 400 823				R 400 823
Drakenstein Mobility Corridor	Engineering and Infrastructure	R 1 960 000	R 653 047				R 653 047
Hermon Housing: Restoration Of Houses	Engineering and Infrastructure	R 5 599 959	R 1 075 000	R 802 471			R 1 877 471
Improvement of disabled Accessibility Council Buildings	Engineering and Infrastructure		R 1 094 000				R 1 094 000
ISDR	Community and Developmental Services	R 80 268	R 80 268				R 80 268
Lease of Property (Satelite Fire Station)	Community and Developmental Services	R 512 806	R 170 419	R 187 461			R 357 879
Planning: Bulk Infrastructure (DORA)	Engineering and Infrastructure	R 181 264	R 127 000				R 127 000
Tourism Public Relation Service	Regional Development and Planning	R 273 600	R 451 440	R 496 584			R 948 024
Upgrading of Buildings and Services at Wolwekloof	Engineering and Infrastructure		R 400 000				R 400 000
TOTAL COMMITMENTS							9 478 843.67

APPENDIX I: BURSARIES TO RELATED PARTIES 30 JUNE 2011

	Name	Surname	Registration Fees	Relatives at CWDM
1	Heinrich Diederich	Boock	R 4 400	Related
2	Hendrik Gideon	Keyser	R 7 500	Related
3	Moses	Michaels	R 3 900	Related
4	Johannes,Harry	Posthumus	R 7 500	Related
5	Francois	Van Eck	R 2 200	Related
6	Christoffel, Johannes	Van Schalkwyk	R 7 500	Related
7	Blain	Van Wyk	R 7 500	Related
8	Daylynn,Janey	Zimri	R 4 400	Related
9	Nandi Suraya	Abrahams	R 7 500	Not Related
10	Catherine	Abrahams	R 2 263	Not Related
11	Celeste	Abrahams	R 2 100	Not Related
12	Ellouise Chantel	Adams	R 7 500	Not Related
13	Hubert Randolph Clide	Adonis	R 8 000	Not Related
14	Jamey Tracey	Adriaanse	R 2 200	Not Related
15	Bianca	Anthony	R 4 400	Not Related
16	Beaton	Bailey	R 4 400	Not Related
17	Zane Thomas	Bailey	R 4 400	Not Related
18	Margo Candice	Baron	R 4 400	Not Related
19	Shane Corbin	Bergstedt	R 7 500	Not Related
20	Quintillian	Beukes	R 7 500	Not Related
21	Thandeka	Booi	R 2 200	Not Related
22	Sandile Sydney	Booyesen	R 2 200	Not Related
23	Lindelwa Aretha	Booyesen	R 3 400	Not Related
24	Christina Jasmina	Booyesen	R 4 400	Not Related
25	Nezikazi	Botozo	R 2 200	Not Related
26	Helena Elizabeth	Cloete	R 7 500	Not Related
27	Inge	Conradie	R 7 500	Not Related
28	Tian	Cronje	R 7 500	Not Related
29	Shinita Welandy	Daniels	R 2 700	Not Related
30	Renaldo Jermaine	Davids	R 2 263	Not Related
31	Wouter Jacobus	De Wet	R 5 300	Not Related
32	Kurt Lester	Du Plessis	R 3 177	Not Related
33	Anja Ellason	Esau	R 2 200	Not Related
34	Jillian Nichole	Fisher	R 2 200	Not Related
35	Lizle Eve-Lynn	Flemmit	R 5 300	Not Related
36	Clement, Hadley	Frantz	R 4 400	Not Related
37	Angelo,Geraldo	Fredricks	R 4 400	Not Related
38	Adrian, Kelvin	Gabriel	R 2 200	Not Related
39	Asonela	George	R 2 200	Not Related
40	Tesna, Sanetha	Haas	R 5 300	Not Related
41	Craig, Ashley	Hendricks	R 7 500	Not Related
42	Elpaucia,Florette	Hendricks	R 8 700	Not Related
43	Haley	Hermanus	R 3 400	Not Related
44	Derick	Jacobs	R 2 200	Not Related
45	Zaakiya laylynn	Jacobs	R 3 312	Not Related
46	Avukile	Janda	R 4 400	Not Related
47	Nadeem	Jeftha	R 2 200	Not Related
48	Moonisah	Jeftha	R 7 500	Not Related
49	Davin Gradville	Jefthas	R 2 200	Not Related
50	Darren Walter	Johannes	R 2 200	Not Related
51	Melanie Tracey	Jumat	R 4 000	Not Related
52	Nangamso	Katom	R 2 500	Not Related
53	Tandokasi	Kepu	R 2 000	Not Related
54	Riyaadh	Khan	R 3 700	Not Related
55	Edward	Kiewiets	R 2 263	Not Related
56	Melissa	King	R 2 600	Not Related

APPENDIX I: BURSARIES TO RELATED PARTIES 30 JUNE 2011

	Name	Surname	Registration Fees	Relatives at CWDM
57	Danzal Clinton	King	R 7 000	Not Related
58	Lazelle Esmerelda	Kleinsmidt	R 7 896	Not Related
59	Lyle, Joe	Kleintjies	R 2 200	Not Related
60	Aubrey, Lyle	Langeveldt	R 2 200	Not Related
61	Laken	Langeveldt	R 5 300	Not Related
62	Mischka	Langeveldt	R 7 500	Not Related
63	Lehlohomolo, Clement	Lebenya	R 7 500	Not Related
64	Jeandré, Mellet	Lobb	R 5 000	Not Related
65	Chanté, Ventle	Losper	R 4 000	Not Related
66	Francois, James	Lucas	R 5 300	Not Related
67	Dane, Marshall	Mackier	R 4 400	Not Related
68	Zanele, Veronica	Mangena	R 1 875	Not Related
69	Victor	Mangxaba	R 2 350	Not Related
70	Andria	Manuel	R 2 000	Not Related
71	Melanie	Marais	R 2 200	Not Related
72	Anneen	Marais	R 4 400	Not Related
73	Faith, Eloise	Marais	R 4 400	Not Related
74	Francis	Marais	R 4 400	Not Related
75	Venette, Lucy	Mc Dillon	R 2 200	Not Related
76	Nerisa, Heather	McNeil	R 2 500	Not Related
77	Ian Cedric	Minnaar	R 7 500	Not Related
78	Friedel	Mitas	R 5 300	Not Related
79	Daniel, Vuyani	Muko	R 4 400	Not Related
80	Dean, James	Neethling	R 7 500	Not Related
81	Maxine, Allysa	Newman	R 5 000	Not Related
82	Brendon, Nigel	Nicholls	R 2 200	Not Related
83	Granville, Diëgo	Petersen	R 4 200	Not Related
84	Sandiswa	Phubaso	R 2 200	Not Related
85	Donovan, Clyde	Pietersen	R 4 200	Not Related
86	Devine, Christelene	Reitz	R 4 400	Not Related
87	Kenneth	Romonichia, Monchesca	R 2 700	Not Related
88	Heidre, Verushka	Saal	R 5 000	Not Related
89	Brent, Ralph	Schuurman	R 4 400	Not Related
90	Enrico	Shortles	R 2 200	Not Related
91	Constance	Simon	R 3 400	Not Related
92	Millecent	Smith	R 7 500	Not Related
93	Alechà, Menique	Thops	R 7 500	Not Related
94	Sherman, Marshall	Van Heerden	R 2 200	Not Related
95	Angelo, Marlyn	Van Wyk	R 6 000	Not Related
96	Jamie-Lee	Wilson	R 2 200	Not Related
			R 420 899	

APPENDIX J

The following payments was directly made to "B" municipalities.

Breede Vally Municipality	R	1 300 000.00
Witzenberg Municipality	R	1 300 000.00
Drakenstein Municipality	R	1 400 000.00
Stellenbosfch Municipality	R	900 000.00
Langeberg Municipality	R	1 100 000.00
	R	6 000 000.00