

NELSON MANDELA BAY METROPOLITAN MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS

For the year ended

30 June 2014

I am responsible for the preparation of these financial statements, which are set out on pages 1 to 106, in terms of section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, as disclosed in note 27 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Cooperative Governance and Traditional Affairs' determination in accordance with the Act.



M Mbambisa
(BSC – Engineering and
Post Graduate Diploma in Business Management)

City Manager

27 November 2014

Date

NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2014

General Information

Legal form of entity	Metropolitan Municipality
Nature of business and principal activities	Local Government
Mayoral Committee	
Executive Mayor	Cllr N.B Fihla
Councillors	Cllr T.H Ngcolomba (Deputy Executive Mayor) Cllr M.E Hermans (Speaker) Cllr Z.J Seale (Chief Whip) Cllr A.C.G Mfunda (Infrastructure and Engineering and Electricity and Energy) Cllr W Jikeka (Corporate Services) Cllr T.B Mafana (Safety and Security) Cllr F Desi (Constituency Services) Cllr B Lobishe (Economic Development, Tourism and Agriculture) Cllr N.S Soul (Sports, Recreation, Arts and Culture) Cllr P.M Ndlovu (Public Health) Cllr B.E Mkavu (Human Settlements) Cllr B. Naran (Budget and Treasury)
Accounting Officer (City Manager)	M Mbambisa
Chief Financial Officer (CFO)	J.T Harper
Chief Operating Officer (COO)	M Clay
Chief of Staff	B Ntshona
Metro Police Chief	M Mathabathe
Executive Directors	M Ndoyana (Corporate Services) A Qaba (Economic Development, Tourism and Agriculture) C Williams (Acting - Sports, Recreational, Arts and Culture) A Tolom (Acting - Public Health) L Petuna (Human Settlements) S Mathews (Electricity and Energy) E.W Shaidi (Infrastructure and Engineering) S Brown (Safety and Security)
Registered Office	1 st Floor City Hall Govan Mbeki Avenue Port Elizabeth 6001

Business Address	1 st Floor City Hall
	Govan Mbeki Avenue
	Port Elizabeth
	6001
Postal Address	P O Box 116
	Port Elizabeth
	6000
Bankers	ABSA
Auditors	Auditor-General (SA)
Physical Address of Auditors	69 Frere Road
	Vincent
	East London
	5247
Postal Address of Auditors	P O Box 13252
	East London
	5217

**NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
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NELSON MANDELA BAY
METROPOLITAN MUNICIPALITY
AUDITED FINANCIAL STATEMENTS

**NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014**

	Note	Actual 2014 R	Restated 2013 R
NET ASSETS AND LIABILITIES			
Net Assets			
Total Accumulated Surplus		11 195 321 078	10 070 450 727
Non-current Liabilities			
Long-term Liabilities	3	1 578 057 635	1 716 181 220
Employee Benefit Obligation	4.1	1 304 681 454	1 465 089 079
Non-current Provisions	4.2	311 233 086	251 591 100
Current Liabilities			
Consumer Deposits	7	100 347 533	93 158 571
Current Employee Benefit Obligation	5.1	81 605 533	114 565 186
Current Provisions	5.2	78 479 629	139 174 500
Creditors - Exchange Transactions	8	1 626 421 354	1 498 059 826
Unspent Conditional Grants and Receipts	9	260 757 148	364 675 344
Current Portion of Long-term Liabilities	3	112 968 098	105 158 824
Total Net Assets and Liabilities		16 649 872 548	15 818 104 377
ASSETS			
Non-current Assets			
Property, Plant and Equipment (PPE)	10	12 876 688 749	12 548 702 870
Heritage Assets	11	203 409 623	197 422 702
Intangible Assets	12	167 188 642	207 004 329
Investment Property	13	199 439 155	199 262 490
Investments	14	0	20 000
Long-term Receivables - Exchange Transactions	15	6 734 606	27 499 304
Long-term Receivables - Non-exchange Transactions	15	5 356 644	4 411 361
Current Assets			
Inventory	16	107 225 607	105 955 694
Consumer Debtors - Exchange Transactions	17	841 041 601	586 933 364
Consumer Debtors - Non-exchange Transactions	17	195 693 983	24 433 716
Other Debtors - Exchange Transactions	18	335 182 500	361 190 998
VAT Refund	19	118 583 727	3 452 792
VAT Suspense	19	40 765 490	29 703 240
Current Portion of Long-term Receivables - Exchange Tra	15	80	80
Short-term Investments	20	2 526 748	1 882 274
Short-term Investment Deposits	20	1 421 480 088	1 245 378 088
Bank Balances and Cash	21	128 555 305	274 851 075
Total Assets		16 649 872 548	15 818 104 377

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NELSON MANDELA BAY MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	<u>Accumulated Surplus</u>
	R
Balance at 01 July 2012 as previously reported	9 324 975 588
Restatements (Refer note 40.2)	(126 529 276)
Restated Balance at 01 July 2012	9 198 446 312
Surplus for the year as previously reported	854 664 070
Decrease in Surplus (Refer note 40.1.1)	17 340 345
Restated Surplus for the year	872 004 415
Restated Balance at 30 June 2013	10 070 450 727
Balance at 01 July 2013	10 070 450 727
Surplus for the year	1 124 870 351
Balance at 30 June 2014	11 195 321 078

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SOUTH AFRICA

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NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	Actual 2014 R	Restated 2013 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		7 550 963 864	7 208 188 901
- Sale of goods and services, fines and taxes levied		4 843 795 464	4 790 005 676
- Grants		2 424 951 625	2 194 582 000
- Interest received		282 216 775	223 601 225
Cash paid to suppliers and employees		(5 735 171 819)	(5 480 771 893)
- Employee Costs		(1 860 493 743)	(1 652 923 801)
- Suppliers		(3 681 963 278)	(3 622 739 220)
- Interest paid	29	(192 714 798)	(205 108 872)
CAH GENERATED FROM OPERATIONS	32	1 815 792 046	1 727 417 008
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of PPE		(1 602 005 250)	(1 219 604 577)
Purchase of Intangible assets		(66 539 177)	(23 651 413)
Purchase of Investment Property		(6 295 644)	(18 754 231)
Purchase of Heritage Assets		(5 986 921)	(6 621 347)
NET CASH FLOW FROM INVESTING ACTIVITIES		(1 680 826 992)	(1 268 631 568)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Non-current Liabilities (external loan funding)	34	(105 158 824)	(97 443 690)
NET CASH FLOW FROM FINANCING ACTIVITIES		(105 158 824)	(97 443 690)
NET CHANGE IN CASH AND CASH EQUIVALENTS		29 806 230	361 341 750
Cash and cash equivalents at the beginning of the year		1 520 229 163	1 158 887 413
Cash and cash equivalents at the end of the year	33	1 550 035 393	1 520 229 163

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